

LOUISVILLE GAS AND ELECTRIC COMPANY

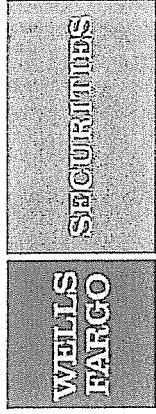
Response to KIUC's First Set of Data Requests Dated July 12, 2011

Case No. 2011-00162

Question No. 16

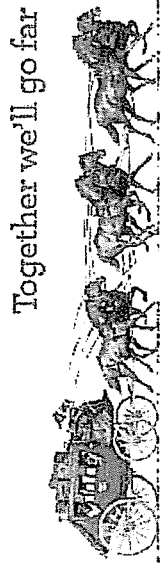
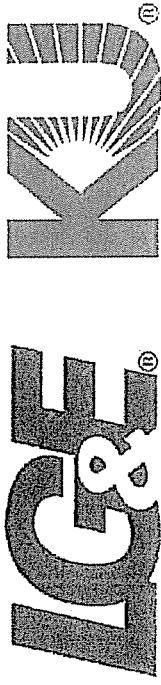
Witness: Daniel K. Arbough

- Q-16. Refer to page 13 lines 7-14 of Mr. Bellar's Direct Testimony wherein he addresses the Company's plans to finance the proposed environmental compliance capital costs.
- a. Please provide a copy of all studies performed by or on behalf of the Company that address the Company's financing plans and/or various financing alternatives, if any. If none, then please explain why the Company has not performed any such studies.
 - b. Please describe the Company's analyses of project (asset based) financing for these projects, if any. Provide all assumptions, data, computations, and results. Provide a copy of all correspondence with potential funding sources.
 - c. Please provide a copy of all e-mails, other correspondence, and presentations to and/or from investment bankers/banks/other funding sources that address the Company's financing plans and/or various financing alternatives, if any.
- A-16. a. The Company has not performed studies on financing plans for the proposed environmental compliance capital costs. The Company has, however, established a financing structure that allows all capital to be financed in a cost-effective manner. In October 2010, a First Mortgage Bond indenture was finalized which allows for future debt issuance by the Company. Under the indenture, future debt issuances will be supported by a lien on substantially all of the fixed assets of the Company. This allows the Company to access the most liquid capital market available to it. The November 2010 transaction wherein the Company issued \$535 million of bonds at very attractive interest rates averaging 3.49% with an average maturity of more than 18 years is evidence of the attractive nature of this market.
- b. The Company has not performed analyses of project (asset based) financing and does not engage in such financing. The existing first mortgage bond structure requires all real property to be subjected to the first mortgage lien. This limits the ability of the Company to utilize its real property as collateral in other financing structures.
 - c. See the attached information on CD in the folder titled Question 16(c).



Discussion Materials for LG&E and KU Energy LLC

June 14, 2011



Contact Information

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Investment Banking

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Charlotte, NC 28288

Energy & Power Investment Banking

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Debt Capital Markets – Commercial Paper

- Brianna Provance, *Vice President* (704) 715-0537

LG&E and KU Energy LLC

Wells Fargo Securities

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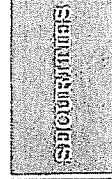
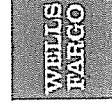
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Executive Summary

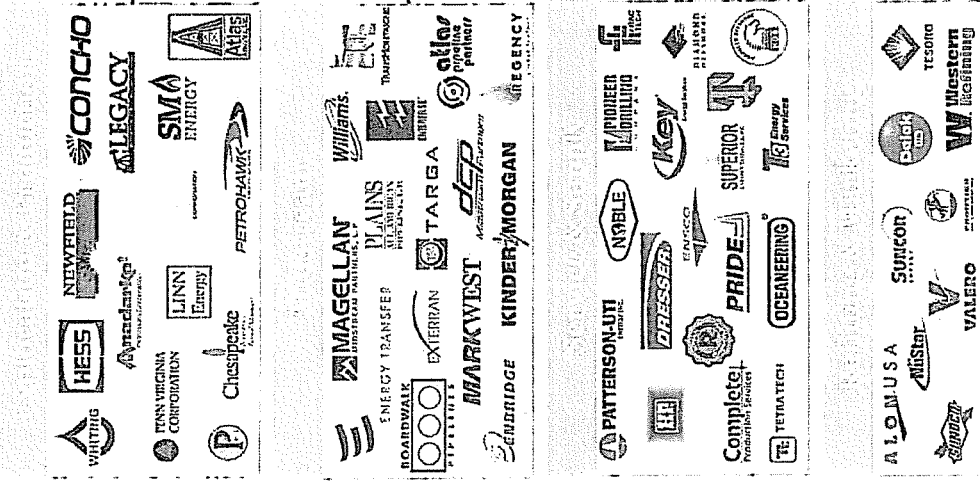
Executive Summary

Wells Fargo is pleased to meet with LKE to introduce our investment banking platform and discuss the Utility's future financing needs

- Wells Fargo Securities is pleased to have the opportunity to meet with LG&E and KU Energy LLC ("LKE" or the "Utility").
- Our agenda for today is to:
 - Introduce Wells Fargo Securities' Energy & Power Investment Banking Franchise
 - Provide an overview of the relevant developments and trends in the debt capital markets
 - Discuss upcoming financing needs at LKE and its operating utilities
 - Discuss potential upcoming commercial paper opportunities at LKE
- Wells Fargo Securities is committed to expanding its current relationship with PPL / LKE and supporting the Company with its upcoming capital markets offerings.



Energy & Power Investment Banking Group



Energy & Power Investment Banking
James Kipp – Group Head

Energy Coverage

Managing Directors
 Jay Chernosky
 Russell Clingman
 David Humphreys
 Paul Riddle

Directors
 Jay Buckman
 Chris Hewitt
 Jeff Strobel

Vice Presidents
 Jeff Carmichael
 James Peery
 Ty Peterson
 Michael Shin
 Iliya Filev
 Ryan Stash

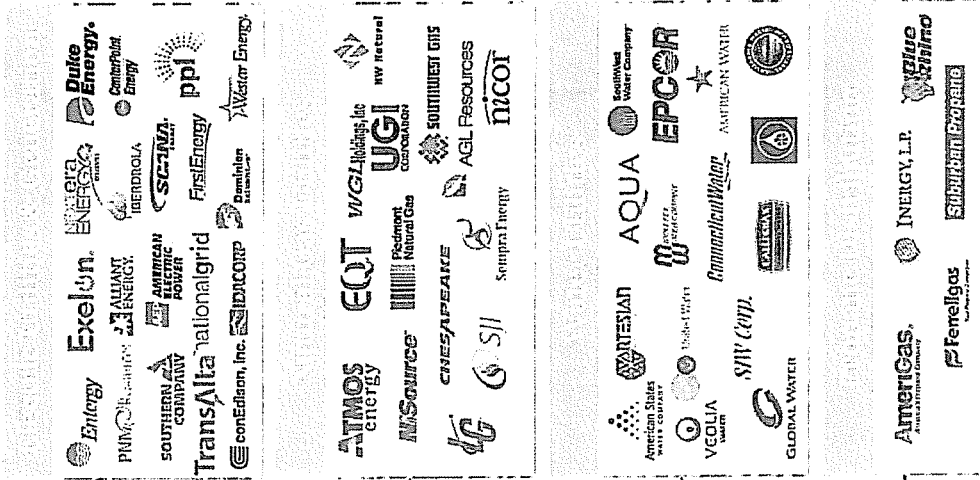
Power Coverage

Managing Directors
 Dave Johnson
 Brian Tate

Directors
 Jonathan Crumpler
 John Levesque
 AJ Basse
 Aaron Smith

Vice Presidents
 John Hackney

Mergers & Acquisitions
 Hugh Babowal, *Managing Director*
 Stephen Gallagher, *Director*
 Nick Horodincu, *Vice President*



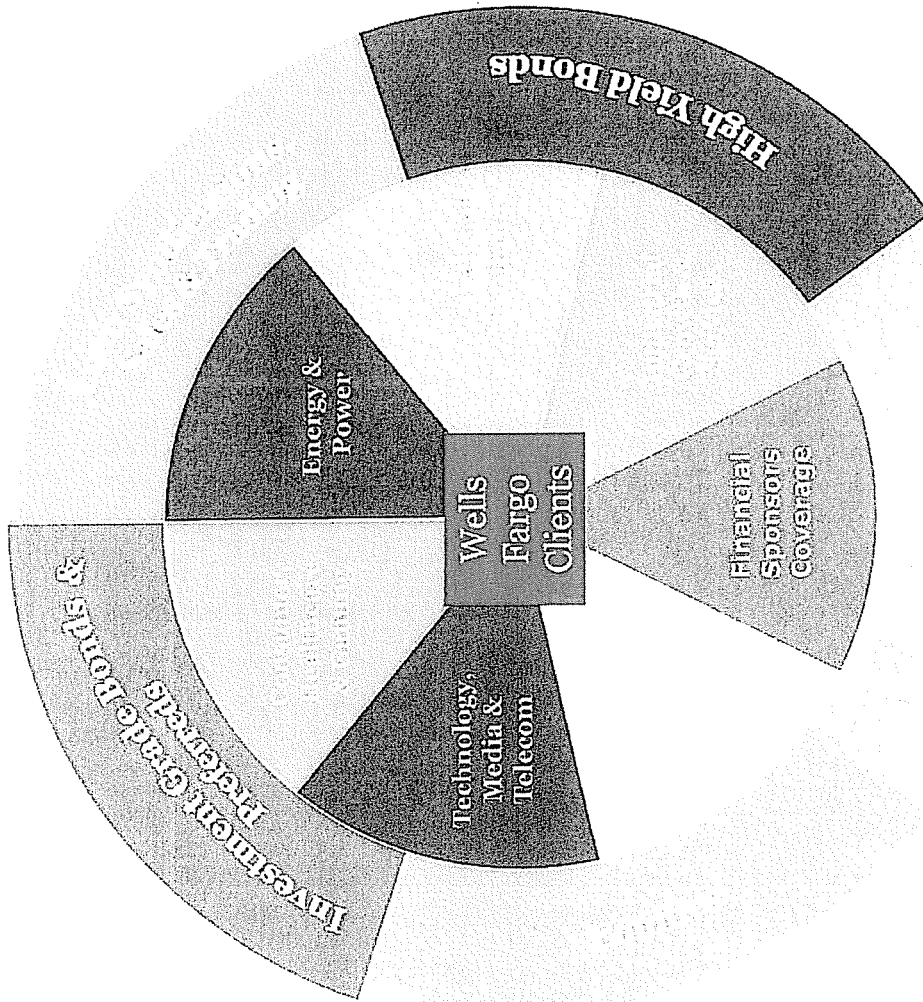
Energy & Power represent core sectors for the Wells Fargo Securities Platform
Over \$25 billion in capital commitments to the Energy & Power Industry (2008-2012)
Senior coverage team has worked together for 20+ years
Over 40 investment banking professionals & Dedicated M&A team

LG&E and KU Energy LLC

Wells Fargo Securities

Wells Fargo Investment Banking & Capital Markets: A Client Focused Culture and Franchise

- We are a customer driven business combining strong relationships and industry knowledge with superior capital markets and advisory capabilities.



Energy & Power Investment Banking

Completed over 700 engagements since 1996, including \$4.3 billion in energy and utility transactions since April 2009.

Ranked #1 for bookrun Energy & Power IPO's and Follow-Ons, with 73 transactions since January 1, 2010.

Ranked #2 most active Lead Arranger of high grade loans in the U.S., leading 51 high grade transactions in LTM through 1Q 2011.

Investment Grade Bonds & Preferreds

Ranked #2 for Utility / Power bookrun deals with over \$1.6 billion in total volume year to date.

High Yield Bonds

Ranked #2 underwriter for energy high yield in 2010 with 37 bookrun transactions and approximately \$4.4 billion in total volume.

Wells Fargo's M&A Platform – Outstanding Mergers & Acquisitions Franchise

Outstanding Mergers & Acquisitions Franchise

- Strong M&A franchise with proven track record of superior idea generation, transaction execution and uncompromising integrity.
- 30+ year exclusive commitment to serving advisory needs of growing companies
- Over 40 dedicated M&A professionals (New York, Houston, Charlotte, San Francisco, and Richmond)
- Full advisory services (sellside, buy-side, strategic financial advisory, takeover defense)
- Unsurpassed track record of successful transactions.
 - Excellence in strategic advice to private and public corporations
 - Strong tradition of M&A for growth companies
 - Completed over 700 engagements since 1996
 - M&A capabilities and deal flow enhanced by Wells Fargo's investment banking platform.
- Over \$4.3 billion in energy and utility M&A transactions successfully executed since April 2009.

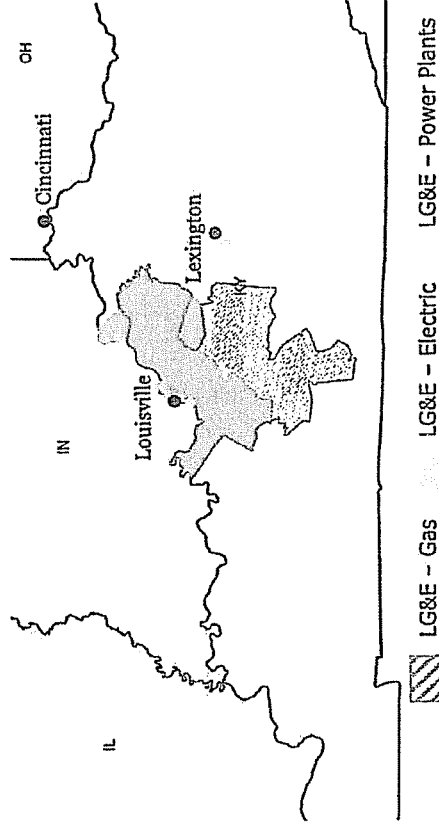
<p>\$393,000,000</p> <p>DENBURY Resources Inc.</p> <p>to sell its 47% GP and LP Interests in</p> <p>ENP Energy Partners</p> <p>to</p> <p>VANGUARD Energy Services Inc.</p> <p>Financial Advisor to Denbury Resources Inc. November 17, 2010</p>	<p>\$725,000,000</p> <p>INERGY, L.P.</p> <p>has acquired</p> <p>IRES PALACIOS IRES Palacios, L.P.</p> <p>Financial Advisor to Inergy, L.P. September 7, 2010</p>	<p>\$530,000,000</p> <p>TARGA</p> <p>Targa Resources Partners LP has acquired the Downstream Business from Targa Resources, Inc.</p> <p>Financial Advisor to Targa Resources, Inc. July 28, 2009</p>	<p>\$390,000,000</p> <p>EQT</p> <p>to sell the Big Sandy Pipeline to</p> <p>Spectra Energy Partners</p> <p>Financial Advisor to EQT Corporation May 11, 2011</p>	<p>\$686,100,000</p> <p>Atlas Pipeline Partners, L.P.</p> <p>has sold the Elk City System to</p> <p>ENBRIDGE</p> <p>Financial Advisor to Atlas Pipeline Partners, L.P. July 28, 2010</p>	<p>\$530,000,000</p> <p>TARGA</p> <p>Targa Resources Partners LP has acquired the Downstream Business from Targa Resources, Inc.</p> <p>Financial Advisor to Targa Resources, Inc. July 28, 2009</p>
<p>\$289,000,000</p> <p>PROHEIS</p> <p>has acquired</p> <p>CHESAPEAKE ENERGY Gambro, Inc.</p> <p>Financial Co-Advisor to Jones Energy, Ltd. January 4, 2010</p>	<p>\$223,000,000</p> <p>Liberty Propane, L.P.</p> <p>has been acquired by</p> <p>INERGY, L.P.</p> <p>Financial Advisor to Liberty Propane, L.P. December 31, 2009</p>	<p>\$365,700,000</p> <p>Affiliates of Mr. Harold Hamm have acquired the Hilland companies</p> <p>HILLAND</p> <p>Financial Advisor to Mr. Harold Hamm June 1, 2009</p>	<p>\$230,000,000</p> <p>EQT</p> <p>has sold its Kentucky natural gas processing complex to</p> <p>MARKWEST</p> <p>Financial Advisor to EQT Corporation January 4, 2011</p>	<p>\$426,500,000</p> <p>SouthWest Water Company</p> <p>has been acquired by</p> <p>JPMORGAN WATER ASSET MANAGEMENT, LLC</p> <p>Financial Advisor to SouthWest Water Company March 3, 2010</p>	<p>\$294,500,000</p> <p>Spectra Energy Partners</p> <p>has acquired NOARK Pipeline System, LP from</p> <p>NOARK Pipeline</p> <p>Financial Advisor to Spectra Energy Partners, LP April 8, 2009</p>
<p>\$131,800,000</p> <p>NV Energy</p> <p>California Electric Distribution / Generation assets have been acquired by</p> <p>ALCONQUIN POWER</p> <p>Emcon</p> <p>Financial Advisor to NV Energy, Inc. January 1, 2011</p>	<p>\$230,000,000</p> <p>EQT</p> <p>has sold its Kentucky natural gas processing complex to</p> <p>MARKWEST</p> <p>Financial Advisor to EQT Corporation January 4, 2011</p>	<p>\$426,500,000</p> <p>SouthWest Water Company</p> <p>has been acquired by</p> <p>JPMORGAN WATER ASSET MANAGEMENT, LLC</p> <p>Financial Advisor to SouthWest Water Company March 3, 2010</p>	<p>\$131,800,000</p> <p>NV Energy</p> <p>California Electric Distribution / Generation assets have been acquired by</p> <p>ALCONQUIN POWER</p> <p>Emcon</p> <p>Financial Advisor to NV Energy, Inc. January 1, 2011</p>	<p>\$426,500,000</p> <p>SouthWest Water Company</p> <p>has been acquired by</p> <p>JPMORGAN WATER ASSET MANAGEMENT, LLC</p> <p>Financial Advisor to SouthWest Water Company March 3, 2010</p>	<p>\$294,500,000</p> <p>Spectra Energy Partners</p> <p>has acquired NOARK Pipeline System, LP from</p> <p>NOARK Pipeline</p> <p>Financial Advisor to Spectra Energy Partners, LP April 8, 2009</p>

Louisville Gas & Electric Company – Gas Operations

Company Overview

- Louisville Gas and Electric Company ("LG&E") is a regulated public utility engaged in the generation, transmission, distribution and sale of electric energy and the storage, distribution and sale of natural gas.
 - Purchased by PPL Corp. along with Kentucky Utilities in 2010 from E.ON A.G. for \$7.6 billion
 - Provides natural gas service to ~320,000 customers in electric service area and 8 additional counties in Kentucky.
 - On July 30, 2010, the Kentucky Public Service Commission authorized a rate increase of \$17.0 million (5.80% increase) for LG&E's gas utility.
 - On January 29, 2010, LG&E requested a rate increase of \$22.6 million (7.70% increase) with a 11.50% ROE
 - Requested rate base of \$466.5 million

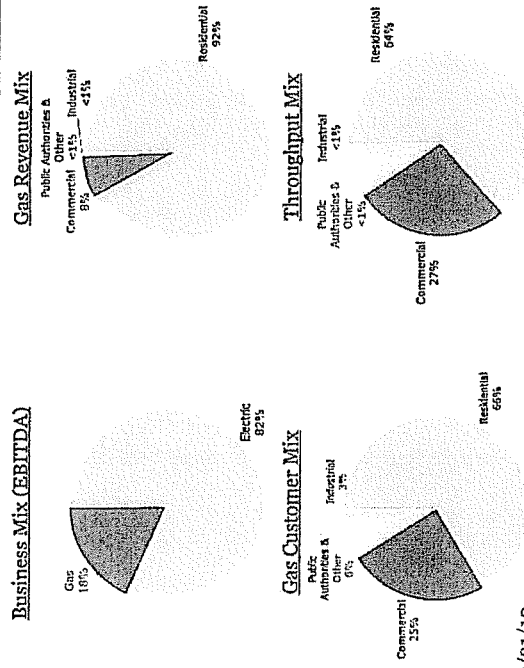
Service Territory



Source: FERC filings, SEC filings, SNL Financial

LG&E and KU Energy LLC

Operational Overview



¹ As of 12/31/10

Historical Financials – Gas Operations

	Fiscal Year Ending,				
	12/31/06	12/31/07	12/31/08	12/31/09	12/31/10
Total Net Sales	\$395.2	\$352.7	\$458.4	\$361.6	\$302.9
Operations Expense	(336.7)	(292.5)	(392.4)	(297.0)	(213.3)
Maintenance Expense	(11.6)	(13.3)	(16.9)	(16.4)	(17.5)
Other Taxes ¹	(5.3)	(5.6)	(5.7)	(5.6)	(5.4)
EBITDA	41.6	41.2	43.4	42.6	66.7
Dep. & Amort.	(1.5)	(1.6)	(1.5)	(2.1)	(2.1)
EBIT	40.1	39.6	41.9	40.6	64.6
Revenue Growth	(9.5%)	(10.8%)	30.0%	(21.1%)	(16.2%)
EBITDA Margin	10.5%	11.7%	9.5%	11.8%	22.0%
EBIT Margin	10.1%	11.2%	9.1%	11.2%	21.3%

¹ Taxes other than income taxes

Wells Fargo Securities

Wells Fargo's Energy & Power Equity Franchise

Energy & Power Book-runners Since 01/01/10

Rank	Book-runner	# of Deals
2	Citi	70
3	Bank of America	65
4	Barclays Capital	63
5	Morgan Stanley	58
6	UBS	44
7	JPMorgan	43
8	Credit Suisse	37
9	RBC Capital Markets	23
10	Goldman Sachs	15

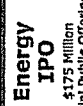
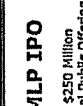

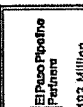

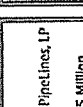



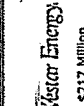


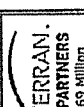
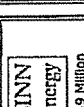
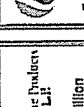
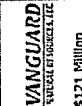

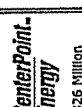
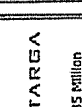
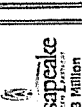
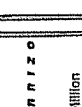
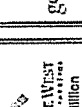
Source: Dealogic
Includes MLPs, E&P, OFS, and Power

Utility Book-runners Since 01/01/10

Rank	Book-runner	# of Deals
1	Morgan Stanley	6
1	JPMorgan	6
1	Credit Suisse	6
1	Bank of America	6
6	Merrill Lynch	4
7	Barclays Capital	3
8	Citi	3
8	UBS	2
8	Janney Montgomery Scott	2
8	BMO Capital Markets	2

