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August 27, 2008

FEDERAL EXPRESS

Stephanie L. Stumbo
Executive Director
Public Service Commission of Kentucky
211 Sower Boulevard
Frankfort, KY 40602

Re: Kentucky Utilities Company - Case No. 2008-00309 (In the Matter of: The Application of Kentucky Utilities Company for an Order Authorizing the Issuance of Securities and the Assumption of Obligations)

Dear Ms. Stumbo:

Enclosed for filing in the above referenced case, please find the original and ten (10) copies of the Certified Board Resolutions of Kentucky Utilities Company authorizing Kentucky Utilities Company to undertake obligations in connection with private activity bonds issued by Carroll County, Kentucky in connection with financing portions of pollution control facilities at the Company's Ghent generating station. Also enclosed is an additional copy of the Resolutions to be returned to the undersigned in the enclosed self-addressed envelope.

Please do not hesitate to contact me if you have any questions or require additional information.

Very truly yours,

J. Wade Hendricks

JWH/dvg
Enclosure

cc: Dennis Howard, II
Daniel Arbough
Lonnie Bellar

Stephanie L. Stumbo
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Rick Lovekamp
John Fendig, Esq.
Allyson K. Sturgeon, Esq.
Elliott Horne
Donald Harris

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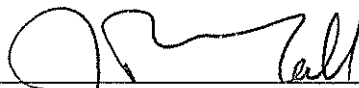
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SECRETARY'S CERTIFICATE

I, John R. McCall, certify that I am Executive Vice President, General Counsel and Corporate Secretary of Kentucky Utilities Company, a Kentucky and Virginia corporation (the "Company"); that I am one of the officers of the Company authorized to make certified copies of the corporate records; and as Corporate Secretary, I have access to all original records of the Company. I do hereby certify that attached hereto are resolutions of the Board of Directors of the Company adopted by unanimous written consent in lieu of a meeting August 18, 2008, and that the same are in full force and effect as of the date hereof.

IN WITNESS WHEREOF, I have signed this Certificate this 25th day of August 2008.



John R. McCall
Corporate Secretary

**ACTION OF THE BOARD OF DIRECTORS
OF
KENTUCKY UTILITIES COMPANY
TAKEN BY WRITTEN CONSENT**

August 18, 2008

ISSUANCE OF CERTAIN TAX-EXEMPT REVENUE BONDS

WHEREAS, the Company has expended or will expend funds to acquire and construct certain pollution control facilities (the "Project") in connection with its Ghent generating station in Carroll County, Kentucky; and

WHEREAS, the Commonwealth of Kentucky has granted a portion or portions of the state's allocation for the issuance of private activity bonds to the County of Carroll, Kentucky for the benefit of the Company in connection with the financing of the Ghent project not to exceed \$18,026,265 principal amount of tax exempt pollution control bonds (the "2008 Bonds") to fund, or reimburse the Company for funds already expended for, a portion of its expenditures relating to the Project; and

WHEREAS, the County of Carroll, Kentucky is referred to herein as the "Issuer"; and

WHEREAS, following receipt of such allocations from the Commonwealth of Kentucky, the Company will have only 90 days to complete the issuance of such 2008 Bonds, and that it is appropriate and in the best interests of the Company that action be taken at this time to authorize such an undertaking and facilitate the offering of such 2008 Bonds; and

WHEREAS, it is noted that the Company has recently completed five similar tax-exempt bond financing transactions also related to its on-going Ghent flue gas desulphurization project during July and November 2005, July and December 2006, and May 2007, which transactions were approved by this Board of Directors; and

WHEREAS, on April 28, 2008, the Board of Directors of the Company authorized and approved, among other things, the redemption, conversion, reissuance or refinancing of the following series of pollution control bonds: (i) the \$13,266,950 County of Carroll, Kentucky Environmental Facilities Revenue Bonds, 2005 Series A (Kentucky Utilities Company Project), (ii) \$13,266,950 County of Carroll, Kentucky Environmental Facilities Revenue Bonds, 2005 Series B (Kentucky Utilities Company Project), (iii) the \$16,693,620 County of Carroll, Kentucky Environmental Facilities Revenue Bonds, 2006 Series A (Kentucky Utilities Company Project), and (iv) the \$16,693,620 County of Carroll, Kentucky Environmental Facilities Revenue Bonds, 2006 Series C (Kentucky Utilities Company Project) (collectively, the "Existing Bonds"); and

WHEREAS, the Company may optionally desire to combine the issuance of the 2008 Bonds with the refinancing of all, with a portion of, or with none of the Existing Bonds, and it is appropriate and in the best interests of the Company that action be taken at this time to authorize such an undertaking; and

WHEREAS, in connection with the issuance of the 2008 Bonds and the refinancing of all of, a portion of, or none of the Existing Bonds, the Company may secure its payment obligations under one or more loan agreements with the Issuer and may further include the purchasing of bond insurance or providing for liquidity and/or credit support; and

