

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF KENTUCKY UTILITIES	)	
COMPANY FOR AN ORDER AMENDING AND	)	CASE NO.
EXTENDING EXISTING AUTHORITY WITH	)	2015-00137
RESPECT TO REVOLVING LINE OF CREDIT	)	
	)	

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 in paper medium and an electronic copy of the following information. The information requested herein is due within ten days of the date of this request. Responses to requests for information in paper medium 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 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, KU shall provide a written explanation of the specific grounds for its failure to completely and precisely respond.

Careful attention should 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. When applicable, the requested information shall be separately provided for total company operations and jurisdictional operations. When filing a document containing personal information, KU shall, in accordance with 807 KAR 5:001, Section 4(10), encrypt or redact the document so that personal information cannot be read.

1. Refer to KU's application in the instant case, page 2, paragraph 4, and the applications in Case Nos. 2012-00409,<sup>1</sup> 2013-00238,<sup>2</sup> and 2014-00082,<sup>3</sup> which all state that "credit facilities would no longer be available on terms as favorable. . ." in part due to Basel III. Those previous applications further state that "not only are revolving lines of credit likely to be less readily available, but the current historically low commitment fees and interest spreads on actual borrowings are likely to be higher in the future."

a. According to paragraph 4 of the application in the instant case, Basel III began to be phased in starting in 2013. On page 7 of the application in Case No. 2014-00082, KU stated that the market had not yet exhibited signs of this phase-in.

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<sup>1</sup> Case No. 2012-00409, *Application of Kentucky Utilities Company for an Order Amending and Extending Existing Authority with Respect to Revolving Line of Credit* (Ky. PSC Oct. 23, 2012).

<sup>2</sup> Case No. 2013-00238, *Application of Kentucky Utilities Company for an Order Amending and Extending Existing Authority with Respect to Revolving Line of Credit* (Ky. PSC Aug. 7, 2013).

<sup>3</sup> Case No. 2014-00082, *Application of Kentucky Utilities Company for an Order Authorizing the Issuance of Securities and the Assumption of Obligations* (Ky. PSC June 16, 2014).

State whether there have been any indications or signs that the market is reacting to the Basel III phase-in with higher commitment fees and interest spreads. If so, provide a discussion of the effects. Also, provide a table showing the change in commitment fees and interest spreads for each of the previous cases cited herein.

b. State whether KU has experienced less readily available credit during the period of time represented by the previously cited financing applications. If so, explain the effects on KU's financing arrangements.



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Jeff Derouen  
Executive Director  
Public Service Commission  
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DATED     **MAY 26 2015**    

cc: Parties of Record

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