Source: Dealogic

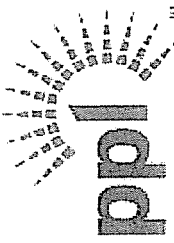
Selected Book-run Transactions

 Energy IPO \$175 Million Initial Public Offering of Common Stock Pending Joint Book-runner	 MLP IPO \$250 Million Initial Public Offering of Common Units Pending Joint Book-runner	 Energy Partners \$403 Million Follow-On Offering of Common Units Joint Book-runner	 Energy Partners \$159 Million Initial Public Offering of Common Units Left Book-runner	 TC Pipelines, LP \$345 Million Follow-On Offering of Common Units Joint Book-runner	 TESORO LOGISTICS \$314 Million Initial Public Offering of Common Units Joint Book-runner	 Energy Partners, L.P. \$328 Million Follow-On Offering of Common Units Joint Book-runner	 Energy Partners \$2.3 Billion Follow-On Offering of Common Stock Joint Book-runner	 Energy Partners \$718 Million Follow-On Offering of Common Units Joint Book-runner	 Energy Partners \$154 Million Follow-On Offering of Common Stock Left Book-runner
 Wester Energy \$217 Million Follow-On Offering of Common Stock Joint Book-runner	 Wester Energy \$146 Million Follow-On Offering of Common Units Left Book-runner	 Energy Partners \$153 Million Follow-On Offering of Common Units Joint Book-runner	 Energy Partners \$153 Million Follow-On Offering of Common Units Joint Book-runner	 LINN Energy \$649 Million Follow-On Offering of Units Joint Book-runner	 MARTIN \$74 Million Follow-On Offering of Common Units Left Book-runner	 SCTAWA \$304 Million Follow-On Offering of Common Stock Left Book-runner	 KODIAK \$158 Million Follow-On Offering of Common Stock Joint Book-runner	 PDC ENERGY \$132 Million Follow-On Offering of Convertible Notes Left Book-runner	 genesisenergy \$122 Million Follow-On Offering of Common Units Left Book-runner
 ALLEGACY \$17 Million Follow-On Offering of Units Left Book-runner	 VANGUARD \$121 Million Follow-On Offering of Common Units Left Book-runner	 CenterPoint Energy \$326 Million Follow-On Offering of Common Stock Joint Book-runner	 Chesapeake \$513 Million Initial Public Offering of Common Stock Joint Book-runner	 TARGA \$185 Million Follow-On Offering of Common Units Left Book-runner	 KODIAK \$79 Million Follow-On Offering of Common Stock Joint Book-runner	 Pinnacle West \$262 Million Follow-On Offering of Common Stock Joint Book-runner	 GARRIZO \$76 Million Follow-On Offering of Common Stock Sole Manager	 Pinnacle West \$546 Million Follow-On Offering of Common Units Joint Book-runner	 genesisenergy \$147 Million Follow-On Offering of Common Units Left Book-runner

IG&E and KU Energy LLC

Wells Fargo Securities

Utility Case Study: PPL Corporation



\$2.33 Billion
Follow-on Offering

WELLS FARGO
Investment Analysis

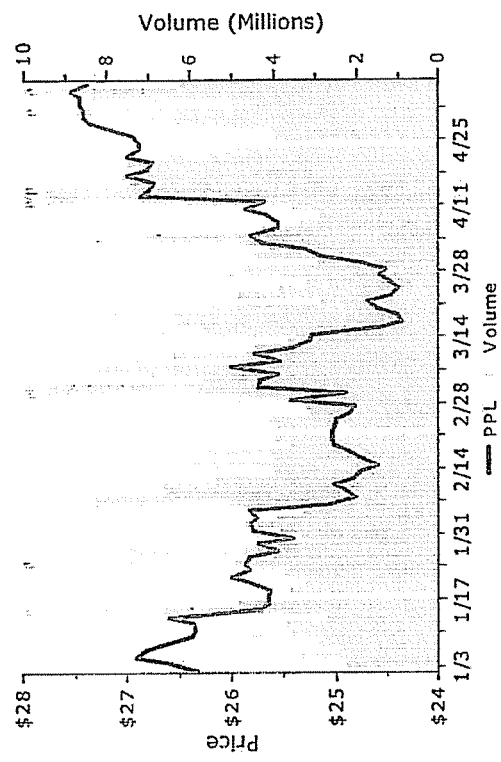
Joint Book-runner
April 11, 2011

Offering Summary

- Pricing Date: 04/11/2011
- Offer Price: \$25.30
- Execution: 1-Day Marketed
- All-in Cost: 5.14% (gross spread plus price movement)
- Dividend Yield at Offer: 5.53%
- Shares Offered: 92.00MM (includes over-allotment)
- Amount Offered: \$2,327.6MM (includes over-allotment)
- Concurrent Offering: \$850MM mandatory convertible at \$50 per unit
- Yield & Conversion Premium: 8.75% up 22.5%
- Use of Proceeds: Net proceeds used to repay borrowings under PPL's bridge facility, the proceeds of which were used for the acquisition of Central Networks

Transaction Highlights

- The \$2.3B PPL offering is the first equity deal in the Utility sector in five months.
- The deal is the second largest follow-on offering ever done by a Utility company. The largest deal ever was the PPL deal done in June 2010.
- The company announced on March 1st an agreement to acquire the Central Networks from E.ON A.G. for \$6.4B.
 - Acquisition partially funded through this equity offering and the concurrent mandatory convertible transaction
- All-in cost of 5.1% is one of the tightest for Utility deals done since the beginning of 2010.
- Healthy mix of institutional and retail investors – 15% of the deal was allocated to retail accounts.
 - High quality institutional order book of new and existing investors
- Strong aftermarket – stock was up over 6% on day one of trading.



LG&E and KU Energy LLC

Wells Fargo Securities






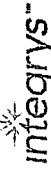





Investment Grade Loan Syndications Capabilities

- Wells Fargo is a top-ranked Lead Arranger of Syndicated Loans, with a strong focus in Energy & Power.
- 3rd most active Lead Arranger of Investment Grade Loans in 2010¹
- 3rd most active Lead Arranger of Investment Grade and Leveraged Loans in 2010¹
- Top 2 in U.S. Utilities Syndications
- Over 40 active Utility and Power lead relationships
- 25 active Utility and Power left lead/administrative agent relationships

TOP 10 2010 U.S. UTILITIES LEAD ARRANGER (# OF DEALS)

Rank	Institution	# of Deals
1	Bank of America Merrill Lynch	62
3	JP Morgan	50
4	Mitsubishi UFJ Financial Group	41
5	Barclays Bank Plc	28
6	RBS	25
7	Citi	23
8	BNP Paribas SA	21
9	U.S. Bancorp	17
10	Scotia Capital	16

Source: Loan Pricing Corporation

 <p>Exelon \$6.4 Billion Senior Credit Facilities Joint Lead Arranger</p>	 <p>EPL \$6.5 Billion Senior Credit Facilities Joint Lead Arranger</p>	 <p>Dominion \$3.0 Billion Senior Credit Facilities Joint Lead Arranger</p>	 <p>ppi \$5.0 Billion Senior Credit Facilities Administrative Agent / Left Lead Arranger</p>	 <p>Constellation Energy Group \$2.32 Billion Senior Credit Facility Administrative Agent / Left Lead Arranger</p>	 <p>integrYS \$1.24 Billion Senior Credit Facilities Administrative Agent / Left Lead Arranger</p>
 <p>Duke Energy \$3.2 Billion Senior Credit Facility Administrative Agent / Left Lead Arranger</p>	 <p>PSEG \$2.1 Billion Senior Credit Facilities Joint Lead Arranger</p>	 <p>Pepco Holdings Inc \$1.5 Billion Senior Credit Facility Administrative Agent / Left Lead Arranger</p>	 <p>AGL Resources \$1.0 Billion Senior Credit Facility Administrative Agent / Left Lead Arranger</p>	 <p>PugetEnergy \$500 Million Senior Credit Facility Administrative Agent / Left Lead Arranger</p>	

¹ Ranking based on number of deals. Source: Loan Pricing Corporation

Wells Fargo Debt Capital Markets Qualifications

- Wells Fargo Securities is a leading underwriter for public debt offerings in the Utility & Power sector.
- Our Utility & Power DCM team has served as a lead Book-Running manager on 186 transactions, raising \$61 billion in proceeds for 53 issuers since 2004 (36 of which are repeat clients).

2004 Utility & Power League Table Proportional Credit to each Bookrunner				
Rank	Lead Manager	Number of Deals	Volume (\$ in MM)	Market Share
1	JPMorgan	21	\$1,929.8	12.34%
3	RBS	15	1,415.0	9.05%
4	Bank of America Merrill Lynch	15	1,273.3	8.14%
5	Morgan Stanley	14	1,217.9	7.79%
6	Barclays PLC	11	981.7	6.28%
7	Citigroup Inc.	13	911.1	5.83%
8	Goldman Sachs	8	720.8	4.61%
9	Credit Suisse	7	694.2	4.44%
10	Scotia	8	673.3	4.31%
11	Deutsche Bank	6	562.5	3.60%
12	UBS	6	433.9	2.52%
13	Bank of Tokyo Mitsubishi	6	413.2	2.77%
14	BNP Paribas	6	394.2	2.64%
15	Bank of New York	4	329.2	2.10%

Source: Thomson Financial/Bloomberg

Repeat Lead Managed Clients Since 2004

ATMOS energy
\$400 Million
Senior Unsecured Notes
Joint Book-Running Manager

MISO
\$400 Million
Senior Unsecured Notes
Joint Book-Running Manager

PugetEnergy
\$500 Million
Senior Secured Notes
Joint Book-Running Manager

OGE
\$250 Million
Senior Unsecured Notes
Joint Book-Running Manager

Duke Energy Carolinas
\$500 Million
First Mortgage Bonds
Joint Book-Running Manager

GULF POWER
A SOUTHERN COMPANY
\$125 Million
Retail Senior Unsecured Notes
Joint Book-Running Manager

PACIFICORP
A MIDAMERICAN ENERGY HOLDINGS COMPANY
\$400 Million
First Mortgage Bonds
Joint Book-Running Manager

SCANA
POWER FOR LIVING
\$300 Million
Senior Unsecured Notes
Joint Book-Running Manager

Entergy
Entergy Mississippi, Inc.
\$150 Million
Retail First Mortgage Bonds
Joint Book-Running Manager

Golden State Water Company
\$62 Million
Senior Unsecured Notes
Sole Book-Running Manager

LG&E and KU Energy LLC


Wells Fargo Securities

Retail & Hybrid Leadership

2006 - YTD 2011 Utility & Power \$25 Par Offerings Proportional Credit to Each Book-Runner

Rank	Lead Manager	No. of Deals	Volume (\$ in MM)	Market Share
1	Citigroup Inc.	20	\$1,960.8	29.3%
3	Morgan Stanley	18	1,306.3	19.5%
4	Bank of America Merrill Lynch	13	991.7	14.8%
5	Edward Jones	10	876.0	13.1%
6	UBS Investment Bank	10	681.3	10.2%
7	JP Morgan	5	433.3	6.5%
8	Barclays Capital / Lehman	3	187.5	2.8%


Source: Wells Fargo Securities



GULF POWER
A SOUTHERN COMPANY

\$125 Million
Retail Senior Unsecured Notes

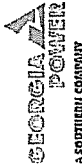
Joint Book-Running Manager



Entergy
Entergy Mississippi, Inc.

\$150 Million
Retail First Mortgage Bonds


Joint Book-Running Manager



GEORGIA POWER
A SOUTHERN COMPANY

\$300 Million
Retail Senior Notes

Joint Book-Running Manager



Westar Energy


\$150 Million
Retail First Mortgage Bonds

Joint Book-Running Manager

2006 - YTD 2011 Energy & Power Hybrid Securities Proportional Credit to Each Lead Manager

Rank	Lead Manager	No. of Deals	Volume (\$ in MM)	Market Share
2	Bank of America Merrill Lynch	16	1,506.7	15.9%
3	JP Morgan	12	1,557.5	16.5%
4	Barclays Capital / Lehman	11	1,236.7	13.1%
5	Citigroup Inc.	10	1,283.3	13.6%
6	Morgan Stanley	10	858.3	9.1%
7	UBS Investment Bank	6	500.0	5.3%
8	Goldman, Sachs & Co.	4	375.0	4.0%
9	Credit Suisse	2	220.0	2.3%
10	SunTrust	1	100	1.1%


Source: Wells Fargo Securities



SCANA
POWER FOR LIVING

\$150 Million
Junior Subordinated Notes
November 2009


Joint Book-Running Manager



Dominion Energy
Dominion Energy, Inc.

\$685 Million
Junior Subordinated Notes
June 2009


Joint Book-Running Manager



EPL ENERGY

\$375 Million
Junior Subordinated Notes
March 2009

Structuring Advisor &
Joint Book-Running Manager



Constellation Energy

\$450 Million
Junior Subordinated Notes
June 2008

Joint Book-Running Manager

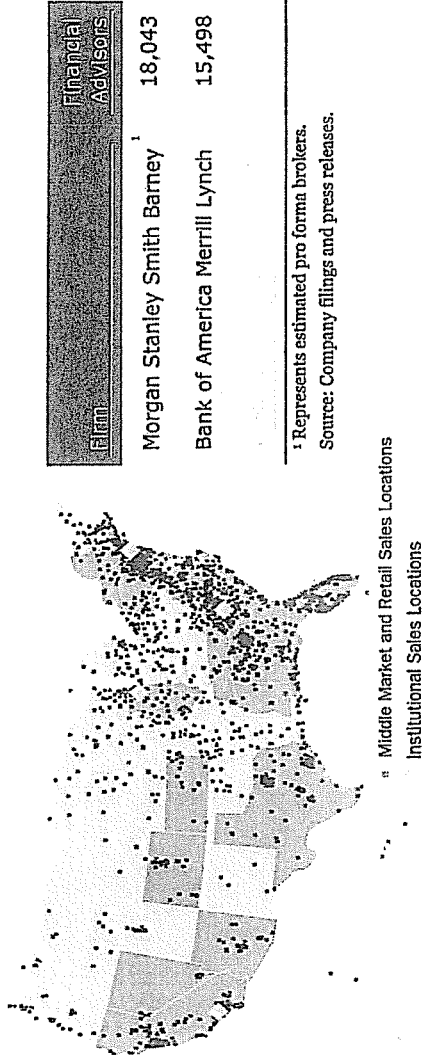
LG&E and KU Energy LLC

Wells Fargo Securities

Wells Fargo's Bond Distribution Network

- Institutional distribution
 - Over 200 buy-side sales representatives
 - Located in New York, Los Angeles, Chicago, Charlotte, London, Hong Kong, Tokyo and Singapore
 - Primary coverage of large insurance companies, money managers, hedge funds, pension funds and bank portfolios
- Middle market distribution
 - Focus on approximately 10,000 "Tier 2" and "Tier 3" buy-side investors
 - Primary coverage of regional banks, endowments, secondary money managers & insurance companies, and small business retirement accounts
- Retail distribution
 - 3rd largest retail brokerage platform in the United States (presence in all 50 states)
 - Over 15,000 financial advisors with ~\$1 trillion in assets under management
 - Primarily targets non-institutional investors such as high net-worth individuals and households

Wells Fargo delivers one of the strongest institutional and retail distribution networks on Wall Street



Source: Wells Fargo Securities

Utility & Power Secondary Support

Wells Fargo is a leading secondary market maker for Utility & Power High Grade corporate bond trading

Over the past two years, Wells Fargo has traded over \$30 billion in Utility bonds in the secondary market

Wells Fargo has consistently traded 10-15% of the Utility secondary trading volume on MarketAxess (a proxy for overall market share)

LG&E and KU Energy LLC

Wells Fargo Securities

Q1 2011 Utility & Power Secondary Trading League Table

Rank	Dealer	Number of Trades	Volume (\$ in MM)	Market Share
2	Undisclosed Dealer	781	355.5	9.2%
3	Undisclosed Dealer	681	300.4	7.8%
4	Undisclosed Dealer	813	292.0	7.6%
5	Undisclosed Dealer	273	278.9	7.2%
6	Undisclosed Dealer	299	201.2	5.2%
7	Undisclosed Dealer	425	193.1	5.0%
8	Undisclosed Dealer	734	190.3	4.9%
9	Undisclosed Dealer	276	183.1	4.7%
10	Undisclosed Dealer	117	151.4	3.9%

Source: MarketAxess

2010 Utility & Power Secondary Trading League Table

Rank	Dealer	Number of Trades	Volume (\$ in MM)	Market Share
1	Undisclosed Dealer	2,007	1,239.2	10.7%
3	Undisclosed Dealer	2,691	1,086.6	9.4%
4	Undisclosed Dealer	1,858	796.2	6.9%
5	Undisclosed Dealer	2,431	754.8	6.5%
6	Undisclosed Dealer	1,274	735.2	6.4%
7	Undisclosed Dealer	864	568.3	4.9%
8	Undisclosed Dealer	946	565.8	4.9%
9	Undisclosed Dealer	473	555.4	4.8%
10	Undisclosed Dealer	972	414.0	3.6%

Source: MarketAxess

Wells Fargo Has a Leading Commercial Paper Franchise

Significant Money Market Presence with Unique Distribution Capabilities

- The Wells Fargo money markets group distributes all varieties of traditional money market instruments, including third-party CP, CDs (US and Yankee), bankers acceptances, money market funds, treasury bills, agency discount notes and VRDNs.
- In 2010, Wells Fargo sold **\$6.8 trillion of money market products**, including **\$630 billion of commercial paper**.
- Experienced team of sales and trading professionals:
 - 5 senior traders averaging 15+ years in the investment management business.
 - Best in class Fixed Income sales force:
 - **Institutional:**
 - 14 Generalist sales people covering institutional accounts with > \$3 billion in assets. 4 of these individuals comprise the Institutional Short-Duration sales force, exclusively covering short term Tier 1 accounts buying in the 0-5 year part of the curve.
 - **Middle Market:**
 - 130 Corporate/Public Entity ("CPE") sales people covering corporations, public entities and non-profits with > \$5 million in assets.
 - 36 Financial Institution sales people covering money managers, banks, insurance companies and trust departments with < \$3 billion in assets.

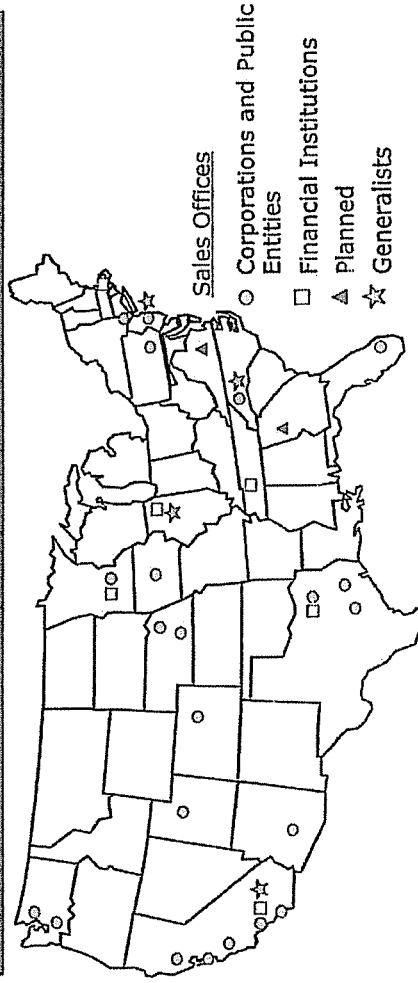
▪ Wells Fargo covers all major institutional investors through its Institutional sales force. **Wells Fargo is distinct, however, in that it has a sales force dedicated to covering smaller investors within the Wells Fargo franchise that encompasses thousands of accounts not covered by its major Wall Street competitors.**

▪ The Wells Fargo Fixed Income sales force has 25 offices coast-to-coast covering 12,000+ customers with over 16,000 accounts.

▪ **1/3 of our middle market customers give us 100% of their investment business.**

Source: Bloomberg and Wells Fargo Securities.

Fixed Income Sales Office Locations



LG&E and KU Energy LLC

Wells Fargo Securities

Leading Commercial Paper Franchise

- Wells Fargo is committed to the U.S. Industrial segment of the commercial paper market.
 - Top 5 in the overall (Tier 1 and 2) U.S. Industrial CP market.
 - Top 4 positioning in the U.S. Industrial Tier 2 CP market.
- Wells Fargo is a dealer in commercial paper programs of 109 issuers totaling approximately \$424 billion in cumulative program size.
 - Evenly split between Tier One (50%) and Tier Two (50%). Majority of clients are industrial corporations (91 clients, or 83%).

U.S. Industrial CP League Tables

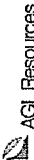
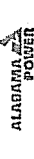
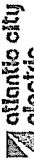

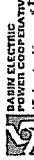


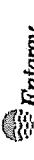















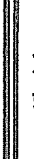

Rank	Firm	Prog. Count
1	Bank of America Merrill Lynch	241
2	Goldman Sachs	190
3	JPMorgan	147
4	Citigroup	120
5	Wells Fargo	91
6	Morgan Stanley	75
7	Credit Suisse	67
8	Barclays	65
9	Deutsche Bank	25
10	Suntrust	18

Tier 2 U.S. Industrial CP League Tables

Rank	Firm	Prog. Count
1	Bank of America Merrill Lynch	124
2	Goldman Sachs	82
3	JPMorgan	70
4	Wells Fargo	56
5	Citigroup	50
6	Morgan Stanley	36
7	Barclays	35
8	Credit Suisse	33
9	Deutsche Bank	14
10	Suntrust	13

Source: Bloomberg and Wells Fargo Securities.
 Note: As used on this page, "Industrial" refers to the non-ABC and non-Financial Institution segment of the CP market.

Select Power & Utility Commercial Paper Programs

 AGL Resources \$1.1 Billion Program A-2/P-2 Dealer	 ALABAMA POWER \$600 Million Program A-1/P-1 Dealer	 atlantic city electric \$250 Million Program A-2/P-2 Dealer	 ATMOS Energy \$600 Million Program A-2/P-2 Dealer	 BAIRD ELECTRIC POWER COOPERATIVE \$550 Million Program A-1/P-1 Dealer
 delmarva power \$500 Million Program A-2/P-2 Dealer	 Dominion \$3 Billion Program A-2/P-2 Dealer	 Entergy THE POWER OF SERVICE \$275 Million-3 Programs A-1+/P-1 Dealer	 IDACORP \$150 Million Program A-2/P-2 Dealer	 IDAHO POWER \$200 Million Program A-2/P-2 Dealer
 Maclede Gas \$300 Million Program A-1/P-2 Dealer	 MidAmerican \$450 Million Program A-2/P-1 Dealer	 National Grid \$200 Million Program A-1/P-1 Dealer	 NextEra ENERGY \$4 Billion Program A-2/P-2 Dealer	 NCCO \$1 Billion Program A-1+/P-2 Dealer
 NW Natural \$400 Million Program A-1/P-1 Dealer	 OGE Energy Corp. \$600 Million Program A-2/P-2 Dealer	 OGE \$400 Million Program A-2/P-1 Dealer	 pepco \$700 Million Program A-2/P-3 Dealer	 Portland General Electric \$400 Million Program A-2/P-2 Dealer
 Progress Energy \$750 Million Program A-2/P-2 Dealer	 PSEG \$1 Billion Program A-2/P-2 Dealer	 PUGET SOUND ENERGY \$500 Million Program A-2/P-3 Dealer	 Virginia Electric & Power \$3 Billion Program A-2/P-2 Dealer	 Xcel Energy \$800 Million Program A-2/P-2 Dealer

