

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF KENTUCKY UTILITIES COMPANY)	
FOR AN ORDER AUTHORIZING THE RESTRUCTURE)	CASE NO.
AND REFINANCING OF UNSECURED DEBT AND)	2011-00307
THE ASSUMPTION OF OBLIGATIONS AND FOR)	
AMENDMENT OF EXISTING AUTHORITY)	

COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION TO
KENTUCKY UTILITIES COMPANY

Kentucky Utilities Company ("KU"), pursuant to 807 KAR 5:001, is to file with the Commission the original and eight copies of the following information, with a copy to all parties of record. The information requested herein is due no later than 15 days from the date of this request. Responses to requests for information shall be appropriately bound, tabbed and indexed. Each response shall include the name of the witness responsible for responding to the questions related to the information provided.

Each response shall be answered under oath or, for representatives of a public or private corporation or a partnership or association or a governmental agency, be accompanied by a signed certification of the preparer or the person supervising the preparation of the response on behalf of the entity that the response is true and accurate to the best of that person's knowledge, information, and belief formed after a reasonable inquiry.

KU shall make timely amendment to any prior response if it obtains information which indicates that the response was incorrect when made or, though correct when made, is now incorrect in any material respect. For any request to which KU fails or

refuses to furnish all or part of the requested information, it shall provide a written explanation of the specific grounds for its failure to completely and precisely respond.

Careful attention shall be given to copied material to ensure that it is legible. When the requested information has been previously provided in this proceeding in the requested format, reference may be made to the specific location of that information in responding to this request.

1. Refer to paragraph 5 of KU's application. Provide a thorough description of the recent "[s]ignificant changes in the credit markets" that make it advantageous for KU to now extend its current credit facilities beyond the current December 31, 2014 expiration date.

2. Refer to paragraph 7 of KU's application.

a. Explain in detail why KU anticipates paying a lower upfront fee if it amends and extends the current credit facilities as it proposes rather than waiting until the end of the term of the current credit facilities to replace the line of credit.

b. Provide the current credit spread KU would pay if it borrowed under the line of credit, KU's expected reduction in the credit spread under the proposed amendment, and an explanation of how the amount of the expected reduction was determined.

3. Refer to Exhibit 1 to KU's application.

a. Provide a description and/or explanation of "Unfunded Fees."

b. Explain how the amount of Unfunded Fees is derived under both the "Current" and "Proposed" scenarios.

c. Explain why the Unfunded Fees will be 25 percent less under the "Proposed" scenario compared to the "Current" scenario.

d. Explain how the amounts of the Upfront/Arranger Fees of \$2,100,000 under the "Current" scenario and \$925,000 under the "Proposed" scenario were derived.



Jeff Derouen
Executive Director
Public Service Commission
P.O. Box 615
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DATED SEP 08 2011

cc: Parties of Record

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