NOW, THEREFORE, BE IT RESOLVED, by the Board of Directors of the Company as follows:

- (a) That the Chief Executive Officer, the President, the Chief Financial Officer, any Vice President, Treasurer, or any other officer of the Company be, and each of them hereby is, authorized and directed to cause the preparation of, and to approve, the following documents in connection with the issuance of all or a portion of the 2008 Bonds and the optional refinancing of all of, a portion of, or none of the Existing Bonds referred to above: (i) a loan agreement or loan agreements to be entered into between the Company and the Issuer whereby such Issuer will issue one or more series of Environmental Facilities Revenue Bonds in an amount to be determined by the Chief Executive Officer, Chief Financial Officer or Treasurer, which amount shall not exceed \$77,947,405 (collectively, the "Environmental Facilities Bonds") and loan the proceeds to the Company to acquire and construct the Project and to be used to refund, pay and discharge all or a portion of its Existing Bonds and pursuant to which the Company will be obligated to make loan payments sufficient to pay the principal of, premium, if any, and interest on such Environmental Facilities Bonds to be issued by such Issuer, and any related expenses, (ii) one or more guaranties from the Company in favor of a trustee or trustees chosen or appointed by such officers of the Company (the "Trustee") for the benefit of the holders of the Environmental Facilities Bonds guaranteeing repayment of all or a part of the obligations under such Environmental Facilities Bonds, (iii) such contracts of purchase, underwriting agreements or similar contracts or agreements with the Issuer and with other appropriate parties relating to the issuance of the Environmental Facilities Bonds, (iv) a preliminary official statement or preliminary official statements and a final official statement or final official statements which will describe the Company, the Issuer, the Project, the Environmental Facilities Bonds, the loan agreements and indentures of trust pursuant to which such Environmental Facilities Bonds are to be issued, and which will be used by the underwriter or underwriters chosen by such officers of the Company (the "Underwriters") in connection with the sale of such Environmental Facilities Bonds to the public, (v) such reimbursement agreements, remarketing agreements, broker-dealer agreements, credit agreements, bond insurance documents or agreements or other similar documents or agreements as may be reasonably required, in the event the Environmental Facilities Bonds, or any of them are issued as variable rate

demand or similar instruments, in the discretion of such officers, (vi) one or more Notes which the Company may issue to secure the transaction, (vii) a form or forms of escrow agreement, or such other documents as may be deemed appropriate, by and between the Issuer and the trustee under the indenture pursuant to which any applicable Existing Bonds were issued and pursuant to which certain securities may be held by such trustee in order to provide for the payment and discharge of any applicable Existing Bonds, and (viii) such other related documents, forms, certificates or agreements as shall be necessary or appropriate to effectuate such financing and refinancing (if any).

- (b) That, the Chief Executive Officer, the President, the Chief Financial Officer, any Vice President, Treasurer, or any other officer of the Company be, and each of them hereby is, authorized and empowered (i) to execute and file, or cause to be filed, on behalf of the Company such applications or petitions with any federal, state, or local commission, court, agency or body having jurisdiction as may be required to obtain any approvals, consents, orders or rulings as such officers or counsel for the Company may deem to be necessary or desirable in connection with the Company's participation in such financing and the transactions and documents contemplated thereby, and (ii) to execute and deliver or file such amendments or supplements to said applications or petitions as may be required by law or as may be deemed to be proper or appropriate in their judgment or in the judgment of counsel for the Company in connection with the foregoing.
- (c) That, and subject to receipt of all necessary regulatory authorizations and other approvals, the Company shall borrow the sum of not to exceed \$77,947,405 from the Issuer, in accordance with the terms of the loan agreements, and the proceeds of such borrowings shall be used by the Company for qualifying expenditures or to reimburse the Company for funds already expended on qualifying expenditures on the Project, to pay and discharge all or a portion of the Existing Bonds and for such other purposes, if any, as may be provided in any of the agreements and documents required to be executed and delivered in connection with the issuance of the Environmental Facilities Bonds.
- (d) That subject to the receipt of all necessary regulatory authorizations and other approvals, the Chief Executive Officer, the President, the Chief Financial Officer, any Vice President, Treasurer or any other officer of the Company be, and each of them hereby is, authorized to approve offers for the purchase from the Issuer of not to exceed \$77,947,405 principal amount of Environmental Facilities Bonds. Such purchase may be through negotiation, competitive bidding, or private placement transaction, as determined to be reasonable. The proceeds will be loaned to the Company at such purchase prices, which shall not be less than the principal amount thereof plus accrued interest from the date of such Environmental Facilities Bonds to the date of closing, and at such interest rate or rates, as determined to be reasonable.