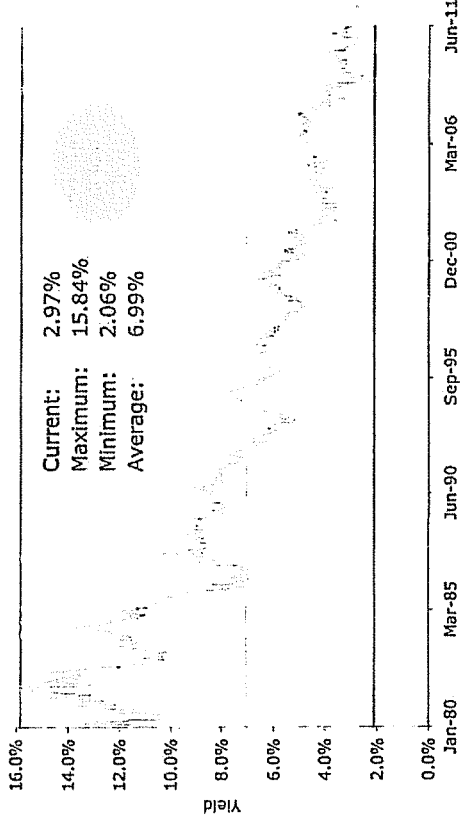
LG&E and KU Energy LLC

Wells Fargo Securities

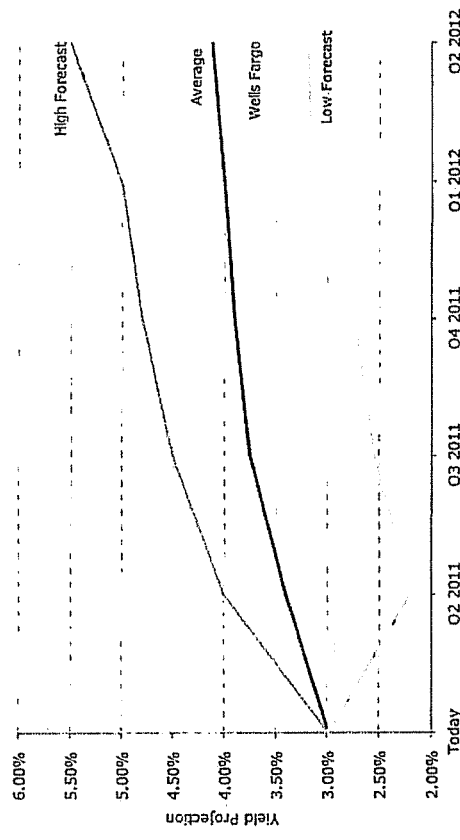
Utility & Power DCM Update

Long Term US Treasury Rates

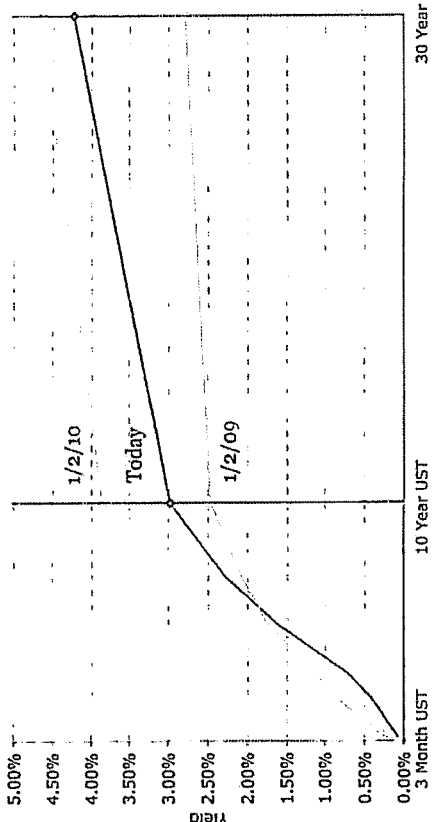
Historical 10-Year Treasury



10-Year Treasury Outlook by Major Banks



Yield Curve Comparison



Wells Fargo's Economic Forecast

(Percentage Changes)	2010A			2011A			2012E		
	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	
Real Gross Domestic Product ¹	1.7	2.6	3.1	1.8	2.0	3.0	2.8	2.2	
Personal Consumption	2.2	2.4	4.0	2.2	2.1	2.0	2.1	2.0	
Consumer Price Index ²	1.8	1.2	1.2	2.2	3.5	3.8	4.0	3.4	
Core Consumer Price Index ²	1.0	0.9	0.6	1.1	1.4	1.6	2.1	2.2	
West Texas Intermed. Oil (\$/BBL) ³	78.0	76.2	85.2	94.1	105.8	108.0	110.0	111.0	
Real Disposable Income	5.6	1.0	1.1	0.8	0.6	1.1	1.4	1.2	
Nonfarm Payroll Change ³	181.0	(45.7)	138.7	165.7	147.0	168.3	175.0	180.0	
Unemployment Rate (%)	9.6	9.6	9.6	8.9	9.1	8.9	8.8	8.7	
Housing Starts (Millions)	0.60	0.58	0.54	0.58	0.55	0.61	0.66	0.69	
Quarter-End - Interest Rates (%) ⁴									
Federal Funds (Target)	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	
3 Month LIBOR	0.61	0.43	0.61	0.80	0.45	0.65	1.00	1.30	
2 Year T-Note	1.79	1.27	2.01	2.24	1.60	1.90	2.20	2.40	
5 Year T-Note									
10 Year T-Note									
30 Year T-Bond	3.91	3.69	4.34	4.51	4.10	4.30	4.50	4.70	

Data as of 6/9/2011
 1 Compound Annual Growth Rate Qtr-over-Qtr
 2 Year-over-Year Percentage Change
 3 Average Monthly Change
 4 End of Quarter Estimate

Source: Bloomberg and Wells Fargo Securities

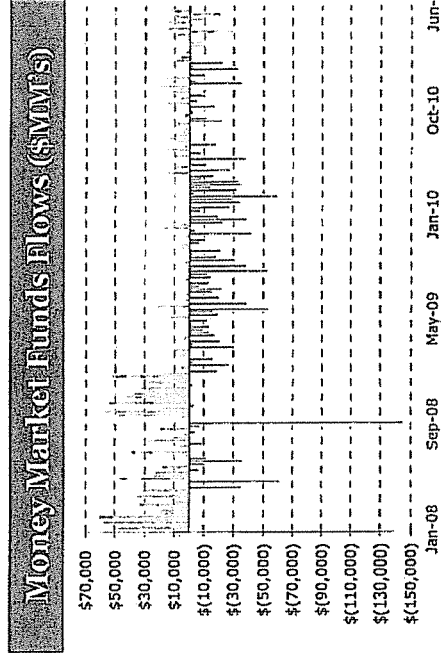
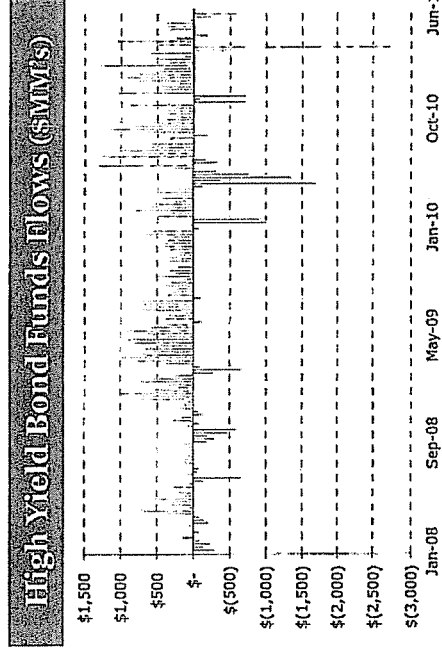
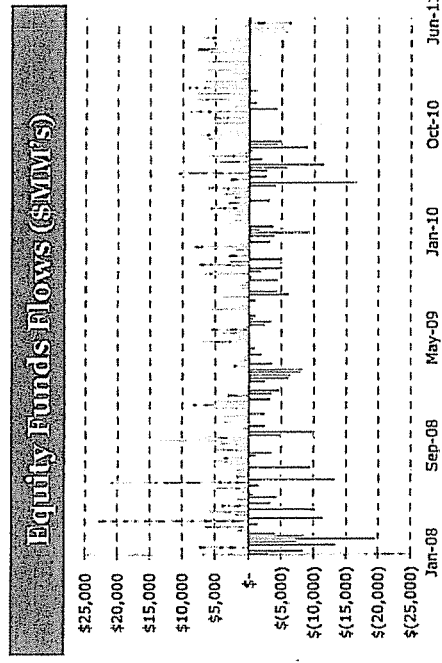
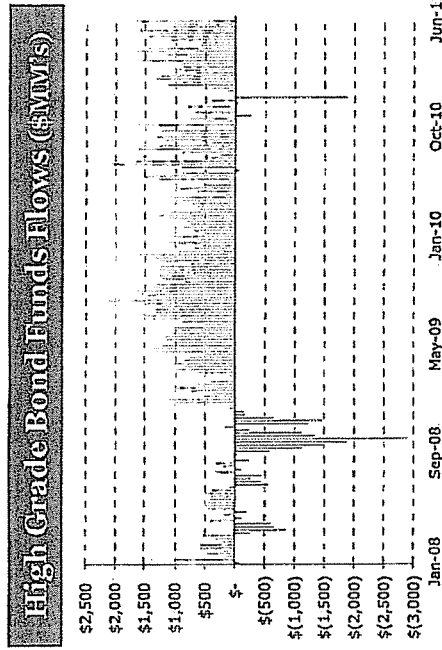
LG&E and KU Energy LLC

Wells Fargo Securities

Corporate Outlook

Fixed Income Commentary:

- Even as the pace of inflows has slowed, the technical backdrop remains bullish for IG credit in 2011.
- Ongoing volatility in equities, munis, sovereign debt will keep demand robust for fixed income products.
- High grade debt will remain an attractive asset class from both flight to quality (A/AA front end & floating rate debt) as well as total return (Financials & BBB Corporates).



Source: Lipper FMI

LG&E and KU Energy LLC

Wells Fargo Securities

Current Execution Dynamics

Demand for high quality Utility offerings still outpaces supply as evidenced by the minimal new issue concessions and strong performance in the secondary market of recent transactions

Recent Deal Performance of Corporate Issuers

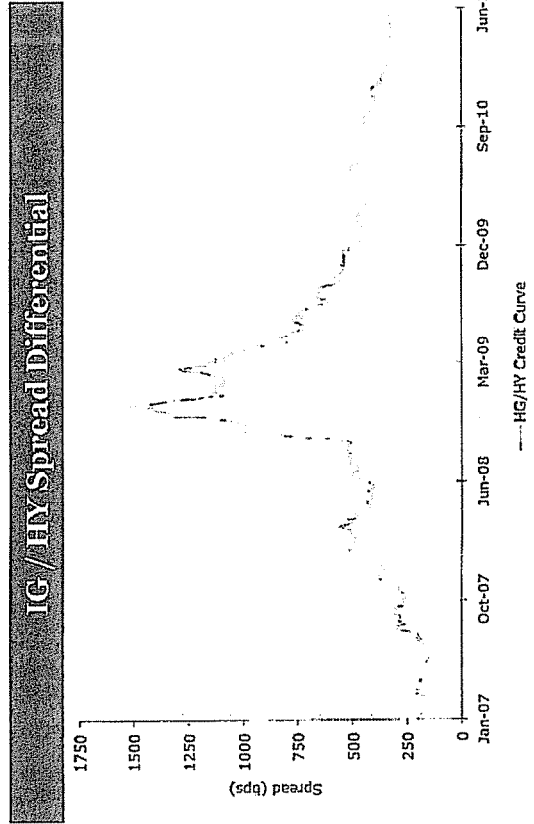
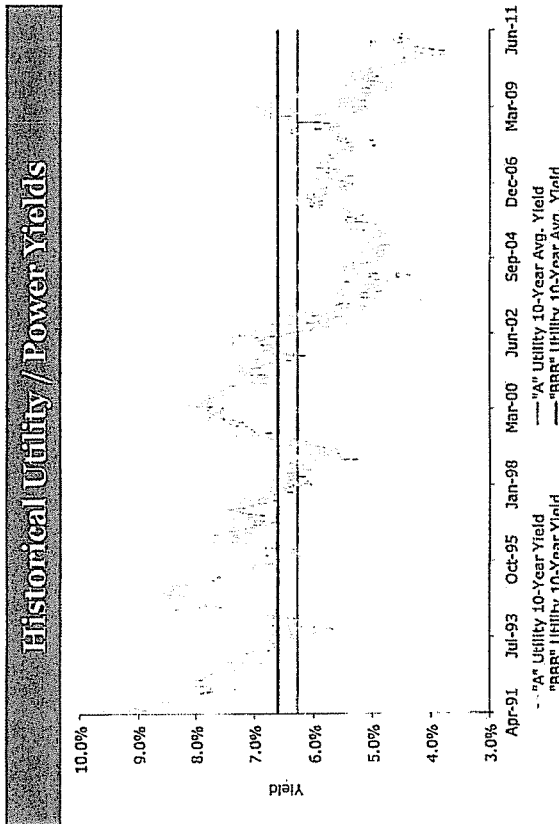
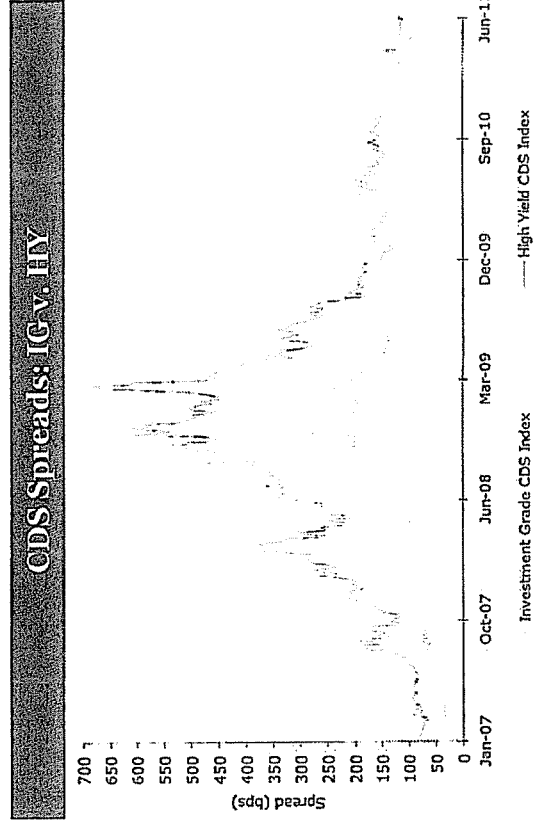
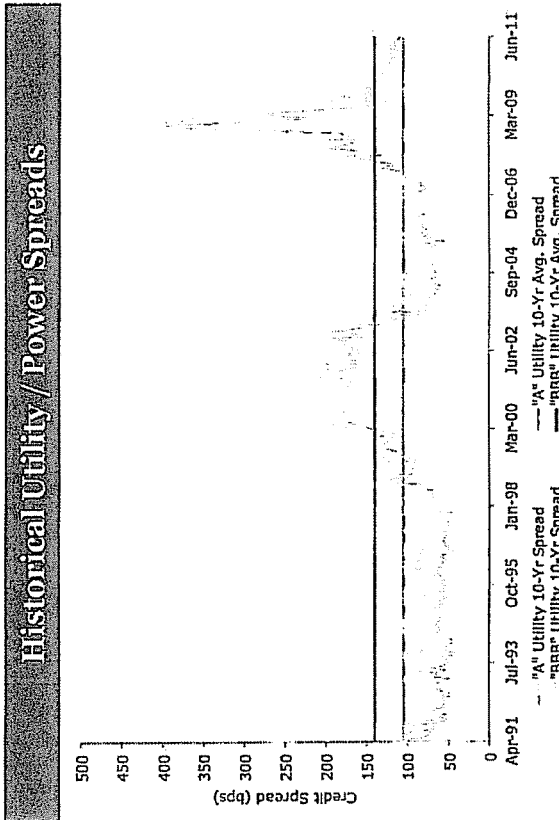
Date	Issuer	Rating	Deal Size	Term	Structure	Yield	YTD Average	Change in Spread (bps)
6/7/2011	Atmos Energy Corp.	Baa1	\$400	30YR	mid 100s	130 area	125	-10
6/7/2011	NextEra Energy Capital Holdings	Baa1	\$400	10YR	mid 100s	150 area	148	0
6/7/2011	NISource Finance Corp.	Baa3	\$400	30YR	165-170	165-170	170	10
6/16/2011	Florida Power & Light Co.	Aa3	\$250	30YR	90 area	90 area	87	5
6/17/2011	Southern Natural Gas	Baa3	\$300	10YR	mid 100s	145 area	140	0
6/1/2011	JNG Bank NV	Aa3	\$600	10YR	210 area	210 area	210	10
5/31/2011	Puget Energy	Ba1	\$500	10YR	high 200s	300 area	294.8	15
5/25/2011	Hewlett-Packard	A2	\$1,250	10YR	115-120	120 area	120	20
5/25/2011	Duquesne Light Holdings	Ba1	\$350	10YR	300 area	290 +/- 10	280	10
5/24/2011	Caterpillar Inc.	A2	\$1,250	10YR	high 80s-90	87.5 area	85	10
5/24/2011	Oklahoma Gas & Electric	A2	\$250	30YR	120 area	110 +/- 5	105	0
5/24/2011	Barrick North America Finance	Baa1	\$1,350	10YR	130 area	130 area	130	10
5/20/2011	CSX Corp	Baa3	\$350	10YR	mid 120s	115-120	115	5
5/19/2011	BlackRock Inc.	A1	\$750	10YR	115 area	115	115	5
5/19/2011	Public Service of New Hampshire	A3	\$122	10YR	mid-high 90s	90 +/- 2.5	88	5
5/18/2011	Walt Disney	A2	\$500	10YR	low 60s	60	60	5
5/18/2011	Alabama Power	A2	\$200	10YR	75 area	85 +/- 3	82	0
5/18/2011	Alabama Power	A2	\$250	30YR	90 area	95-100	95	5
5/17/2011	Johnson & Johnson	Aaa	\$450	10YR	low 50s	57 area	55	10
5/17/2011	McDonald's	A2	\$400	10YR	high 60s	58 +/- 3	58	5
5/17/2011	South Carolina Electric & Gas	A3	\$100	30YR	N/A	N/A	105	10
5/17/2011	Rio Tinto Finance	A3	\$1,000	10YR	110 area	105 area	103	4
5/17/2011	Aetna	Baa1	\$500	10YR	115-120	120 area	118	10
5/16/2011	Google Inc.	Aa2	\$1,000	10YR	60s	60-65	58	0
5/16/2011	Texas Instruments Inc.	A1	\$1,000	5YR	mid 60s	60-65	60	0
5/16/2011	Duke Energy Carolinas	A1	\$500	10YR	80 area	75 +/- 2	75	0
5/16/2011	Burlington Northern Santa Fe	A3	\$250	10YR	very low 100s	100-105	100	0
5/16/2011	Kellogg Co.	A3	\$250	10YR	high 80s	80-85	80	-5
5/16/2011	Great Plains Energy, Inc.	Baa3	\$350	10YR	high 180s	175 area	170	N/A
5/13/2011	Xerox Corp.	A3	\$700	7YR	160 area	145	145	5
5/12/2011	Southern California Edison	A1	\$500	10YR	80 area	75-80	75	5
5/11/2011	Detroit Edison Co.	A2	\$250	10YR	80 area	77-80	77	4
5/10/2011	Philip Morris International	A2	\$350	10YR	95 area	95-100	100	13
5/10/2011	Bank of America	A2	\$2,000	10YR	High 180s	187.5 area	185	0
5/10/2011	Pacific Gas & Electric Co.	A3	\$300	10YR	120 area	110 area	108	5
5/10/2011	Ventas Realty Corp.	Baa3	\$700	10YR	175 area	170 area	165	0
5/9/2011	IBM Corp.	Aa3	\$1,000	3YR	Low 40s	40 area	37	0
5/9/2011	PacifiCorp	A2	\$400	10YR	N/A	75 area	73	0
5/9/2011	CVS Caremark	Baa2	\$550	10YR	115-120	120 area	115	0
5/9/2011	Nevada Power Co.	Baa3	\$250	30YR	115-120	120 area	115	0
YTD Average:								4.5
								3.8x

Note: Utility deals in bold formatting
Source: Bloomberg and Wells Fargo Securities

LG&E and KU Energy LLC

Wells Fargo Securities

Spread & Rate Environment



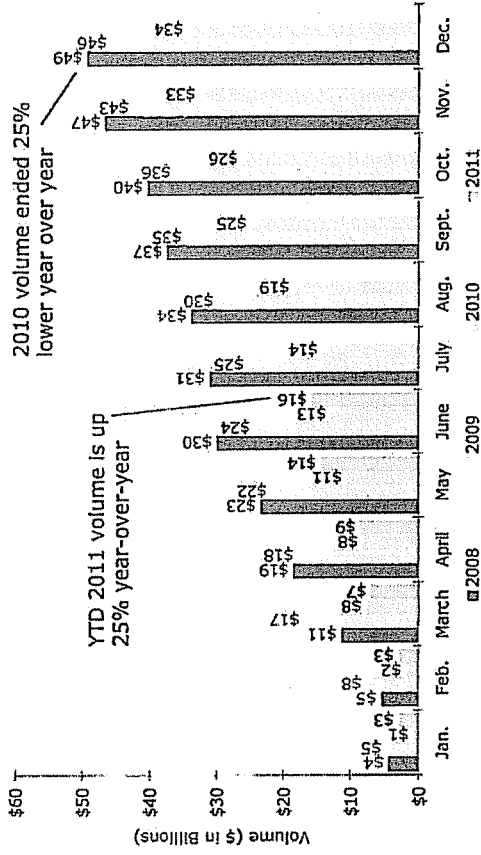
Source: Bloomberg, Mark-It Partners and Wells Fargo Securities

LG&E and KU Energy LLC

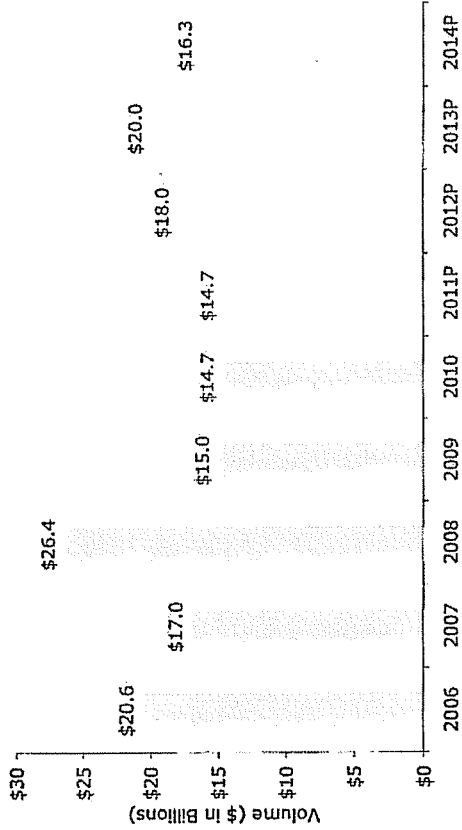
Wells Fargo Securities

Bond Market Technicals Remain Strong

Cumulative Utility Sector New Issue Supply



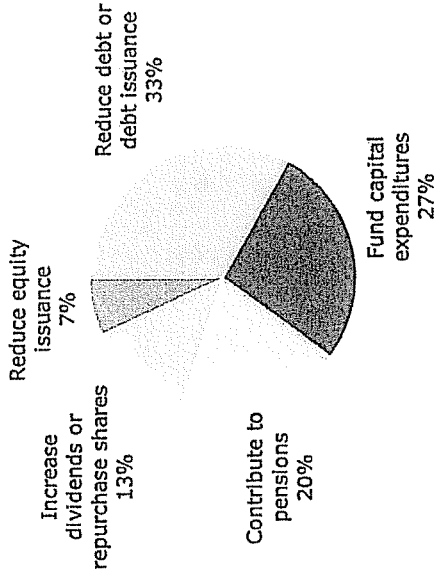
Utility Bond Maturities



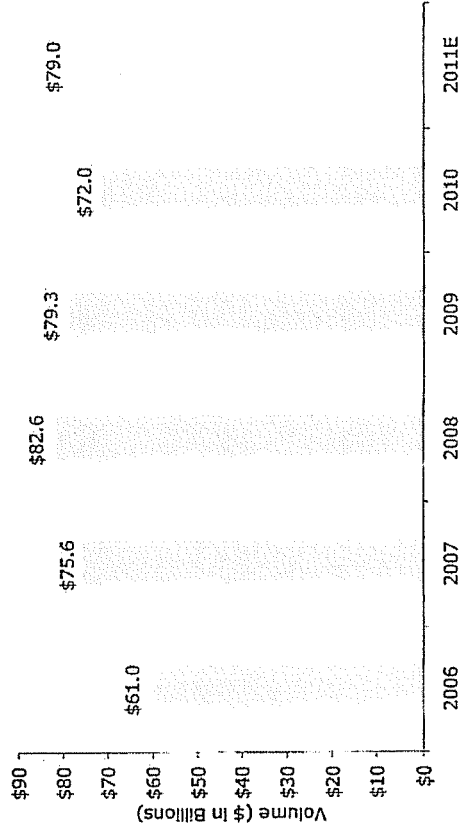
Source: Wells Fargo Securities, Lipper FMI, S&P

LG&E and KU Energy LLC

Projected Allocation of Bonus Depreciation Benefits



Utility Capital Expenditure Trends



Wells Fargo Securities

Recent Utility & Power Transactions

\$7.3 billion, or 46% of YTD 2011 Utility supply, was issued in roughly a one-month period

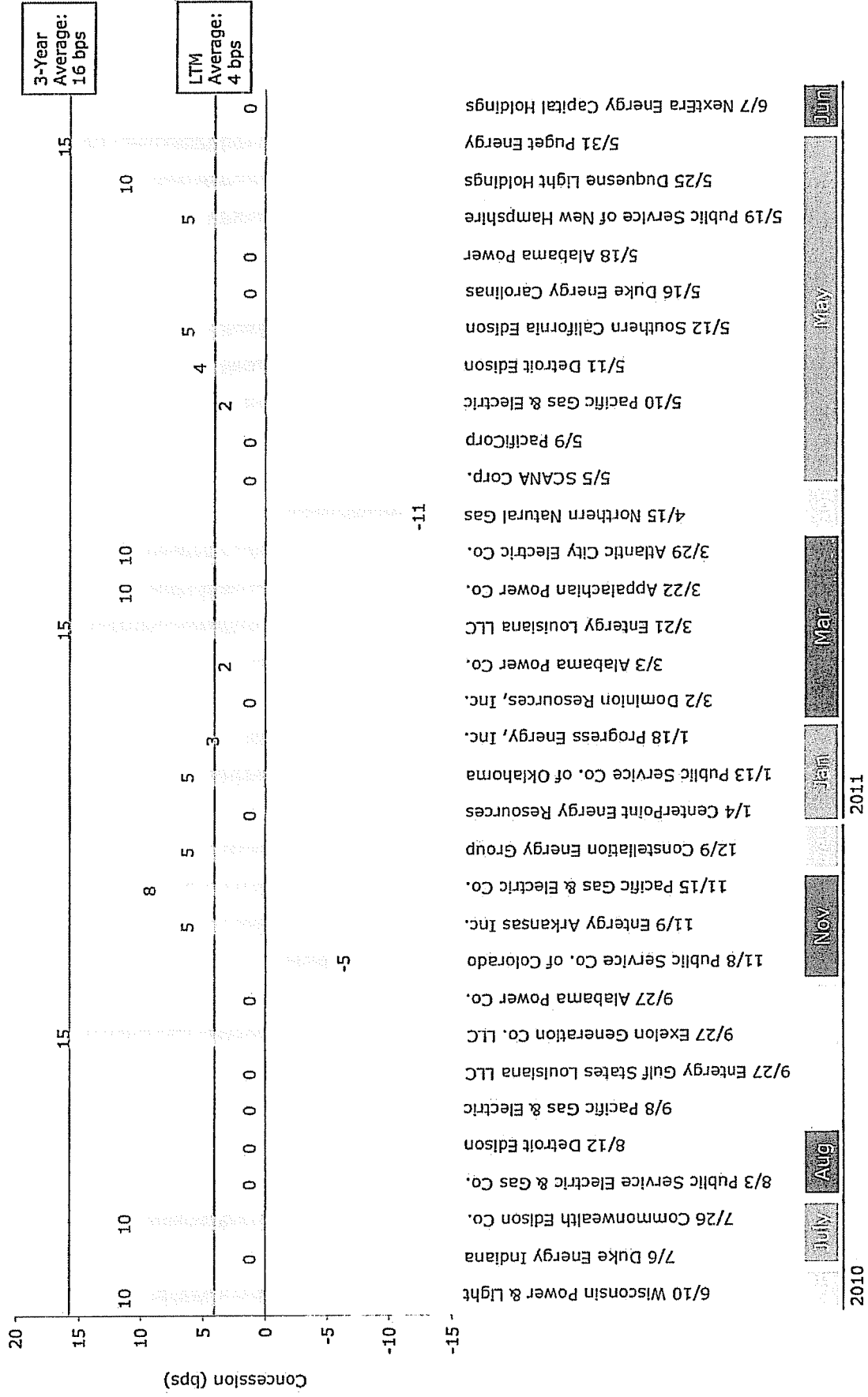
Issue Date	Issuer	Security	Rating	Amount (\$Millions)	Term	Coupon	Spread	Market
6/7/11	Almos Energy Corp.	Senior Unsecured	Baa1	\$400	30.0yrs	5.500%	125bps	Institutional
6/7/11	NextEra Energy Capital Holdings Inc.	Senior Unsecured	Baa1	400	10.0yrs	4.500%	148bps	Institutional
6/7/11	NextEra Energy Finance Corp.	Senior Unsecured	Baa3	400	30.0yrs	5.950%	170bps	Institutional
6/16/11	Florida Power & Light Co.	First Mortgage	Aa3	250	30.0yrs	5.125%	87bps	Institutional
5/31/11	Puget Energy Inc.	Senior Secured	Ba1	500	10.3yrs	6.000%	294.8bps	Institutional
5/25/11	Duquesne Light Holdings Inc.	Senior Unsecured	Ba1	350	10.5yrs	5.900%	280bps	Institutional
5/24/11	Oklahoma Gas & Electric Co.	Senior Unsecured	A2	250	30.0yrs	5.250%	105bps	Institutional
5/19/11	Public Service Co. of New Hampshire	First Mortgage	A3	122	10.0yrs	4.050%	88bps	Institutional
5/19/11	DTE Energy Co.	Senior Unsecured FRN	Baa2	300	2.0yrs	3ML+70bps	N/A	Institutional
5/18/11	Alabama Power	Senior Unsecured	A2	200	10.0yrs	3.950%	82bps	Institutional
5/18/11	Alabama Power	Senior Unsecured	A2	250	30.0yrs	5.200%	95bps	Institutional
5/17/11	South Carolina Electric & Gas (reopen)	First Mortgage	A3	100	30.0yrs	5.450%	105bps	Institutional
5/16/11	Duke Energy Carolinas	First Mortgage	A1	500	10.0yrs	3.900%	75bps	Institutional
5/16/11	Great Plains Energy Inc.	Senior Unsecured	Baa3	350	10.0yrs	4.850%	170bps	Institutional
5/12/11	Gulf Power Co.	Senior Unsecured	A3	125	40NC5	5.750%	N/A	Retail
5/12/11	Southern California Edison Co.	First Mortgage	A1	500	10.0yrs	3.875%	75bps	Institutional
5/11/11	Detroit Edison Co.	G&R Mortgage	A2	250	10.0yrs	3.900%	77bps	Institutional
5/10/11	Pacific Gas & Electric Co.	Senior Unsecured	A3	300	10.0yrs	4.250%	108bps	Institutional
5/10/11	Energy Mississippi	First Mortgage	Baa1	125	5.0yrs	3.250%	137.5bps	Institutional
5/10/11	Ipalco Enterprises	Senior Unsecured	Ba1	400	7.0yrs	5.000%	445bps	Institutional
5/9/11	PacificCorp	First Mortgage	A2	400	10.0yrs	3.850%	73bps	Institutional
5/9/11	Nevada Power Co.	G&R Mortgage	Baa3	250	30.0yrs	5.450%	115bps	Institutional
5/9/11	CMS Energy Corp.	Senior Unsecured	Ba1	250	3.0yrs	2.750%	185bps	Institutional
5/5/11	SCANA Corp.	Senior Unsecured	Baa2	300	10.0yrs	4.750%	160bps	Institutional
4/18/11	PPL WEM Holdings plc	Senior Unsecured	Baa3	460	5.0yrs	3.900%	185bps	Institutional
4/18/11	PPL WEM Holdings plc	Senior Unsecured	Baa3	500	10.0yrs	5.375%	200bps	Institutional
4/15/11	Northern Natural Gas Co.	Senior Unsecured	A2	200	10.0yrs	4.250%	84bps	Institutional
4/12/11	Georgia Power Co.	Senior Unsecured	A3	250	5.0yrs	3.000%	80bps	Institutional
4/12/11	Energy Mississippi, Inc.	First Mortgage	Baa1	150	40NC5	6.000%	N/A	Retail
4/11/11	Atlantic City Water Co.	Senior Unsecured	A2	62	30.0yrs	6.000%	135.2bps	Institutional
3/29/11	Golden State Water Co.	First Mortgage	A3	200	10.0yrs	4.350%	90bps	Institutional
3/28/11	Keyspan Gas East Corp.	Senior Unsecured	A3	500	30.0yrs	5.819%	130bps	Institutional
3/22/11	Appalachian Power Co.	Senior Unsecured	Baa2	350	10.0yrs	4.600%	130bps	Institutional
3/22/11	Puget Sound Energy	First Mortgage	A3	300	30.0yrs	5.638%	118bps	Institutional
3/21/11	Energy Louisiana	First Mortgage	A3	200	10.0yrs	4.800%	150bps	Institutional
3/17/11	Sempra Energy	Senior Unsecured	Baa1	500	3.0yrs	2.000%	100bps	Institutional
3/17/11	Sempra Energy	Senior Unsecured FRN	Baa1	300	3.0yrs	3ML+76bps	N/A	Institutional
3/16/11	AGL Capital Corp.	Senior Unsecured	Baa1	500	30.0yrs	5.875%	150bps	Institutional
3/7/11	Southern California Edison Co.	Perpetual Preferred	Baa2	125	PerpNCS	6.500%	N/A	Institutional
3/3/11	Alabama Power	Senior Unsecured	A2	250	10.0yrs	5.500%	90bps	Institutional
3/2/11	Dominion Resources	Senior Unsecured	Baa2	400	3.0yrs	1.800%	68bps	Institutional
3/2/11	Dominion Resources	Senior Unsecured	Baa2	500	10.0yrs	4.450%	105bps	Institutional
1/20/11	South Carolina Electric & Gas Co.	First Mortgage	A3	250	30.0yrs	5.450%	90bps	Institutional
1/18/11	Progress Energy, Inc.	Senior Unsecured FRN	Baa2	500	10.0yrs	4.400%	108bps	Institutional
1/13/11	Georgia Power Co.	Senior Unsecured	A3	300	2NC1	3ML+27bps	N/A	Institutional
1/13/11	Public Service Co. of Oklahoma	Senior Unsecured	Baa1	250	10.0yrs	4.400%	115bps	Institutional
1/12/11	Elm Road Gen. Station Supercritical, LLC	Lease-Backed	A1	205	20/12yr	4.673%	130bps	Institutional
1/12/11	Elm Road Gen. Station Supercritical, LLC	Lease-Backed	A1	215	30/26yr	5.848%	130bps	Institutional
1/10/11	Commonwealth Edison Co.	First Mortgage	Baa1	600	3.0yrs	1.625%	70bps	Institutional
1/4/11	CenterPoint Energy Resources Corp.	Senior Unsecured	Baa3	250	10.0yrs	4.500%	120bps	Institutional
1/4/11	CenterPoint Energy Resources Corp.	Senior Unsecured	Baa3	300	30.0yrs	5.850%	145bps	Institutional

Source: Bloomberg and Wells Fargo Securities

LG&E and KU Energy LLC

Wells Fargo Securities

Historic 10 Year Utility New Issue Concessions

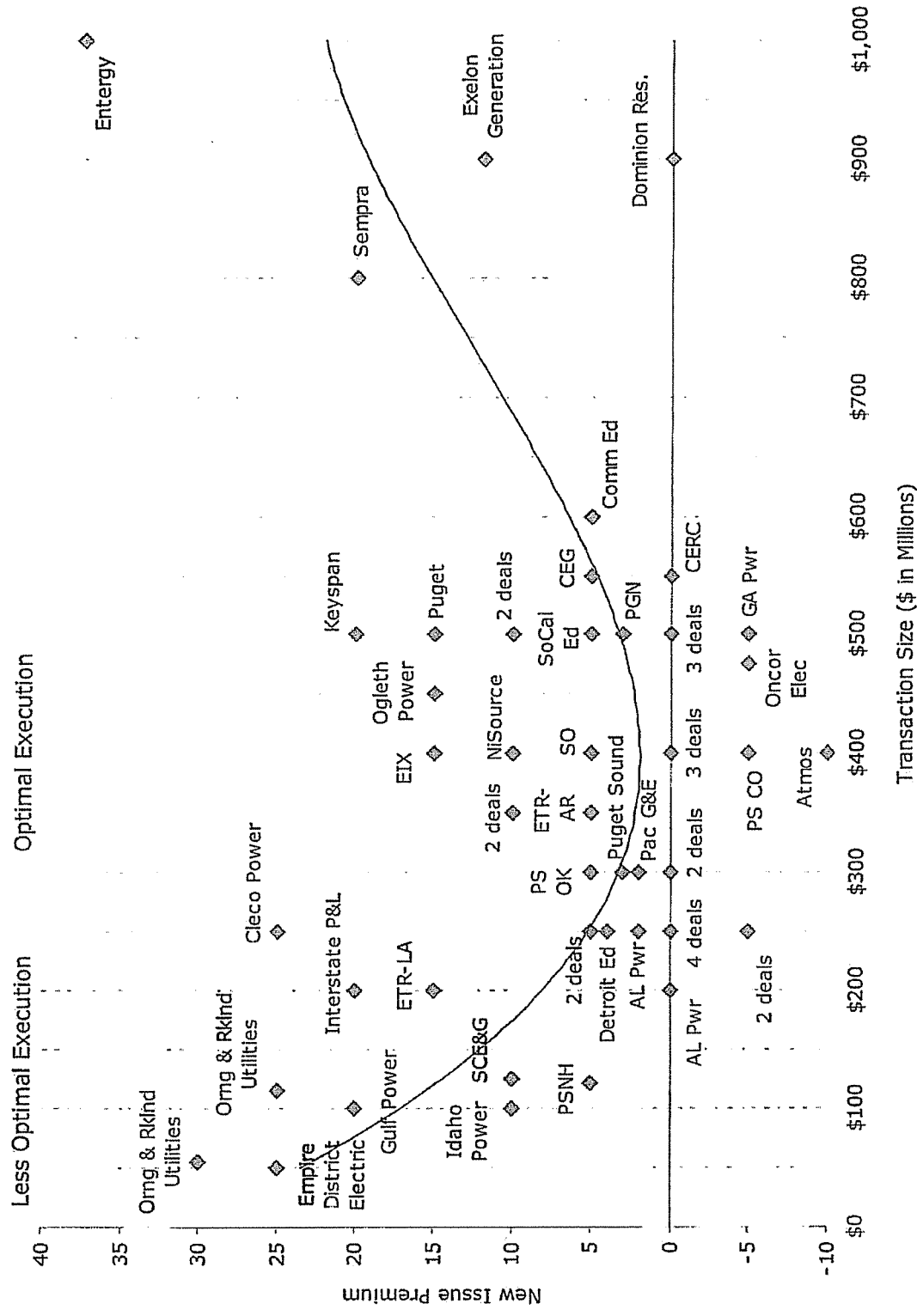


Source: Wells Fargo Securities

LG&E and KU Energy LLC

Wells Fargo Securities

Execution Comparison of Recent Utility Offerings

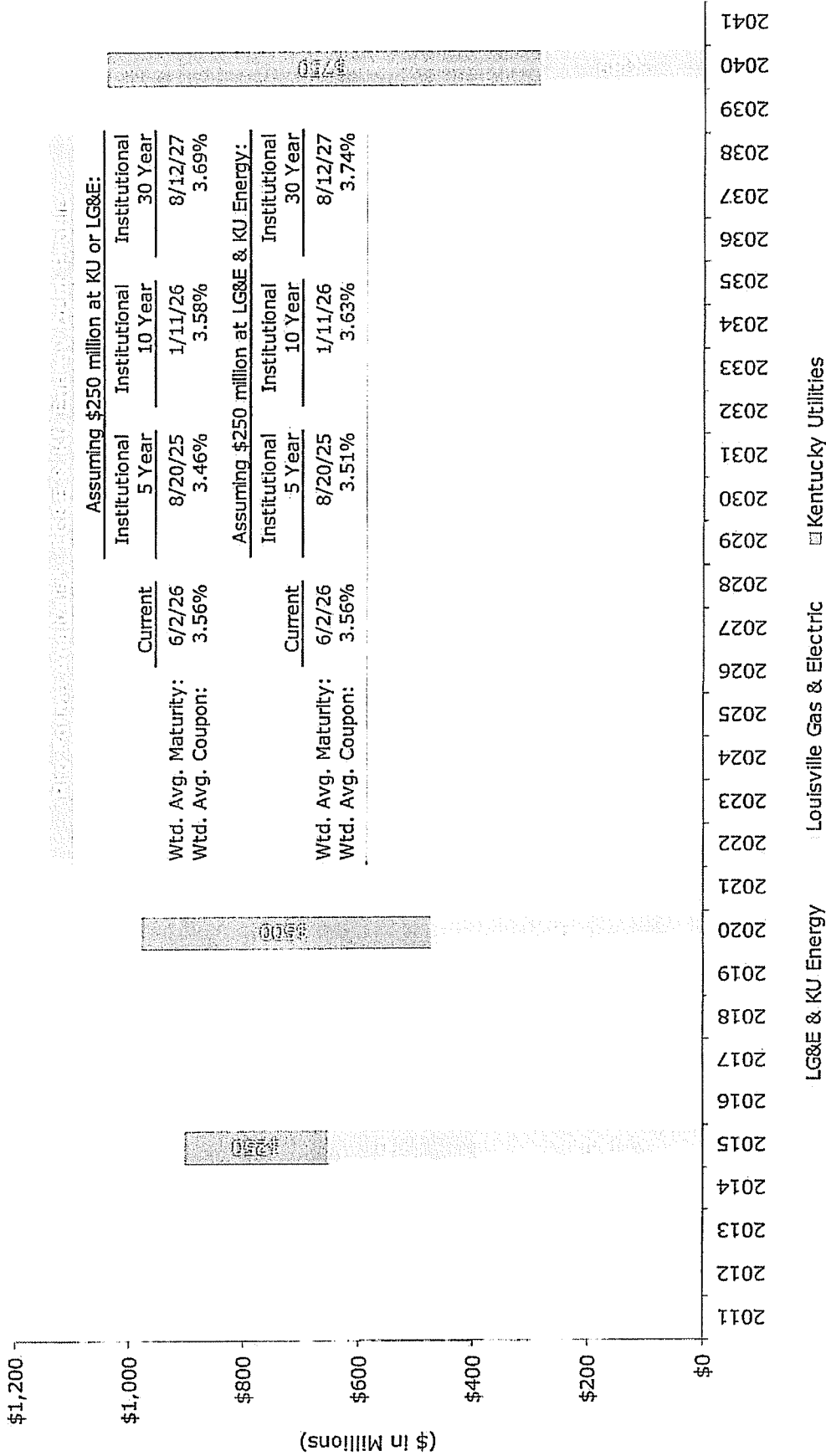


*Includes High Grade Utility offerings 8/1/2010 thru 5/31/2011
Source: Wells Fargo Securities

DCM Financing Considerations

Effect of Issuance on LG&E & KU Energy's Debt Maturity Profile

LG&E & KU Energy Consolidated Debt Profile

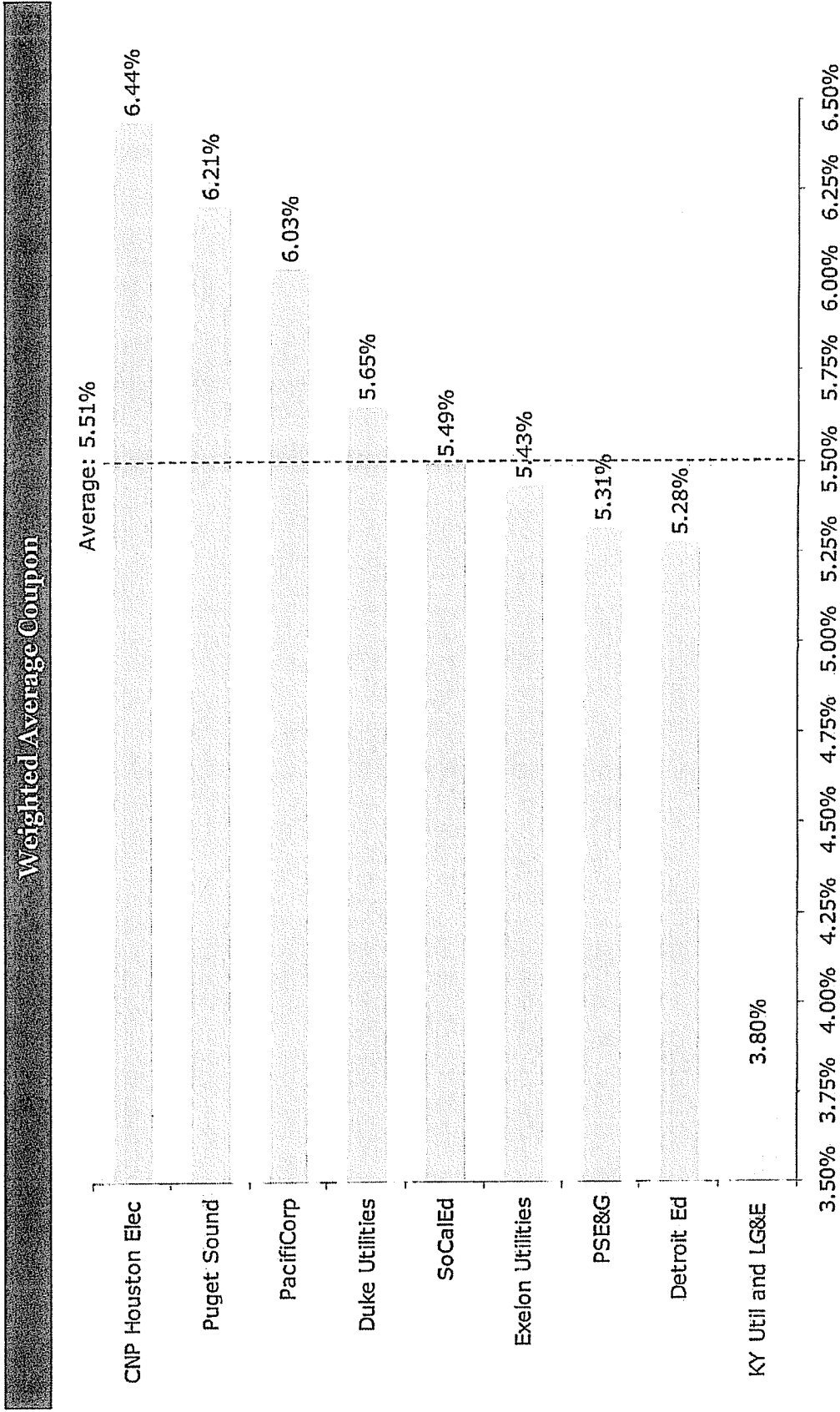


Assuming \$250 million at KU or LG&E:			
	Current	Institutional 5 Year	Institutional 30 Year
Wtd. Avg. Maturity:	6/2/26	8/20/25	8/12/27
Wtd. Avg. Coupon:	3.56%	3.46%	3.69%

Assuming \$250 million at LG&E & KU Energy:			
	Current	Institutional 5 Year	Institutional 30 Year
Wtd. Avg. Maturity:	6/2/26	8/20/25	8/12/27
Wtd. Avg. Coupon:	3.56%	3.51%	3.74%

*Pro forma issuance scenarios assume maturities of July 1st in all cases
 Source: Bloomberg and Wells Fargo Securities