- (e) That subject to the receipt of all necessary regulatory authorizations and other approvals, the appropriate officers of the Company be, and each of them hereby is, authorized to execute, on behalf of the Company, one or more loan agreements with the Issuer, providing for the loan to the Company of the proceeds of not to exceed \$77,947,405 principal amount of Environmental Facilities Bonds, each in accordance with the terms and provisions thereof.
- (f) That, subject to the receipt of all other necessary regulatory approvals, the appropriate officers of the Company be, and each of them hereby is, authorized to execute, on behalf of the Company, one or more guaranties in favor of the Trustee for the benefit of the holders of the Environmental Facilities Bonds guaranteeing the payment of all or any part of the obligations under such Environmental Facilities Bonds.
- (g) That, subject to the receipt of all other necessary regulatory approvals, the appropriate officers of the Company be, and each of them hereby is, authorized to execute, on behalf of the Company, one or more contracts of purchase, underwriting agreements or similar contracts or agreements with the Issuer and other appropriate parties relating to the sale of not to exceed \$77,947,405 principal amount of Environmental Facilities Bonds.
- (h) That, subject to receipt of all other necessary regulatory approvals, the officers of the Company be, and each of them hereby is, authorized by and on behalf of the Company, to negotiate and enter into one or more bond insurance or similar agreements with a bond insurer to be selected by the Chief Executive Officer, the President, Chief Financial Officer, any Vice President or the Treasurer, each in substantially the form presented to and approved by any such officer with such changes thereto as the officer executing each of such documents shall deem necessary or advisable, the execution of such documents thereby to conclusively evidence such officer's approval and the approval of this Board of Directors.
- (i) That in the event all or a portion of the Environmental Facilities Bonds bear a variable rate of interest, the appropriate officers of the Company be, and each of them hereby is, authorized to execute on behalf of the Company one or more remarketing agreements, auction agreements, reimbursement agreements or similar agreements with appropriate parties providing for the remarketing of such Environmental Facilities Bonds, a credit agreement or credit agreements or similar agreements and any promissory notes to be issued pursuant to such agreements for the purpose of providing a source of funds upon tender of such bonds, and any other agreements in order to consummate the transactions contemplated by the loan agreement or loan agreements.
- (j) That the appropriate officers of the Company be, and each of them hereby is, authorized to execute on behalf of the Company: (i) one or more interest rate swap, collar, or cap agreements or similar agreements with one or more underwriters, banks or other financial institutions providing for the hedging of the interest rate on the Environmental

Facilities Bonds and (ii) any other agreement, document or instrument that may be necessary or appropriate in connection with any such transaction.

- (k) That the officers of the Company be, and each of them hereby is, authorized in the name and on behalf of the Company and under its corporate seal or otherwise, to take care or cause to be taken all such further actions and to execute and deliver or cause to be executed and delivered all such further documents, bond insurance documents or agreements, certificates and agreements (including without limitation, instruments authorizing or consenting to amendment, modifications or waivers to any of the agreements or disclosure documents executed in connection with the issuance, execution and delivery of the notes or bonds, and the execution and delivery of the bond insurance documents or agreements) as such persons may deem necessary, advisable or appropriate in connection with the transactions contemplated thereby and hereby, and to incur all such fees and expenses as shall be necessary, advisable or appropriate in their judgment in order to carry into effect the purpose and intent of any and all of these resolutions.
- (l) That the Chief Executive Officer, the President, Chief Financial Officer, any Vice President, Treasurer or any other officer of the Company be and they are hereby authorized and empowered to take all steps or actions, and to execute and deliver any other documents, certificates or other instruments, deemed necessary, proper or appropriate in their judgment or in the judgment of counsel for the Company in connection with the financing referred to above and to carry out the purposes of these resolutions, including (i) calling one or more series of the Existing Bonds for redemption or otherwise effecting the payment and discharge of such Existing Bonds.
- (m) That Daniel K. Arbough is hereby appointed as "Company Representative" and S. Bradford Rives and Paul W. Thompson are hereby appointed as "Alternate Company Representatives," respectively, under the provisions of the indentures and the loan agreements. The President and any Vice President, the Chief Financial Officer or the Treasurer of the Company are authorized to appoint from time to time other persons (who may be employees of the Company) to act as "Company Representative" or Alternate Company Representative" under the indentures and the loan agreements.
- (n) That any acts of the officers of this Company, which acts would have been authorized by the foregoing resolutions except that such acts were taken prior to the adoption of such resolutions, are hereby severally ratified, confirmed, approved and adopted as acts in the name of and on behalf of this Company.
- (o) That the Board of Directors does hereby adopt, as if fully set out herein, the form of any resolutions with respect to the Environmental Facilities Bonds as may be required by the Underwriters, and any other entities requiring such resolutions to effect the intent of these resolutions.

- (p) That each of the Chief Executive Officer, President, Chief Financial Officer, any Vice President, the Treasurer, the Secretary or any Assistant Secretary of the Company be, and hereby is, authorized and directed to take any and all further action to see that the intent of the above resolutions are carried forth.