Fixed Income Portfolio Analysis: Operating Companies

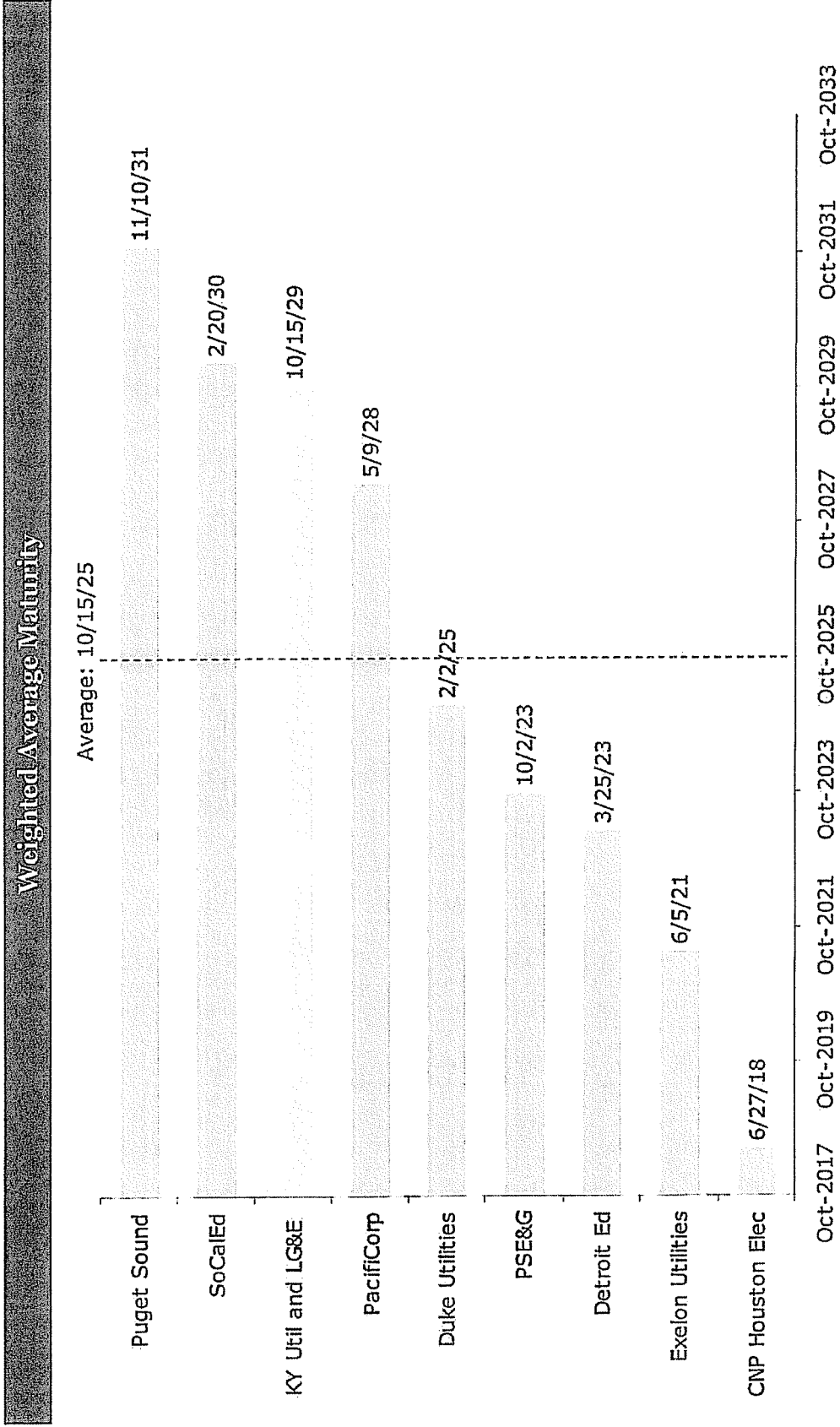


*Duke Utilities includes Duke Energy Carolinas, Duke Energy Indiana, Duke Energy Kentucky and Duke Energy Ohio
 Exelon Utilities includes PECO Energy and Commonwealth Edison
 Source: Bloomberg

LG&E and KU Energy LLC

Wells Fargo Securities

Fixed Income Portfolio Analysis: Operating Companies



*Duke Utilities includes Duke Energy Carolinas, Duke Energy Indiana, Duke Energy Kentucky and Duke Energy Ohio
 Exelon Utilities includes PECO Energy and Commonwealth Edison
 Source: Bloomberg

LG&E and KU Energy LLC

Wells Fargo Securities

Operating Company Bondholders vs. Comps

Investor	ISV Utilities and Louisville G&E	Duke Utilities	SoCal Edison	PG&E	Exelon Utilities	First Solar	CenterPoint Houston	Total Holdings
Issuer	Rating	Rating	Rating	Rating	Rating	Rating	Rating	Rating
	A2/A	A2/A	A2/A	A2/A	A2/A	A2/A	A2/A	A2/A
Blackrock Financial Management Inc.	93,703	56,262	206,028	196,032	135,573	242,952	41,693	1,356,895
TIAA-CREF	72,400	174,136	174,136	198,690	150,868	197,683	86,465	1,297,215
Northwest Mutual	30,000	147,895	239,108	167,112	180,725	142,018	40,575	1,161,279
Metropolitan Life Insurance Co.	51,015	145,710	99,330	105,730	104,525	230,072	104,170	1,119,529
Delaware Investments	38,550	48,000	218,043	218,307	101,685	120,274	55,794	1,050,298
Pacific Investment Management Co.	35,430	48,418	160,765	155,989	97,033	145,932	102,376	1,022,812
GE Asset Management Inc.	37,500	122,435	153,563	96,849	145,349	124,492	82,630	947,691
Prudential Investment Management	34,520	73,134	219,307	102,811	88,311	107,069	45,283	919,469
New York Life Investment Management LLC	22,533	57,346	120,538	129,890	104,116	104,793	50,598	742,545
Wellington Management Co. LLP	1,663	5,369	220,251	145,011	71,324	81,775	41,706	730,040
Deutsche Asset Management	22,372	76,573	111,402	136,495	120,721	107,625	28,795	718,099
Manulife Asset Management (John Hancock)	36,000	9,830	109,136	189,684	81,132	83,400	98,350	710,136
The Vanguard Group Inc.	55,227	7,009	116,923	46,369	78,526	184,517	29,175	707,792
Hartford Investment Management Co.	37,798	50,658	157,456	51,624	72,510	119,885	13,033	650,948
AECOM USA Investment Management LLC	36,000	38,500	133,878	85,750	28,750	54,951	19,500	586,057
PPM America Inc.	25,000	26,400	92,858	58,345	35,000	80,167	31,636	583,909
AIG Asset Management (US) LLC	56,600	59,935	20,526	85,920	41,902	77,851	42,013	573,636
Columbia Management Investment Advisers	-	49,594	60,090	183,636	80,627	42,319	-	565,432
Unum Group	-	17,800	96,445	28,000	-	54,889	127,920	93,850
AllianceBernstein LP	10,359	63,559	90,702	39,623	26,617	74,985	2,071	506,633
ING Investment Management	1,721	3,671	58,423	142,266	50,799	83,484	8,000	21,130
Airstake Investment Management Co.	30,000	37,000	34,595	53,500	32,500	75,950	27,808	29,658
Thrivent Investment Management Inc.	15,000	46,000	63,451	36,000	17,000	61,501	23,000	373,102
Fort Washington Investment Advisers Inc.	12,000	34,940	22,963	59,609	47,165	63,177	30,751	340,591
Wells Capital Management Inc.	5,975	26,297	83,172	43,509	29,856	45,142	17,079	20,419
Allianz Investment Company LLC	23,500	5,000	61,070	40,193	20,000	38,368	53,133	336,550
USAA Investment Management Co.	-	44,500	50,313	2,000	-	34,000	89,050	303,453
Principal Global Investors LLC	11,340	14,310	28,185	39,115	33,471	38,642	2,200	270,532
Goldman Sachs Asset Management	6,133	10,058	23,108	35,193	1,106	88,173	57,233	265,455
Aviva Investors North America Inc.	4,500	10,000	65,835	15,100	9,000	21,500	52,067	247,832
Conning Asset Management Co.	-	19,298	25,000	18,492	49,149	35,481	8,863	229,458
Guggenheim Partners LLC	5,233	28,721	50,932	14,214	16,325	22,772	26,748	225,471
Protective Life Corp.	-	47,585	21,825	12,524	-	33,285	45,905	218,724
The Travelers Companies Inc.	12,000	25,868	20,495	25,965	33,000	42,503	6,565	215,043
American Equity Investment Life Insurance Co	36,000	-	27,500	20,650	15,375	21,500	13,750	212,241
PineBridge Investments LLC	31,400	51,905	2,543	21,999	28,521	18,790	25	200,736
Nationwide Insurance Co.	195	-	51,365	82,030	15,177	29,073	-	193,590
Babson Capital Management LLC	2,500	35,750	1,115	17,335	24,040	13,775	23,225	183,020
United American Insurance Co.	-	12,250	-	50,000	15,000	32,625	52,450	162,325
White Mountains Advisers LLC	10,000	800	-	19,500	10,000	18,750	31,000	151,300
Total Reported	\$ 1,151,442	\$ 2,130,919	\$ 4,195,904	\$ 3,466,008	\$ 2,719,939	\$ 4,525,768	\$ 2,166,461	\$ 28,627,608
Percent of Outstandings Reported	56.6%	72.2%	61.9%	59.8%	68.8%	57.5%	65.5%	79.1%

*Duke Utilities includes Duke Energy Carolinas, Duke Energy Indiana, Duke Energy Kentucky and Duke Energy Ohio
 Exelon Utilities includes PECO Energy and Commonwealth Edison
 Source: eMAXX

LG&E and KU Energy LLC

Wells Fargo Securities

Indicative Pricing: June 13, 2011

Kentucky Utilities, Louisville Gas & Electric (First Mortgage: A2 / A-)

Market	Institutional				Retail			
	5 year	10 year	30 year	Perp / NC 5	10 year / NC 5	40 year / NC 5	Perp / NC 5	Preferred
Tenor	A2 / A -	A2 / A -	A2 / A -	A2 / A -	A2 / A -	A2 / A -	A2 / A -	Baa3 / BBB-
Ratings								
Pay Frequency	Semi-Annual	Semi-Annual	Semi-Annual	Quarterly	Quarterly	Quarterly	Quarterly	Quarterly
Reference Benchmark	5 YR UST	10 YR UST	4.75% due '41	10 YR UST	4.75% due '41	4.75% due '41	4.75% due '41	4.75% due '41
Benchmark Yield	1.57%	2.97%	4.18%	2.97%	4.18%	4.18%	4.18%	4.18%
Underwriting Fee	0.600%	0.650%	0.875%	2.500%	3.150%	3.150%	3.150%	3.150%
Mid Swap Rate	1.81%	3.08%	3.93%	NA	NA	NA	NA	NA

Current Trading Level of Secondary Comparables

Issuer	Ticker	Security	Size (\$ MM)	Coupon	Maturity	Years to Maturity	Ratings		Current Trading Data				
							Moody's	S&P	Benchmark	T-Spread	G-Spread	Yield	Price
Kentucky Utilities	PPL	First Mortgage	\$ 500	3.250%	11/1/2020	9.4	A2	A-	10YR	73 bps	85 bps	3.696%	\$ 96.49
Kentucky Utilities	PPL	First Mortgage	\$ 750	5.125%	11/1/2040	29.4	A2	A-	30YR	90 bps	90 bps	5.081%	\$ 100.66
Duke Energy Carolinas	DUK	First Mortgage	\$ 500	3.900%	6/15/2021	10.0	A1	A	10YR	77 bps	77 bps	3.736%	\$ 101.36
Public Service Co. of Colorado	XEL	First Mortgage	\$ 400	3.200%	11/15/2020	9.4	A2	A	10YR	67 bps	60 bps	3.636%	\$ 96.55
Florida Power Corp.	PGN	First Mortgage	\$ 250	4.550%	4/1/2020	8.8	A2	A	10YR	65 bps	70 bps	3.616%	\$ 106.98
PacifiCorp	BRK	First Mortgage	\$ 400	3.850%	6/15/2021	10.0	A2	A	10YR	76 bps	76 bps	3.726%	\$ 101.03
Detroit Edison Co.	DTE	First Mortgage	\$ 250	3.900%	6/1/2021	10.0	A2	A	10YR	80 bps	80 bps	3.766%	\$ 101.10
PECO Energy Co.	EXC	First Mortgage	\$ 300	5.950%	10/1/2036	25.3	A1	A-	30YR	100 bps	105 bps	5.181%	\$ 110.76
Public Service Electric & Gas	PEG	First Mortgage	\$ 250	3.500%	8/15/2020	9.2	A2	A-	10YR	65 bps	83 bps	3.616%	\$ 99.10
Potomac Electric Power Co.	POM	First Mortgage	\$ 500	6.500%	11/15/2037	26.4	A3	A	30YR	90 bps	90 bps	5.081%	\$ 120.50
PPL Electric Utilities	PPL	First Mortgage	\$ 300	6.250%	5/15/2039	27.9	A3	A-	30YR	100 bps	100 bps	5.181%	\$ 115.68

LG&E and KU Energy LLC

Wells Fargo Securities

Indicative Pricing: June 13, 2011

15bps PREMIUM TO GO UNSECURED

LG&E & KU Energy LLC (Senior Unsecured: Baa2 / BBB-)

Market	Institutional				Retail			
	5 year	10 year	30 year	40 year / NC 5	10 year / NC 5	40 year / NC 5	Perp / NC 5	Preferred
Tenor	Baa2 / BBB	Baa2 / BBB	Baa2 / BBB	Baa2 / BBB	Baa2 / BBB	Baa2 / BBB	Baa2 / BBB	Ba1 / BBB
Ratings	Semi-Annual	Semi-Annual	Semi-Annual	Semi-Annual	Quarterly	Quarterly	Quarterly	Quarterly
Pay Frequency	5 YR UST	10 YR UST	4.75% due '41	4.75% due '41	10 YR UST	4.75% due '41	4.75% due '41	4.75% due '41
Reference Benchmark	1.57%	2.97%	4.18%	4.18%	2.97%	4.18%	4.18%	4.18%
Benchmark Yield								
Underwriting Fee	0.600%	0.650%	0.875%	0.875%	2.500%	3.150%	3.150%	3.150%
Mid Swap Rate	1.81%	3.08%	3.93%	3.93%	NA	NA	NA	NA

Current Trading Level of Secondary Comparables

Issuer	Ticker	Security	Size (\$ MM)	Years to			Ratings			Current Trading Data			
				Coupon	Maturity	Maturity	Moody's	S&P	Benchmark	T-Spread	G-Spread	Yield	Price
LG&E & KU Energy LLC	PPL	Sr. Unsecured	\$ 475	3.750%	11/15/2020	9.4	Baa2	BBB-	10YR	130 bps	142 bps	4.266%	\$ 96.03
Dominion Resources, Inc.	D	Sr. Unsecured	\$ 500	4.450%	3/15/2021	9.8	Baa2	A-	10YR	105 bps	109 bps	4.016%	\$ 103.47
Xcel Energy	XEL	Sr. Unsecured	\$ 550	4.700%	5/15/2020	8.9	Baa1	BBB+	10YR	90 bps	115 bps	3.866%	\$ 106.24
Progress Energy	PGN	Sr. Unsecured	\$ 500	4.400%	1/15/2021	9.6	Baa2	BBB	10YR	100 bps	108 bps	3.966%	\$ 103.43
Exelon Corp.	EXC	Sr. Unsecured	\$ 500	6.150%	6/15/2035	24.0	Baa1	BBB-	30YR	167 bps	172 bps	5.851%	\$ 103.83
DTE Energy Inc.	DTE	Sr. Unsecured	\$ 400	6.375%	4/15/2033	21.9	Baa2	BBB	30YR	135 bps	140 bps	5.531%	\$ 110.61
Edison International	EIX	Sr. Unsecured	\$ 400	3.750%	9/15/2017	6.3	Baa2	BBB-	7YR	125 bps	127 bps	3.965%	\$ 98.81
TECO Finance Inc.	TE	Sr. Unsecured	\$ 300	5.150%	3/15/2020	8.8	Baa3	BBB	10YR	120 bps	148 bps	4.166%	\$ 107.15

Source: Wells Fargo Securities and Bloomberg

LG&E and KU Energy LLC

Wells Fargo Securities

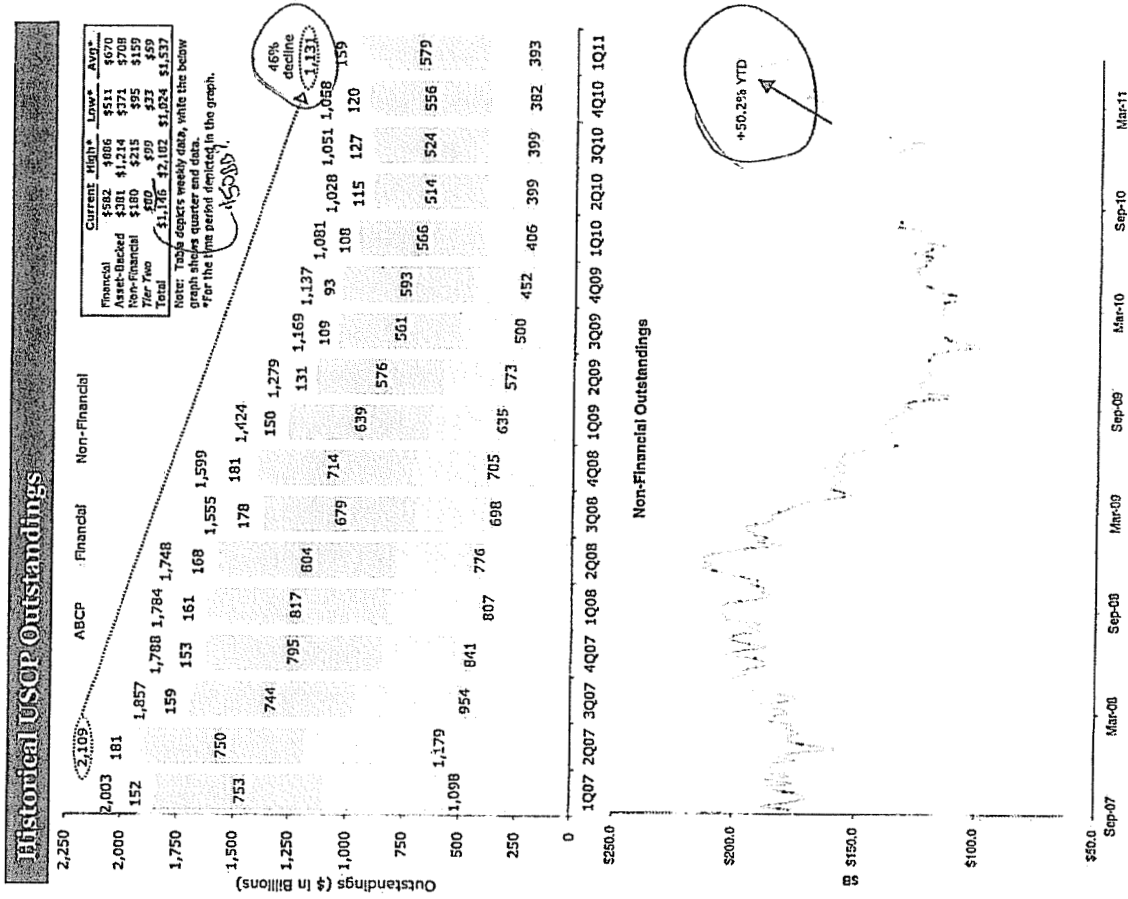
Commercial Paper Market Update

Commercial Paper Market Update

- Supply/demand dynamics in the CP market remain skewed in favor of issuers.
 - CP outstandings have shrunk from a peak of \$2.2T to \$1.1T.
 - MMF assets stand at \$2.7T and U.S. corporations hold \$1.9T in cash and liquid assets.
- CP rates remain attractive:
 - T1 avg: L -5bps to flat area / T2 avg: L +15-20bps area
- CP maturities continue to lengthen:
 - T1 avg: 52.7 days / T2 avg: 27.6 days
- The uncertain future regulatory environment continues to weigh on the market, with Dodd-Frank, the President's Working Group report/potential further 2a-7 reforms, Basel II and III and new securitization rules being digested by the market.
- Pressures on MMFs continue given the persistent low rate environment and more stringent regulations. As a result, fund profitability has suffered and consolidation has accelerated – the number of taxable funds fell from 710 to 651 throughout 2010.
- Wells Fargo's economists expect the Federal Funds Target Rate to remain at 0.25% until 2Q2012.

Source: Bloomberg/Crane/Federal Reserve/Investment Company Institute/Moody's

LG&E and KU Energy LLC



Wells Fargo Securities

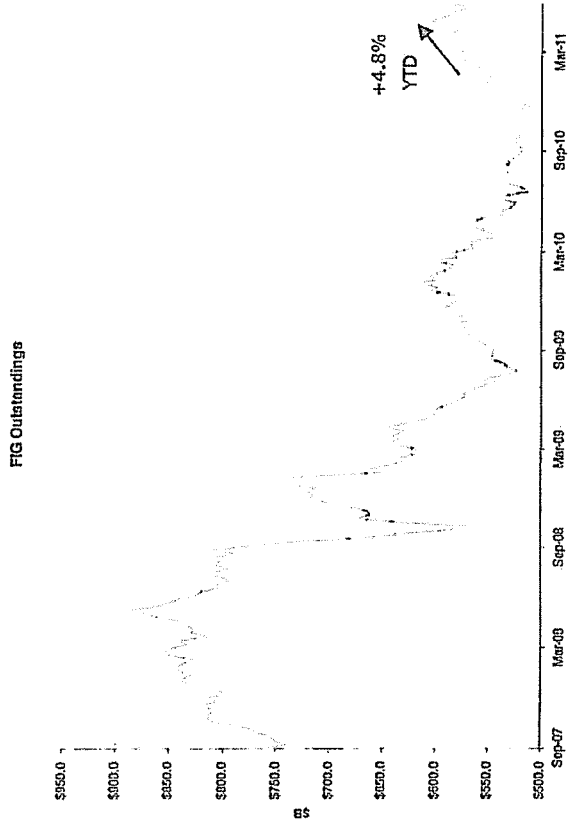
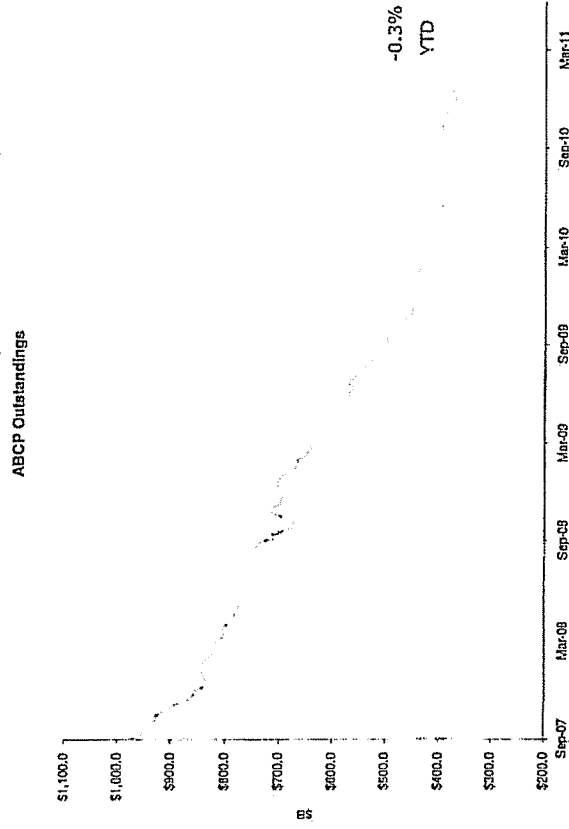
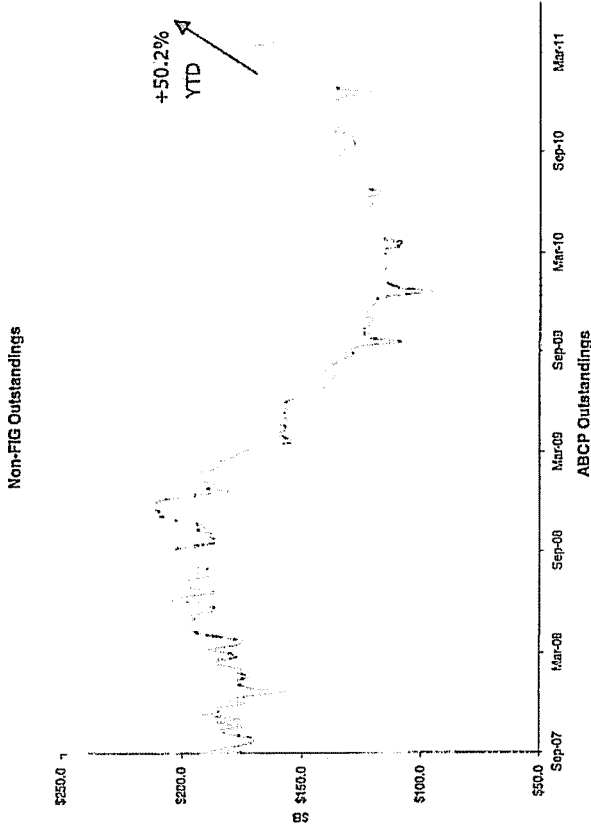
Wells Fargo U.S. Economic Forecast

	Actual				Forecast												
	2009				2010				2011				2012				
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	
Real Gross Domestic Product (a)	-4.9	-0.7	1.6	5.0	3.7	1.7	2.6	3.1	1.8	1.1	1.5	1.9	2.0	2.0	2.2	2.2	2.3
Personal Consumption	-0.5	-1.6	2.0	0.9	1.9	2.2	2.4	4.0	2.2	2.1	2.0	2.1	2.0	2.0	2.2	2.2	2.3
Business Fixed Investment	-35.2	-7.5	-1.7	-1.4	7.8	17.2	10.0	7.7	3.4	16.9	7.7	9.5	8.2	10.2	10.0	10.2	10.0
Equipment and Software	-31.6	0.2	4.2	14.6	20.5	24.8	15.4	7.7	11.6	7.8	8.9	11.0	0.8	11.0	10.2	10.0	10.0
Structures	-41.0	-20.2	-12.4	-20.2	-17.8	-0.5	-3.6	7.7	-16.8	6.8	3.5	4.0	5.8	7.0	9.0	11.0	11.0
Residential Construction	-36.2	-19.7	10.6	-0.8	-12.3	25.6	-27.3	3.3	-3.3	3.3	2.5	4.5	7.0	9.0	11.0	12.5	12.5
Government Purchases	-3.0	6.2	1.6	-1.4	-1.6	3.9	3.9	-1.7	-5.1	-1.0	-1.7	-1.7	-1.4	-1.2	-0.5	-0.2	-0.2
Net Exports	-389.2	-342.0	-390.8	-330.1	-338.4	-449.0	-505.0	-397.7	-398.5	-380.2	-377.4	-369.4	-373.4	-380.9	-393.7	-409.1	-409.1
Pct. Point Contribution to GDP	2.9	1.5	-1.4	1.9	-0.3	-1.7	3.3	3.3	-0.1	0.3	0.3	0.2	0.2	-0.1	-0.2	-0.4	-0.4
Inventory Change	-125.8	-161.8	-128.2	-36.7	44.1	68.8	121.4	16.2	52.2	18.7	42.0	50.0	54.0	59.0	63.0	67.2	67.2
Pct. Point Contribution to GDP	-1.1	-1.0	1.1	2.8	2.6	0.8	1.6	-3.4	1.2	-1.0	0.7	0.2	0.1	0.1	0.1	0.1	0.1
Nominal GDP	-3.9	-0.4	2.3	4.7	4.8	3.7	4.6	3.5	3.8	4.1	5.1	4.9	4.3	4.7	4.9	5.0	5.0
Real Final Sales	-3.9	0.2	0.4	2.1	1.1	0.9	0.9	6.7	0.6	3.3	2.3	2.6	2.1	2.4	2.5	2.6	2.6
Retail Sales (b)	-10.3	-10.6	-7.7	1.1	5.3	6.8	5.6	7.7	8.2	8.4	8.3	6.5	5.2	5.3	6.7	7.4	7.4
Inflation Indicators (b)																	
"Core" PCE Deflator	1.6	1.5	1.3	1.7	1.8	1.5	1.2	0.8	0.9	1.1	1.5	1.5	2.0	2.0	2.0	2.0	2.1
Consumer Price Index	-0.2	-1.0	-1.6	1.5	2.4	1.8	1.2	1.2	2.2	2.2	1.6	2.1	2.2	2.2	2.2	2.2	2.3
"Core" Consumer Price Index	1.8	1.8	1.5	1.7	1.3	1.0	0.9	0.6	1.1	1.4	1.6	2.1	2.2	2.2	2.2	2.2	2.3
Producer Price Index	-2.3	-4.1	-5.2	1.5	5.1	4.3	3.7	3.8	5.1	6.7	6.9	6.4	4.3	3.9	4.0	4.0	4.0
Employment Cost Index	2.1	1.8	1.5	1.4	1.7	1.9	1.9	2.0	2.0	1.7	1.7	1.9	2.2	1.9	1.8	2.0	2.0
Real Disposable Income (a)	0.4	5.9	-4.4	0.0	1.3	5.6	1.0	1.1	0.8	0.6	1.1	1.4	1.2	1.6	1.8	2.1	2.1
Nominal Personal Income (b)	-1.7	-2.1	-2.3	-0.9	2.1	2.6	3.5	3.8	4.7	4.4	4.5	4.4	3.1	2.7	2.6	2.6	2.6
Industrial Production (a)	-18.9	-11.5	5.3	5.6	8.1	7.1	6.7	3.1	4.6	2.5	6.9	3.0	3.4	3.9	4.0	4.1	4.1
Capacity Utilization	69.7	67.7	68.9	70.3	72.3	74.0	75.5	76.1	76.8	76.9	77.4	77.6	77.9	78.1	78.4	78.7	78.7
Corporate Profits Before Taxes (b)	-17.3	-11.4	-3.9	42.5	37.6	37.0	26.4	18.3	8.5	6.2	6.2	6.7	6.9	7.2	7.5	7.6	7.6
Corporate Profits After Taxes	-10.1	-3.1	0.4	41.9	27.0	26.5	16.2	13.7	6.5	5.7	6.2	7.7	8.3	8.6	8.8	8.9	8.9
Federal Budget Balance (c)	-448.9	-304.9	-329.4	-308.1	-328.9	-287.0	-290.2	-369.0	-460.4	-275.5	-345.0	-390.0	-400.0	-145.0	-165.0	-175.0	-175.0
Current Account Balance (d)	-95.6	-84.4	-97.5	-100.9	-108.7	-122.7	-125.5	-113.3	-135.0	-145.0	-155.0	-160.0	-165.0	-165.0	-170.0	-175.0	-175.0
Trade Weighted Dollar Index (e)	83.2	77.7	74.3	74.8	76.1	78.8	73.6	73.2	70.6	69.0	69.5	71.0	73.0	75.0	76.0	77.0	77.0
Nonfarm Payroll Change (f)	-780.7	-516.0	-255.7	-135.3	39.3	181.0	-45.7	138.7	165.7	147.0	168.3	175.0	180.0	185.0	185.0	190.0	190.0
Unemployment Rate	6.2	9.3	9.7	10.0	9.7	9.6	9.6	9.6	8.9	8.9	8.9	8.9	8.9	8.9	8.9	8.9	8.9
Housing Starts (g)	0.53	0.53	0.59	0.57	0.61	0.60	0.58	0.54	0.58	0.55	0.61	0.66	0.69	0.74	0.76	0.83	0.83
Light Vehicle Sales (h)	9.6	9.7	11.6	10.8	11.0	11.3	11.6	12.3	13.0	12.5	13.2	13.5	13.7	13.9	14.1	14.3	14.3
Crude Oil - WTI - Front Contract (i)	43.08	59.62	68.30	76.19	78.72	78.03	76.20	85.17	94.10	105.80	108.00	110.00	111.00	111.00	112.00	112.00	112.00
Quarter-End Interest Rates (j)																	
Federal Funds Target Rate	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25
3 Month LIBOR	1.19	0.60	0.29	0.25	0.29	0.53	0.29	0.30	0.30	0.30	0.35	0.40	0.40	0.65	0.90	1.40	1.40
Prime Rate	3.25	3.25	3.25	3.25	3.25	3.25	3.25	3.25	3.25	3.25	3.25	3.25	3.25	3.25	3.25	3.25	3.25
Conventional Mortgage Rate	5.00	5.42	5.06	4.93	4.97	4.74	4.35	4.71	4.84	4.50	4.80	5.00	5.20	5.40	5.50	5.60	5.60
3 Month Bill	0.21	0.19	0.14	0.06	0.16	0.16	0.16	0.12	0.09	0.10	0.15	0.20	0.45	0.95	1.45	1.65	1.65
2 Year Note	0.81	1.11	0.95	1.14	1.02	0.61	0.42	0.61	0.80	0.40	0.70	1.00	1.30	1.40	1.60	1.90	1.90
5 Year Note	1.67	2.54	2.31	2.69	2.55	1.79	1.27	2.01	2.24	1.60	1.90	2.20	2.40	2.60	2.80	2.90	2.90
10 Year Note	2.71	3.53	3.31	3.85	3.84	2.97	2.53	3.30	3.47	2.50	2.80	3.10	3.50	3.70	3.90	4.00	4.00
30 Year Bond	3.56	4.32	4.03	4.63	4.72	3.91	3.69	4.34	4.51	4.10	4.30	4.50	4.70	4.90	5.00	5.10	5.10

Forecast as of: June 9, 2011
 Notes: (a) Compound Annual Growth Rate Quarter-over-Quarter
 (b) Year-over-Year Percentage Change
 (c) Quarterly Sum - Billions USD; Annual Data Represents Fiscal Yr.
 (d) Quarterly Sum - Billions USD
 (e) Federal Reserve Major Currency Index, 1975=100 - Quarter End
 (f) Average Monthly Change
 (g) Millions of Units
 (h) Quarterly Data - Average Monthly SAAI; Annual Data - Actual Total Vehicles Sold
 (i) Quarterly Average of Daily Close
 (j) Annual (Numbers Represent Averages)

Commercial Paper Outstandings by Sector

- The non-FIG sector has shown the strongest rebound in supply post-crisis. Continued gradual increases in corporate borrowings are expected, but will hinge on the expansion of the overall economy.
- ABCP supply has stabilized, however the future of this market will largely hinge on the regulatory environment.
- While FIG outstandings have whip-sawed over the past several years, the market remains at contracted levels. Bank capital regulations continue to re-shape the front-end funding landscape.



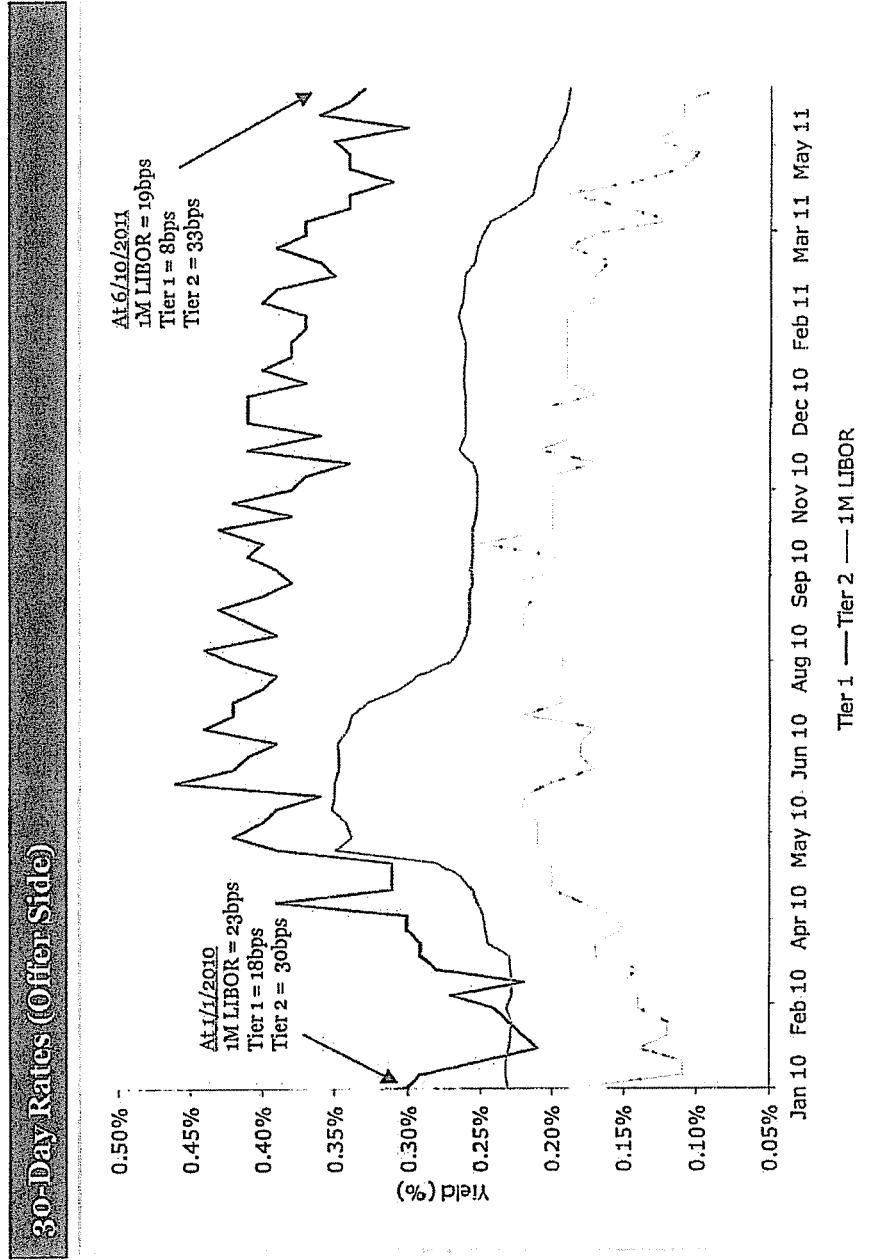
Source: Federal Reserve / Bloomberg

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Commercial Paper Rates

- CP rates remain near all-time lows, and have largely been range-bound over recent months. Recent tightening in the repo market (caused primarily by a change in the FDIC fee structure for banks) has caused other front-end products, including CP, to trade down.



Source: Federal Reserve / Bloomberg

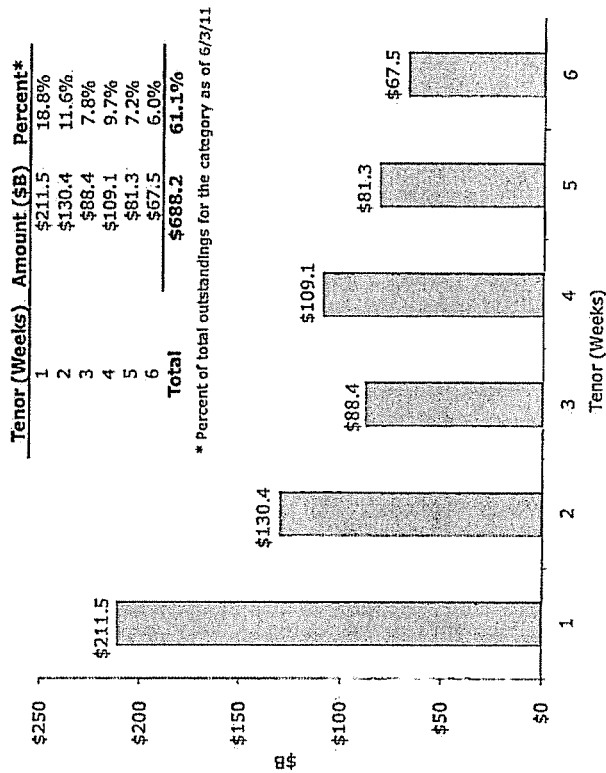
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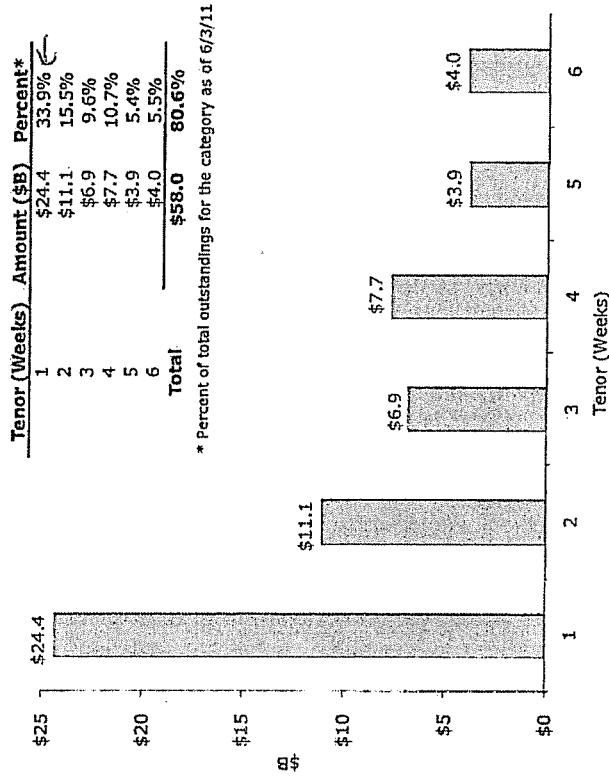
CP Maturities

- **61%** (\$688B) of all outstanding commercial paper has maturities of **six weeks or less**. **19%** (\$212B) has a maturity of **one week or less**.
- **81%** (\$58B) of Tier 2 outstanding commercial paper maturities of **six weeks or less**. **34%** (\$24B) has a maturity of **one week or less**.
- The dollar-weighted average maturity of all outstanding commercial paper is **45.7 days**:
 - **Asset-backed issuers** – **38.7 days**
 - **Tier 1 (A-1/P-1) issuers** – **52.7 days**
 - **Tier 2 (A-2/P-2) issuers** – **27.6 days**

Weekly Totals of Maturing CP – Overall Market



Weekly Totals of Maturing CP – Tier 2



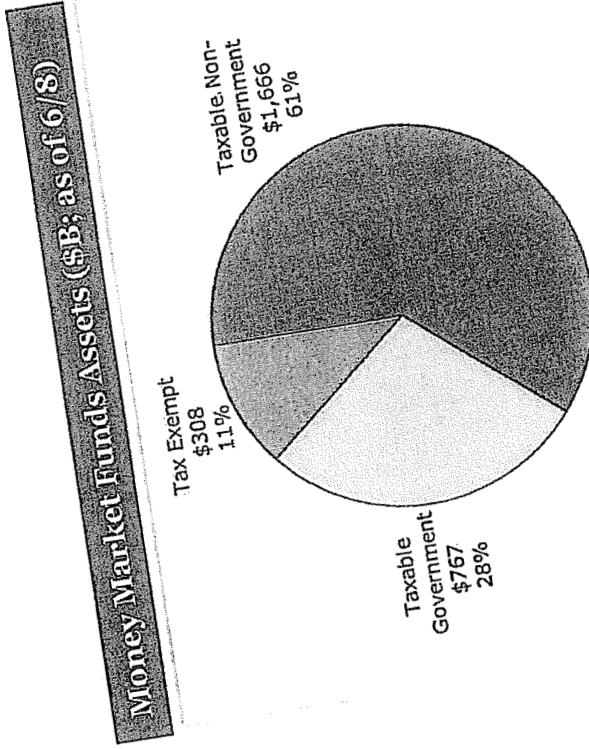
Source: Federal Reserve / Wells Fargo Securities

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Money Market Fund Landscape

- Money Market Funds currently hold \$1.7T in assets, or 61% of all money fund assets.
- Prime (taxable non-government) funds currently hold \$1.7T in assets, or 61% of all money fund assets.
- Taxable funds (\$2.4T total assets) are subject to the new 10% daily liquidity requirements, or a current implied weekly liquidity amount of \$243B.
- All funds (\$2.7T total assets) are subject to the 30% weekly liquidity requirement, or a current implied weekly liquidity amount of \$822B.



Source: Investment Company Institute / SEC

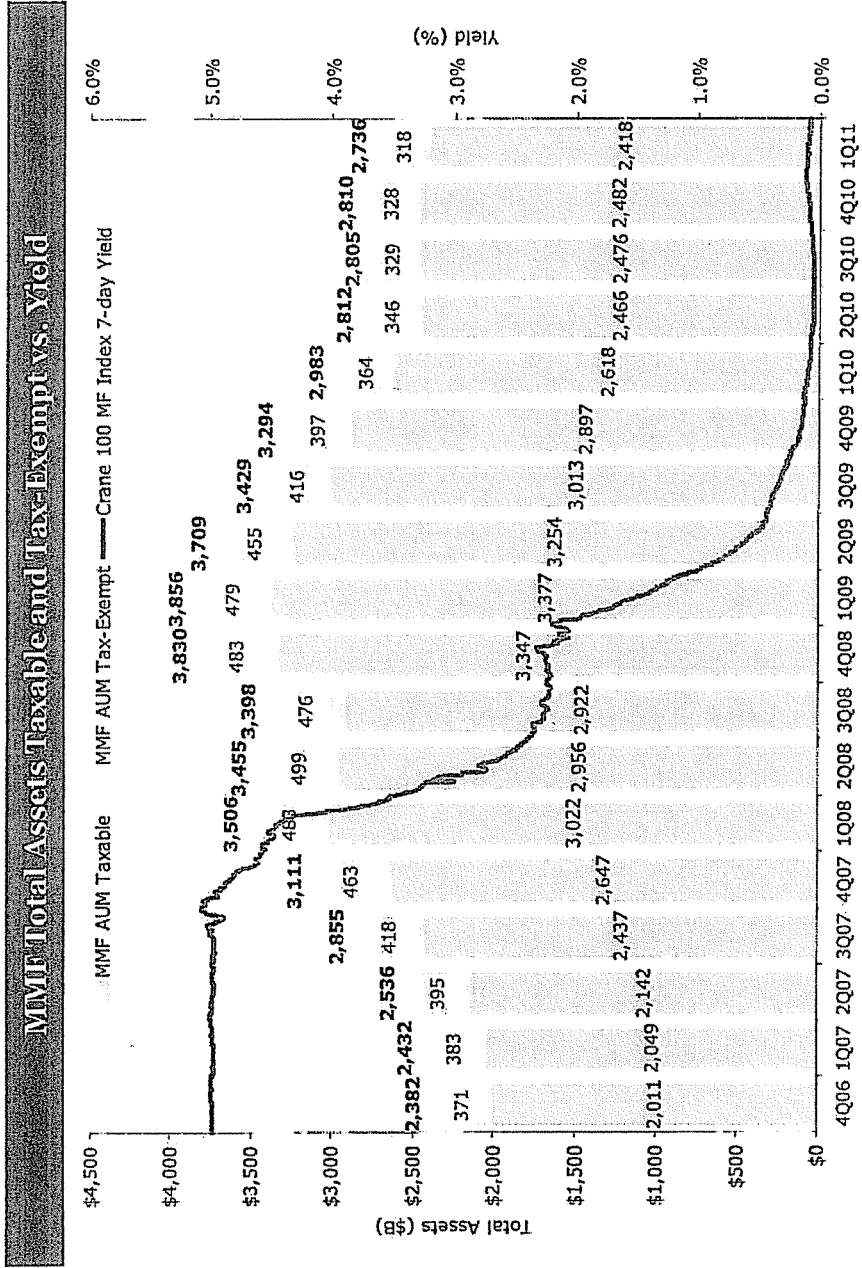
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Money Market Funds Contraction

Expected trends in asset flows:

- Continued consolidation of money fund complexes (ICI estimates that the number of MMFs has shrunk from over 2,000 in 2008 to 1,775 at the end of 2010).
- Further increases in outflows driven by continued low yields/flat front-end curve, and increased risk appetite.
- Reallocation of front end investments:
 - Possible influx of non-2a7 short-duration funds and separate accounts.
 - Direct investing by the middle market.



Source: Bloomberg, ICI. Data as of 4/1/10.

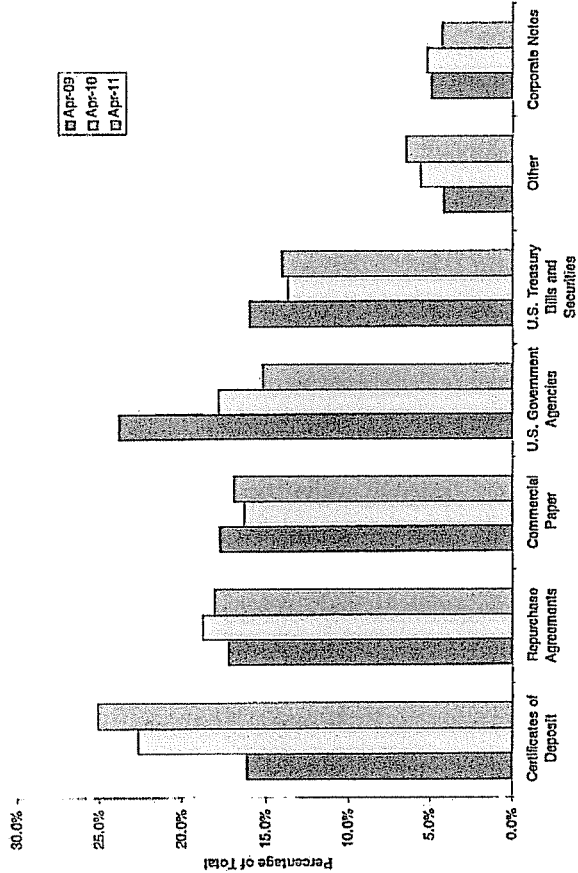
US Taxable MMF Holdings

- MMF assets have declined approximately 30% since the peak in January 2009.
- Formerly the #1 holding of MMFs, CP is now the #3 holding behind CDs and Repo.

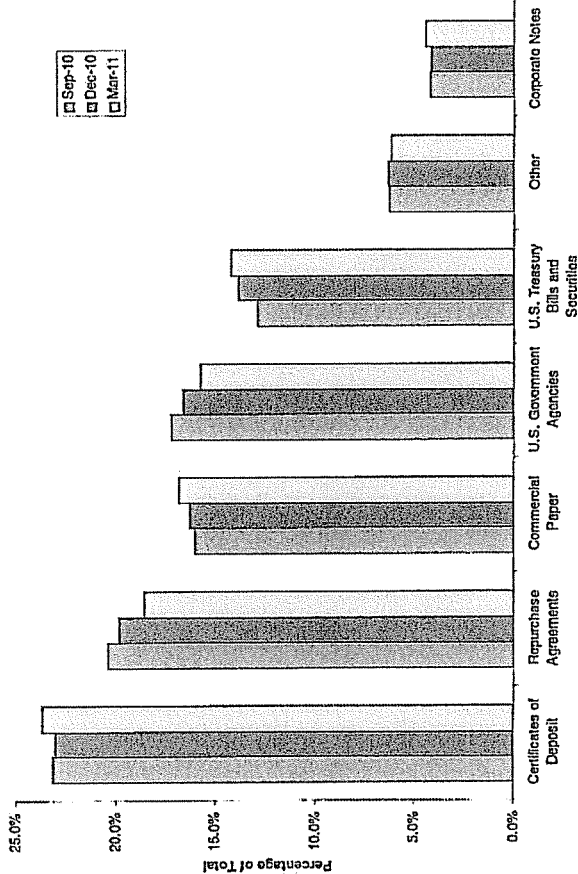
	\$609.8	25.2%	\$568.0	22.7%	\$538.8	16.2%
Certificates of Deposit	\$437.7	18.1%	\$469.8	18.8%	\$574.4	17.2%
Repurchase Agreements	\$409.6	16.9%	\$407.0	16.3%	\$591.3	17.7%
Commercial Paper	\$366.9	15.1%	\$446.0	17.8%	\$794.1	23.8%
U.S. Government Agencies	\$338.8	14.0%	\$342.7	13.7%	\$531.6	15.9%
U.S. Treasury Bills and Securities	\$156.5	6.5%	\$140.0	5.6%	\$140.1	4.2%
Other	\$103.1	4.3%	\$129.2	5.2%	\$163.9	4.9%
Corporate Notes						

	\$574.7	23.8%	\$570.9	23.1%	\$572.5	23.2%
Certificates of Deposit	\$448.1	18.6%	\$489.9	19.8%	\$503.4	20.4%
Repurchase Agreements	\$406.2	16.8%	\$401.9	16.2%	\$394.4	16.0%
Commercial Paper	\$381.0	15.8%	\$410.7	16.6%	\$424.1	17.2%
U.S. Government Agencies	\$344.6	14.3%	\$342.0	13.8%	\$317.0	12.8%
U.S. Treasury Bills and Securities	\$149.6	6.2%	\$156.9	6.3%	\$154.4	6.3%
Other	\$106.7	4.4%	\$103.4	4.2%	\$104.0	4.2%
Corporate Notes						

US Taxable MMF Holdings - Annual



US Taxable MMF Holdings - Quarterly



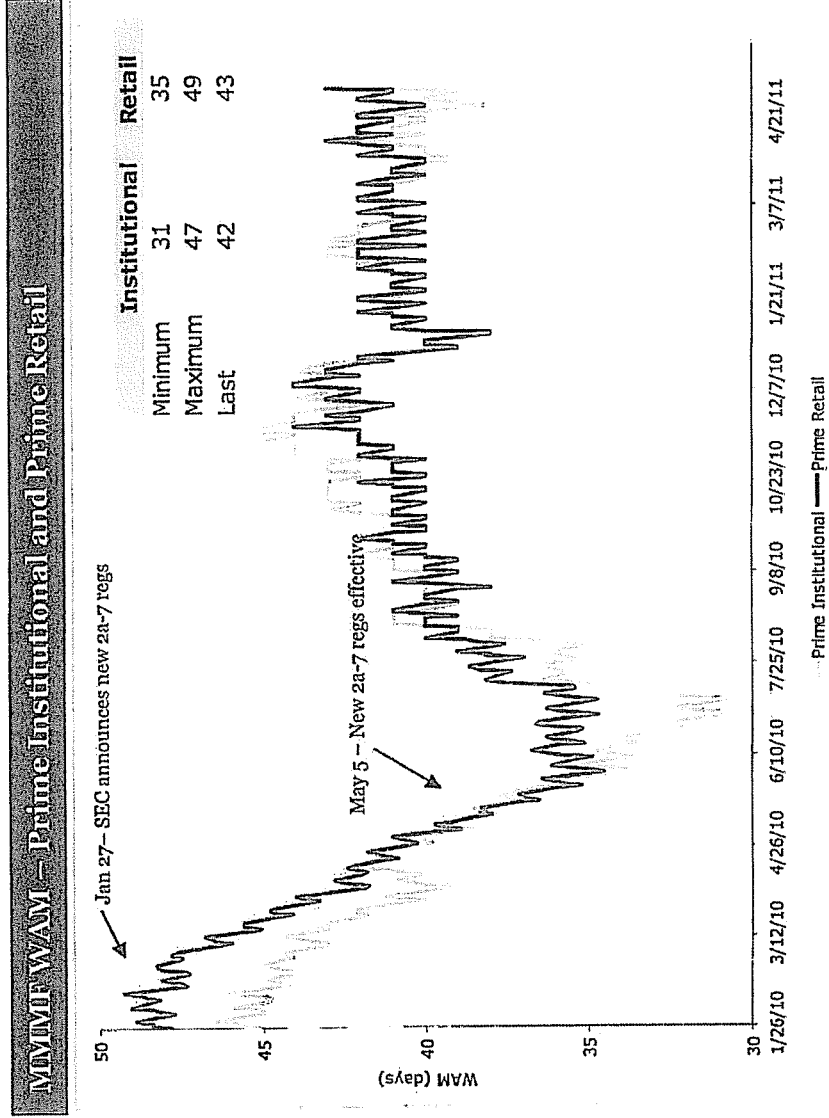
Source: Investment Company Institute

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Money Market Fund Portfolio WAM

- Money funds gradually shortened the average maturity of their portfolios in response to the amendments to Rule 2a-7.
- After bottoming out in 2Q10 in response to Euro-zone concerns, WAMs rebounded into year end.
- WAMs have primarily remained in the 40-45 day range YTD.



Source: iMoney.net

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Commencing a New CP Program

Commercial Paper Considerations

- Pricing in the commercial paper market is currently compelling. Below are general indicative rates.

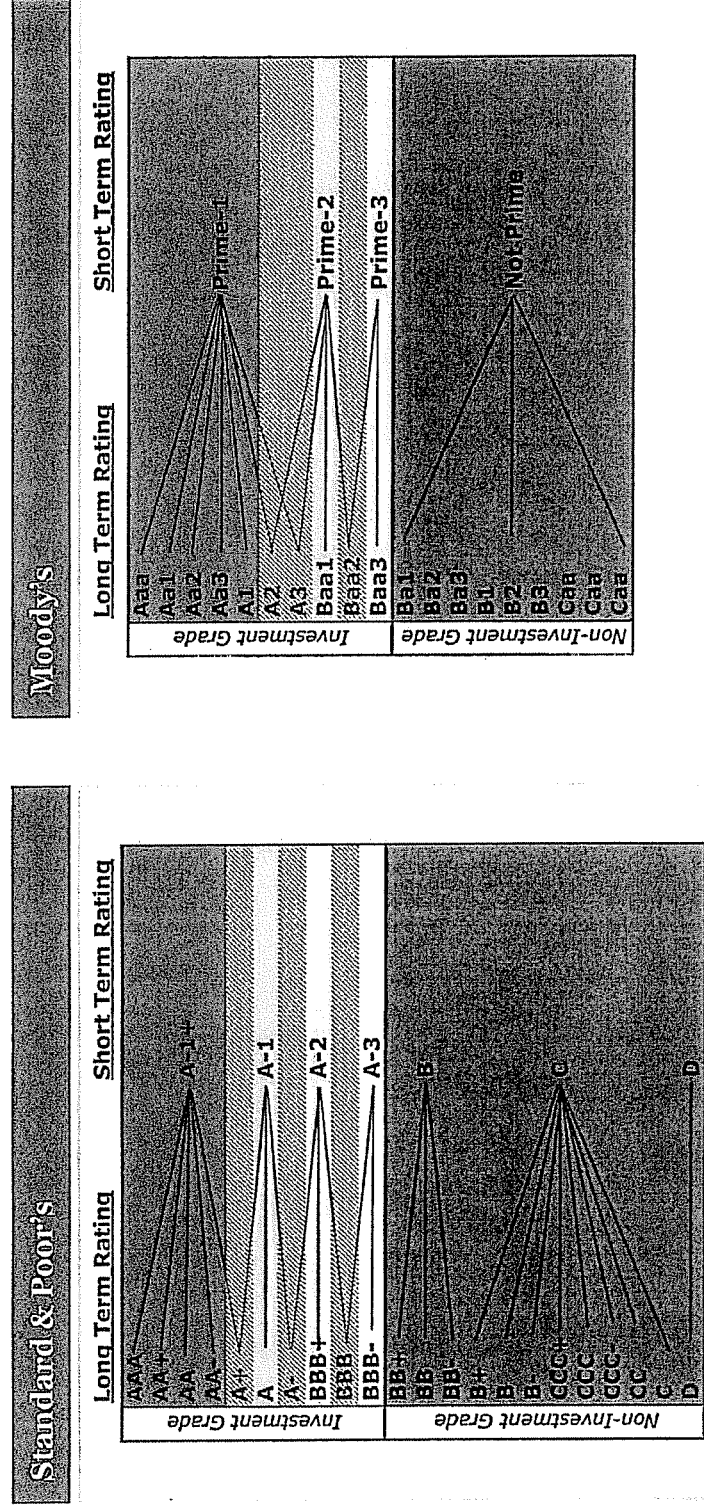
As of 6/13/2011

Tenor	All-in Rates			LIBOR
	A-1/P-1	A-2/P-2		
Overnight	15bps	32bps		13bps
1 Week	16bps	33bps		16bps
2 Weeks	17bps	34bps		17bps
3 Weeks	18bps	36bps		18bps
1 Month	19bps	38bps		19bps
2 Months	22bps	40bps		22bps
3 Months	25bps	44bps		25bps

- Benefits of commercial paper include:
 - Generally the most attractively priced funding alternative available.
 - Provides flexible means to manage short term funding needs.
 - Broadens investor base (key CP buyers include money market funds, insurance companies, corporations, public entities and financial institutions).
- Considerations related to commercial paper include:
 - Requires underlying CP backstop facility.
 - Floating rate exposure.
 - Refinancing risk.
 - Rating downgrades can impact market access/pricing.

Correlation of Short and Long Term Ratings

- The rating agencies provide general guidelines to map long term to short term ratings.
- Issuer's generally enjoy access to the commercial paper market down to A-2/P-2 levels. There is still a market for split rated (A-2/P-3 or A-3/P-2), albeit at higher rates and with less liquidity. A-3/P-3 issuers generally have extremely limited, if any, access to the market.



Source: Wells Fargo Securities, Standard & Poor's, Moody's Investor Services.

U.S. Corporate Commercial Paper Landscape

Commentary

- The list below shows all dealer placed U.S. corporate commercial paper programs that are \$100-500 million in size. Asset-backed, financial institution, single rating and directly placed programs are excluded.
- The average number of dealers per program is 2.4. The number of dealers in a CP program is typically determined based on program size, expected volume levels, credit profile and relationship considerations.

Dealer Placed U.S. Corporate Commercial Paper Programs (\$100MM - \$500MM in Size)

(\$MM)		CP Ratings		Program		CP Ratings		Program		CP Ratings		Program	
Issuer	Size	SCP	Moody's	Size	# of Dealers	SCP	Moody's	Size	# of Dealers	SCP	Moody's	Size	# of Dealers
Boral Industries Inc	\$500	A-2	P-2	\$500	1	A-2	P-2	\$250	2	A-2	P-2	\$250	2
Cigna Corporation	\$500	A-2	P-2	\$500	3	A-2	P-1	\$400	2	A-2	P-1	\$250	3
Cooper US Inc	\$500	A-1	P-2	\$500	2	A-2	P-1	\$400	5	A-1+	P-1	\$245	1
Dairy Farmers Of America	\$500	A-2	P-2	\$500	3	A-2	P-2	\$400	2	A-1+	P-1	\$210	1
Deer Park Refining LP	\$500	A-1	P-1	\$500	1	A-2	P-2	\$400	3	A-1+	P-1	\$200	3
Delmarva Power & Light	\$500	A-2	P-2	\$500	4	A-2	P-1	\$400	2	A-2	P-2	\$200	3
Dr. Pepper Snapple Group	\$500	A-2	P-2	\$500	3	A-1	P-1	\$400	2	A-1	P-1	\$200	3
Fluor Corp	\$500	A-2	P-2	\$500	2	A-1	P-1	\$400	2	A-2	P-2	\$200	1
Hasbro Inc	\$500	A-2	P-2	\$500	3	A-1+	P-1	\$400	1	A-2	P-2	\$200	2
Minnesota Power Inc	\$500	A-2	P-2	\$500	1	A-3	P-2	\$275	1	A-2	P-2	\$200	2
Mobil Oil Corp Emp Stock	\$500	A-1+	P-1	\$500	1	A-1	P-1	\$375	3	A-2	P-2	\$200	2
Potomac Electric Power	\$500	A-2	P-2	\$500	5	A-2	P-2	\$275	1	A-1	P-1	\$200	2
Progress Energy Inc	\$500	A-2	P-2	\$500	4	A-2	P-2	\$275	3	A-1	P-1	\$190	1
Public Service Colorado	\$500	A-2	P-2	\$500	2	A-1	P-2	\$275	3	A-2	P-2	\$180	2
Puget Sound Energy Inc	\$500	A-2	P-2	\$500	4	A-1	P-2	\$350	3	A-1+	P-1	\$175	3
Sharp Electronics Corp	\$500	A-2	P-1	\$500	6	A-2	P-2	\$250	2	A-1	P-2	\$150	1
Sherwin-Williams Co	\$500	A-1	P-2	\$500	2	A-1	P-2	\$300	1	A-1+	P-1	\$150	1
Snap-On Inc	\$500	A-2	P-2	\$500	3	A-1	P-1	\$300	2	A-1+	P-1	\$150	2
Sonoco Products Company	\$500	A-2	P-2	\$500	2	A-1	P-2	\$300	2	A-2	P-2	\$150	4
Wisconsin Elec Power Co	\$500	A-2	P-1	\$500	2	A-1	P-2	\$300	2	A-2	P-2	\$150	1
City Of San Jose CA	\$450	A-1+	P-1	\$450	3	A-1	P-2	\$300	2	A-1+	P-1	\$150	2
Duke Energy Field Service	\$450	A-2	P-2	\$450	2	A-2	P-2	\$300	3	A-2	P-2	\$150	3
Midamerican Energy Co	\$450	A-2	P-1	\$450	7	A-2	P-2	\$300	3	A-1+	P-1	\$140	1
NStar Electric Company	\$450	A-1	P-1	\$450	3	A-1	P-1	\$300	2	A-1+	P-1	\$120	1
Sigma-Aldrich Corp	\$450	A-1	P-1	\$450	3	A-2	P-2	\$300	2	A-1+	P-1	\$115	3
Wisconsin Energy Corp	\$450	A-2	P-2	\$450	2	A-2	P-1	\$275	3	A-2	P-1	\$100	1
Pemex Capital Inc	\$445	A-1+	P-1	\$445	4	A-2	P-2	\$275	3	A-1+	P-1	\$100	1
Michigan Cons Gas	\$425	A-2	P-2	\$425	3	A-1+	P-1	\$250	4	A-2	P-2	\$100	1
AGC Capital Inc	\$400	A-1	P-1	\$400	3	A-2	P-2	\$250	1	A-1+	P-1	\$100	1
Baltimore Gas & Electric	\$400	A-2	P-2	\$400	3	A-2	P-2	\$250	1	A-1+	P-1	\$100	1
C.R. Bard Inc	\$400	A-1	P-2	\$400	3	A-2	P-2	\$250	5	A-2	P-2	\$100	2
Duke Capital LLC	\$400	A-2	P-2	\$400	3	A-2	P-2	\$250	5	A-2	P-2	\$100	2

Average # of Dealers

2.37

Source: Bloomberg / Wells Fargo Securities.

IG&E and KU Energy LLC

Wells Fargo Securities

Timeline for Commencing a Commercial Paper Program

- * A new commercial paper program can be established in a 6 week timeframe. While this timing can be accelerated if necessary, 6 weeks generally represents a comfortable timeline.
- This timeline assumes that the issuing entity currently has long term credit ratings, but lacks specific short term ratings for the USCP program.

Timing	Description of Events
Weeks 1-2	Apply for commercial paper ratings Engage counsel and initiate documentation Seek corporate borrowing authority ¹ Interview potential commercial paper dealers
Weeks 3-4	Solicit proposals for an Issuing and Paying Agent ("IPA") Select commercial paper dealers ² Select IPA Review documents
Weeks 5-6	Receive commercial paper ratings Execute final documents Confirm operational readiness with IPA and Dealers Salesforce presentations Launch commercial paper program

¹ Board Resolution authorizing CP note issuance; Certificates of Incumbency for individuals authorized to execute CP issuance.

² Typically one dealer will be selected to "lead" the documentation process (an informal arrangement).

Source: Wells Fargo Securities

LG&E and KU Energy LLC

Wells Fargo Securities

Commercial Paper Documentation

Document	Document Description	Parties
Dealer Agreement	An agreement between the Issuer and Wells Fargo Securities, LLC ("WFS") that specifies the terms under which each party will act with regard to the issuance of the commercial paper notes.	Issuer/WFS/ Legal Counsel
Private Placement or Offering Memorandum ("PPM" or "OM")	A marketing document that outlines the terms of the program and the business of the Issuer.	Issuer/WFS
Legal Opinion(s)	Opinion stating that the borrower is duly organized, validly existing and in good standing; the Company has the corporate power and authority to execute, deliver and perform its obligations; the notes have been duly authorized, executed and delivered; and are legal, valid, binding and enforceable obligations of the Issuer. The Opinion will also state that the commercial paper notes are exempt from registration under the Securities Act of 1933 pursuant to Section 3 or Section 4.	Issuer/Legal Counsel
Issuing and Paying Agent ("IPA") Agreement	Authorizes a bank, acting as an agent for the Issuer, to issue commercial paper notes and pay investors at maturity.	Issuer/IPA
Board Resolution and Certificate of Incumbency	The Issuer's Board of Directors must approve the borrowing of funds and designate officials authorized to arrange borrowings on behalf of the company.	Issuer
Master Note/DTC Letter of Representation	Provides terms under which the notes are traded under the "Book-Entry" system.	Issuer/IPA/DTC
Rating Confirmation Letter(s)	Letter(s) from the relevant credit rating agency or agencies confirming ratings of the program.	Issuer/Rating Agencies

Source: Wells Fargo Securities

LG&E and KU Energy LLC

Wells Fargo Securities

Commercial Paper Distribution Capabilities

1/3 of Our Customers Give us 100% of Their Investment Business

- Wells Fargo Securities maintains relationships with over 12,000 customers with over 16,000 accounts through 20+ offices coast-to-coast.
- Below are profiles of typical corporate and municipal accounts.

Privately-Held Corporation

Public Entity

Customer Since:	1982	Customer Since:	1989
Customer Type:	Private Corporation	Customer Type:	Public Entity
Investable Assets:	Over \$100 Million	Investable Assets:	\$25 - \$100 Million
Number of Accounts:	23	Number of Accounts:	1
Investment Services Used:	<ul style="list-style-type: none"> ▪ Bank Safekeeping ▪ Portfolio Accounting ▪ Portfolio Analytics ▪ Online Trading and Reporting ▪ IBS Delivers 	Investment Services Used:	<ul style="list-style-type: none"> ▪ Bank Safekeeping ▪ Portfolio Accounting ▪ Portfolio Analytics ▪ Online Trading and Reporting ▪ IBS Delivers
Investment Products Used:	<ul style="list-style-type: none"> ▪ Agencies ▪ CDs ▪ Commercial Paper ▪ Corporate Bonds ▪ Money Market Funds ▪ Municipal Securities ▪ Tax-Exempt Money Mkt Securities ▪ Taxable Money Market Securities ▪ Treasuries 	Investment Products Used:	<ul style="list-style-type: none"> ▪ Agencies ▪ CDs ▪ Commercial Paper ▪ Money Market Funds ▪ Municipal Securities ▪ Taxable Money Market Securities ▪ Treasuries
Existing Banking Relationship:	<ul style="list-style-type: none"> ▪ Merchant Card Services ▪ Treasury Management 	Existing Banking Relationship:	<ul style="list-style-type: none"> ▪ Merchant Card Services ▪ Treasury Management

LG&E and KU Energy LLC

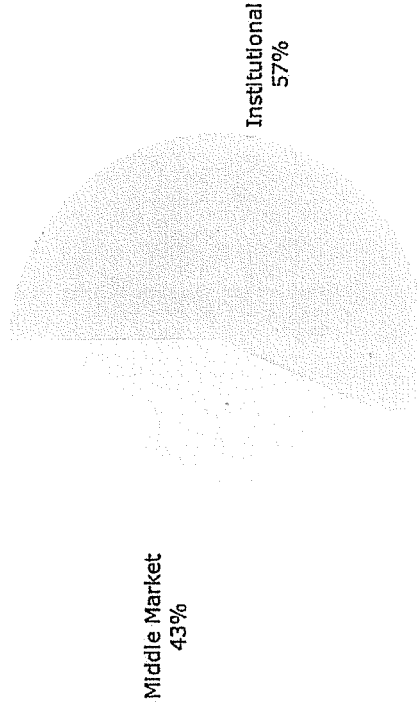
Wells Fargo Securities

Unique and Powerful Distribution Platform

- Wells Fargo has two distinct sales forces:
- Institutional: 14 professionals covering the top Tier 1 institutional accounts with > \$3B in assets.
- Middle Market: 166 professionals covering 12,000+ middle market clients with over 16,000 accounts across the US. **1/3 of these clients are proprietary.**

Overall distribution 2010 is broken out as follows:
57% Institutional
43% Middle Market

Distribution by Sales Force



Source: Wells Fargo Securities; data as of 12/31/2010.

LG&E and KU Energy LLC

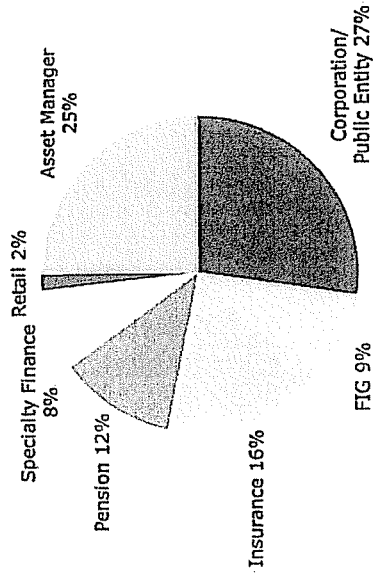
Wells Fargo Securities

Unique and Powerful Distribution Platform

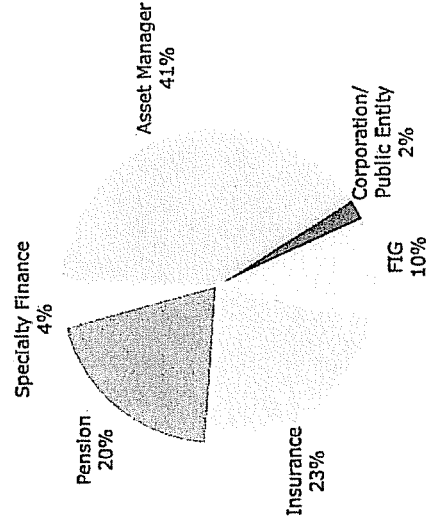
- The table and charts below outline distribution by account type.
- Overall distribution is well diversified across various account types.
- Institutional distribution is concentrated amongst Asset Managers, Insurance Companies and Pension Funds.
- Middle market distribution is concentrated amongst Corporations and Public Entities (Municipalities, Non-profits, etc).

	Overall Distribution	Institutional Salesforce	Middle Market Salesforce
Asset Manager	25%	41%	5%
Corporation/Public Entity	27%	2%	60%
FIG	9%	10%	8%
Insurance	16%	23%	8%
Pension	12%	20%	2%
Specialty Finance	8%	4%	14%
Retail	2%	0%	4%
	100%	100%	100%

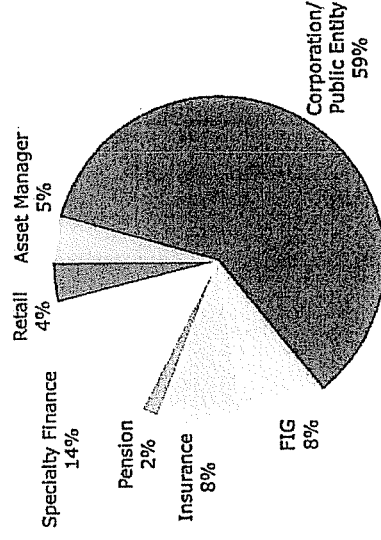
Overall Distribution



Institutional Salesforce



Middle Market Salesforce



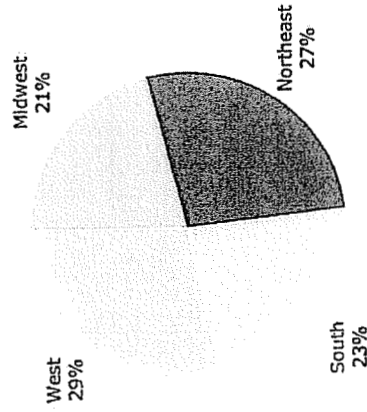
Source: Wells Fargo Securities, data as of 12/31/2010.

Unique and Powerful Distribution Platform

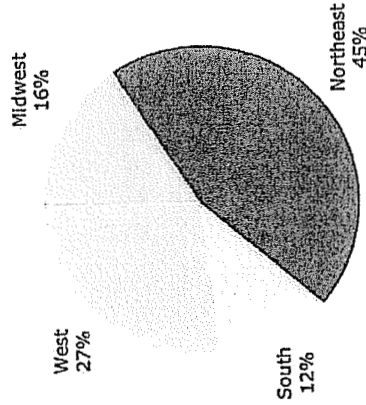
- The table and charts below outline distribution by geographic region.
- Overall distribution is well-balanced across the US.
- Institutional distribution is focused in the Northeast and the Western US.
- Middle Market distribution is balanced between the Southern, Western and Midwestern US.

	Overall Distribution	Institutional Salesforce	Middle Market Salesforce
Midwest	21%	16%	28%
Northeast	27%	45%	3%
South	23%	12%	39%
West	28%	27%	30%
	100%	100%	100%

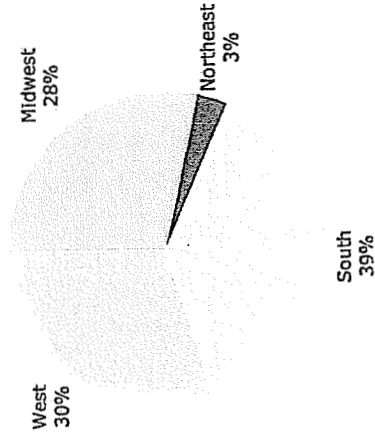
Overall Distribution



Institutional Salesforce



Middle Market Salesforce



Source: Wells Fargo Securities; data as of 12/31/2010.

Commercial Paper Programs in Which Wells Fargo is a Dealer

#	Issuer	Industry	Subordinated Structure	Program Size	SPRIS Rating	Murphy's SP Rating	Moody's SP Rating	Program Size	SPRIS Rating	Murphy's SP Rating	Moody's SP Rating
1	Abbey National North America LLC	Financial	SANTANDER	\$ 20,000	A-1+	P-1	P-1	20,000	A-1+	P-1	F1+
2	AGL Capital Corp.	Industrial	AGL RESOURCES	1,140	A-2	P-2	P-2	1,140	A-2	P-2	F2
3	Air Products	Industrial		1,500	A-1	P-1	P-1	1,500	A-1	P-1	-
4	Alabama Power Company	Industrial		600	A-1	P-1	P-1	600	A-1	P-1	F1
5	Alliant Energy Corp.	Industrial		100	-	P-2	P-2	100	-	P-2	4(2) 144A
6	Altria Group, Inc.	Industrial	PHILIP MORRIS	8,000	A-2	P-2	P-2	8,000	A-2	P-2	F2
7	American Crystal Sugar	Industrial		400	A-2	P-2	P-2	400	A-2	P-2	3(0)3
8	Arkansas Electric Cooperative	Industrial		210	A-1+	P-1	P-1	210	A-1+	P-1	-
9	Atlantic City Electric	Industrial	ARCCOOP	250	A-2	P-2	P-2	250	A-2	P-2	4(2)
10	Atmos Energy	Industrial	ATE	600	A-2	P-2	P-2	600	A-2	P-2	3(0)3
11	AutoZone	Industrial	ATO	1,000	A-2	P-2	P-2	1,000	A-2	P-2	F2
12	Baker Hughes	Industrial	BHPP	1,000	A-1	P-1	P-1	1,000	A-1	P-1	4(2) 144A
13	Basin Electric Pwr Cooperative Inc.	Industrial	BASELE	550	A-1	P-1	P-1	550	A-1	P-1	4(2) 144A
14	Bayerische Landesbanke	Financial	BYLNG	12,000	-	P-1	P-1	12,000	-	P-1	F1+
15	BBVA	Financial	BBVLON	25,000	A-1+	P-1	P-1	25,000	A-1+	P-1	F1+
16	BCEE	Financial	BCEE	3,000	A-1+	P-1	P-1	3,000	A-1+	P-1	3(a)3
17	Block Financial Corp	Financial	BFCPP	2,000	A-2	P-2	P-2	2,000	A-2	P-2	4(2) 144A
18	Bank of New Zealand	Financial	BNZFDL	10,000	A-1+	P-1	P-1	10,000	A-1+	P-1	4(2) 144A
19	Brown-forman Corporation	Industrial	BPPP	1,000	A-1	P-1	P-1	1,000	A-1	P-1	4(2) 144A
20	Cardinal Health, Inc.	Industrial	CAH	1,500	A-2	P-3	P-3	1,500	A-2	P-3	F2
21	Carnival Corporation	Industrial	CCL	1,400	A-2	P-2	P-2	1,400	A-2	P-2	4(2) 144A
22	Carnival PLC	Industrial	CCLPLC	600	A-2	P-2	P-2	600	A-2	P-2	4(2) 144A
23	Centennial Energy Holding	Industrial	CENTEN	400	A-2	-	-	400	A-2	-	4(2) 144A
24	Clorox Company	Industrial	CLXPP	2,200	A-2	P-2	P-2	2,200	A-2	P-2	4(2) 144A
25	CVS Corporation	Industrial	CVS	4,000	A-2	P-2	P-2	4,000	A-2	P-2	4(2) 144A
26	Dairy Farmers of America	Industrial	DFAINC	500	A-2	P-2	P-2	500	A-2	P-2	4(2) 144A
27	Danske Corporation	Financial	DNSKEC	30,000	A-1	P-1	P-1	30,000	A-1	P-1	4(2) 144A
28	Delmarva Power & Light	Industrial	DEW	500	A-2	P-2	P-2	500	A-2	P-2	3(a)3
29	Devon Energy	Industrial	DVNPP	5,000	A-2	P-2	P-2	5,000	A-2	P-2	4(2) 144A
30	DnB NOR	Industrial	DNBNSBK	18,000	A-1	P-1	P-1	18,000	A-1	P-1	4(2) 144A
31	Dominion Resources Inc.	Financial	DPP	3,000	A-2	P-2	P-2	3,000	A-2	P-2	4(2) 144A
32	Ecolab Inc.	Industrial	ECLPP	600	A-1	P-1	P-1	600	A-1	P-1	4(2) 144A
33	Empire District Electric	Industrial	EMDIST	50	A-3	P-2	P-2	50	A-3	P-2	4(2) 144A
34	Enso plc	Industrial	ENSCOP	1,000	A-2	P-2	P-2	1,000	A-2	P-2	4(2) 144A
35	Energy - River Fuels One	Industrial	RVRONE	85	A-1+	P-1	P-1	85	A-1+	P-1	3(a)2
36	Energy - River Fuels Three	Industrial	RVRTRE	100	A-1+	P-1	P-1	100	A-1+	P-1	3(a)2

Wells Fargo is a dealer for 109 CP programs totaling \$424B

Evenly split between Tier 1 (50%) and Tier 2 (50%)

Majority of clients are industrial corporations (91 clients, or 83%)

Source: Wells Fargo Securities

LG&E and KU Energy LLC

Wells Fargo Securities

Commercial Paper Programs in Which Wells Fargo is a Dealer (Continued)

Client	Industry	Program Size	Rating	Structure	Rating	Program	Rating
37 Energy - River Fuels Two	Industrial	90	A-1+	P-1	-	3(a)2	
38 ERAC USA Finance LLC	Industrial	2,500	A-2	P-2	-	4(2) 144A	
39 Essentia Health	Industrial	60	A-1+	-	-	3(a)2	
40 FMC Technologies	Industrial	750	A-2	P-2	-	4(2) 144A	
41 General Mills, Inc.	Industrial	1,900	A-2	P-2	F2	4(2) 144A	
42 Harley-Davidson Funding	Industrial	1,350	A-2	P-2	F2	4(2) 141A	
43 Honeywell International	Industrial	4,500	A-1	P-1	F1	4(2) 144A	
44 Hubbell	Industrial	350	A-1	P-2	F1	4(2) 144A	
45 ICICI Bank	Financial	545	A-1	P-1	-	3(a)2	
46 idacorp, Inc.	Industrial	150	A-2	P-2	-	4(2) 144A	
47 Idaho Power Co.	Industrial	200	A-2	P-2	-	3(a)3	
48 Interstate Power & Light	Industrial	300	A-2	P-2	-	3(a)3	
49 ITT Corporation	Industrial	2,750	A-2 *	P-2 *	F2 *	4(2) 144A	
50 Kookmin Bank - NY	Financial	2,000	A-1	P-1	F1	4(2) 144A	
51 Kookmin Bank - Seoul	Financial	2,000	A-1	P-1	F1	4(2) 144A	
52 Kraft Foods, Inc.	Industrial	4,500	A-2	P-2	F3	4(2) 144A	
53 Laclede Gas Co	Industrial	300	A-1	P-2	F1	4(2) 144A	
54 Leggett & Platt, Inc.	Industrial	600	A-2	P-2	-	4(2) 144A	
55 Lowe's Companies, Inc.	Industrial	1,750	A-1	P-1	F1	3(a)3	
56 Manhattan Asset Funding Co., LLC	ABCP	5,000	A-1	P-1	-	4(2) 144A	
57 Matel, Inc.	Industrial	1,400	A-2	P-2	F2	3(a)3	
58 McCormick & Company Inc	Industrial	1,000	A-2	P-1	-	4(2) 144A	
59 MDU Resources	Industrial	125	A-2	-	F2	3(a)3	
60 MidAmerican Energy	Industrial	450	A-2	P-1	F1	3(a)3	
61 Mizuho	Financial	5,000	A-1	P-1	-	4(2) 144A	
62 Moody's	Financial	1,000	A-2	-	-	4(2) 144A	
63 Nebraska Public Pwr District	Industrial	200	A-2	-	-	3(a)2	
64 NextEra Energy Capital Holdings, Inc.	Industrial	4,000	A-1+	P-1	F1	4(2)	
65 Nicor Inc.	Industrial	1,200	A-1+	P-2	F1	3(a)3	
66 Nike, Inc.	Industrial	1,000	A-1	P-1	-	4(2) 144A	
67 Nordstrom, Inc.	Industrial	1,000	A-1	P-2	-	4(2) 144A	
68 Northern Illinois Gas	Industrial	650	A-2	P-2	-	3(a)3	
69 Northwest Natural Gas	Industrial	1,200	A-1+	P-1	F1	4(2)	
70 Northwestern University	Industrial	400	A-1	P-1	-	3(a)4	
71 OGE Energy Group	Industrial	300	A-1+	P-1	-	4(2) 144A	
72 Oklahoma Gas & Electric	Industrial	600	A-2	P-2	F1	4(2) 144A	
	OGE	400	A-2	P-1	F1	4(2)	

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Wells Fargo Securities

Commercial Paper Programs in Which Wells Fargo is a Dealer (Continued)

(\$ in millions)

Issuer	Program	Program Size	SPRST Rating	Maturity or Rating	Program Type	Subsidiary	Program Size	SPRST Rating	Maturity or Rating	Program Type	
73 Omnicom Capital Inc.	OMNCAP	1,500	A-2	P-2	Industrial	OMNICOM GROUP	1,500	A-2	F2	4(2) 144A	
74 Omnicom Fin PLC	OMNFP	1,500	A-2	P-2	Industrial	OMNICOM GROUP	1,500	A-2	F2	4(2) 144A	
75 Omnicom Finance Inc.	OMNFP	3,000	A-2	P-2	Industrial	OMNICOM GROUP	3,000	A-2	F2	4(2) 144A	
76 Oracle Corporation	ORCL	700	A-1	P-1	Industrial		700	A-1	F1	4(2) 144A	
77 Pacific Life Insurance	PLIPP	600	A-2	P-2	Industrial		600	A-2	F2	4(2) 144A	
78 Pall Corporation	PLL	700	A-2	P-3	Industrial		700	A-2	F2	4(2) 144A	
79 Pepco Holdings, Inc.	PEPCO	400	A-2	P-2	Industrial		400	A-2	F2	3(a)3	
80 Portland General Electric Co.	PELE	500	A-2	P-2	Industrial		500	A-2	F2	4(2) 144A	
81 Potomac Electric Power Company	POM	1,000	A-1	P-2	Industrial		1,000	A-1	-	4(2) 144A	
82 Precision Castparts Corporation	PRECAS	2,500	A-1	P-1	Industrial		2,500	A-1	F1	3(a)3	
83 Private Export Funding Corporation	PEFCPP	750	A-2	P-2	Financial		750	A-2	F2	3(a)3	
84 Progress Energy Carolinas	CPL	600	A-2	P-2	Industrial		600	A-2	F2	4(2) 144A	
85 Public Service Electric & Gas	PSEGE	1,000	A-2	P-2	Industrial		1,000	A-2	F2	3(a)3	
86 Public Service Enterprise Group	PEGPP	500	A-2	P-2	Industrial		500	A-2	F2	4(2) 144A	
87 Puget Sound Energy	PSD	2,000	B-1	NP	Industrial		2,000	B-1	F3	4(2) 144A	
88 RR Donnelly & Sons Co.	DNY	800	A-2	P-2	Industrial		800	A-2	F2	3(a)3	
89 Ryder System, Inc.	R	30,000	A-1+	P-1	Industrial	BANCO SANTANDER	30,000	A-1+	F1+	4(2)	
90 Santander	SRCPP	30,000	A-1+	P-1	Financial	TRADE RECEIVABLE	30,000	A-1+	-	4(2) 144A	
91 Sheffield Receivables Corporation	SRCP	450	A-1	P-1	Industrial		450	A-1	-	4(2) 144A	
92 Sigma Aldrich Corp.	STALPP	300	-	-	Industrial		300	-	-	4(2) 144A	
93 South Jersey Industries	N/A	1,000	A-1	P-2	Industrial		1,000	A-1	F1	4(2) 144A	
94 St. Jude Medical Inc.	STJ	1,300	-	P-3	Industrial		1,300	-	F3	4(2) 144A	
95 Sunoco	SUNPP	600	A-1	P-2	Industrial		600	A-1	F2	4(2) 144A	
96 Torchmark Corporation	TMKPP	13,000	A-1+	P-1	Industrial	TOTAL SA	13,000	A-1+	-	4(2) 144A	
97 Total Capital	TOTCPP	13,000	A-1+	P-1	Industrial	TOTAL SA	13,000	A-1+	-	4(2) 144A	
98 Total Capital Canada Ltd	TOTCCA	13,000	A-1+	P-1	Industrial	TOTAL SA	13,000	A-1+	-	4(2) 144A	
99 Total S.A.	TOTCPP	675	A-1+	P-1	Industrial		675	A-1+	F1+	3(a)4	
100 Vanderbilt University	VANDUC	30,000	A-1+	P-1	Industrial	TERM RECEIVABLES	30,000	A-1+	-	4(2) 144A	
101 Variable Funding Capital Corporation	VARFUN	3,000	A-2	P-2	ABCP		3,000	A-2	F2	3(a)3	
102 Virginia Electric & Power	VAELE	500	A-1	P-1	Industrial		500	A-1	-	3(a)3	
103 Visa International	VISINT	1,500	A-3	P-2	Industrial		1,500	A-3	-	4(2) 144A	
104 Weatherford International	WFCPP	10,000	A-1+	P-1	Industrial	WTHRFD INTL LTD	10,000	A-1+	F1+	3(a)3	
105 Wells Fargo & Co.	WSTNEW	45,000	A-1+	P-1	Financial		45,000	A-1+	F1+	4(2) 144A	
106 Westpac Banking Corporation	WSTPAC	250	A-2	P-1	Financial		250	A-2	-	3(a)3	
107 Wisconsin Power & Light	WPH	1,850	A-2	P-1	Industrial	WPP GROUP PLC	1,850	A-2	-	4(2) 144A	
108 WPP CP Finance plc	WPPCP	800	A-2	P-3	Industrial		800	A-2	F2	4(2) 144A	
109 Xcel Energy Inc.	XELPP	800	A-2	P-2	Industrial		800	A-2	F2	4(2) 144A	
Total (\$)							\$ 423,580				
Total (#)							109				

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LG&E and KU Energy LLC

Wells Fargo Securities

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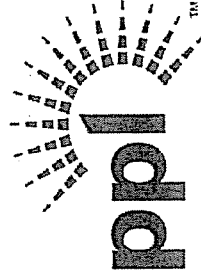
LG&E and KU Energy LLC

Wells Fargo Securities

SECURITIES

WELLS
FARGO

Discussion Materials



June 29, 2011

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Commercial Paper

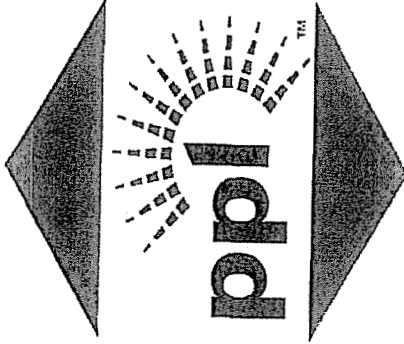
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Denotes meeting attendees



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 - IV. Documentation and Timeline
 - V. Marketing and Investor Development
 - VI. RBS's Commercial Paper Franchise

PPL / RBS Relationship Overview

PPL / RBS Relationship Focus

Relationship Overview

- RBS has actively uptiered the PPL relationship since 2010. In addition to serving as M&A advisor on the sale of two Long Island power plants in early 2010, RBS played lead financing roles on both the E.ON US and E.ON UK acquisitions
 - Joint Lead Arranger and Bookrunner on PPL's Energy Supply's \$4Bn RCF
 - Joint Bookrunner on Kentucky Utilities' \$1.5Bn issuance in November 2010
 - Joint Bookrunner on PPL WEM Holdings \$960MM issuance in April 2011
 - Co-Arranger and Joint Bookrunner on GBP 1.4Bn issuance in May 2011
 - Co-Arranger and Joint Bookrunner on GBP 100MM index-linked bond in May 2011
- RBS is keen to become PPL's primary debt and risk management bank. As such, we look to continue growing our relationship going forward with a focus on:
 - Continued capital support
 - Providing value-added advice and lead roles across loan, risk management, debt and equity capital market raising opportunities in the US and UK
 - Actively supporting PPL's risk management programs

Kentucky Utilities USD 1,500,000,000 1.500% FMSB due 2015 3.250% FMSB due 2020 5.125% FMSB due 2040 Joint Bookrunner November 2010 RBS	PPL Corporation USD 2,484,000,000 Follow-On Offering USD 1,150,000,000 8.2% Mandatory Convertible Preferred Due 2010 Co-Manager June 2010 United States RBS	Western Power Distribution (East Midlands) plc GBP 100,000,000 Index-Linked Bonds due 2043 Co-Arranger and Joint Bookrunner May 2011 United Kingdom RBS	Western Power Distribution (East Midlands) plc; (West Midlands) plc GBP 600,000,000 Fixed Rate Bonds due 2023 GBP 400,000,000 Fixed Rate Bonds due 2032 Co-Arranger and Joint Bookrunner May 2011 United Kingdom RBS	PPL WEM Holdings plc USD 960,000,000 3.900% Notes due 2016 5.975% notes due 2021 Joint Bookrunner April 2011 United States RBS	PPL Energy Supply USD 4,000,000,000 Revolving Credit Facility Joint Lead Arranger and Bookrunner June 2010 United States RBS	PPL Corporation USD 135,000,000 Sale of Long Island Power Portfolio M&A Advisor January 2010 United States RBS
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RBS is a Top-Tier Capital Provider to PPL



Lender	Total
Bank of America, N.A.	\$333,333,333
Credit Suisse AG	\$333,333,333
First Royal Bank of Scotland plc	\$312,000,000
Barclays Bank PLC	\$312,000,000
Royal Bank of Canada	\$264,000,000
Lloyds TSB Bank PLC	\$252,000,000
Wells Fargo Bank, National Association	\$221,333,333
Citibank, N.A.	\$200,000,000
JPMorgan Chase Bank, N.A.	\$200,000,000
Morgan Stanley Senior Funding, Inc.	\$200,000,000
UBS Loan Finance LLC	\$200,000,000
BNP Paribas	\$200,000,000
The Bank of Nova Scotia	\$200,000,000
BOTM / Union Bank, N.A.	\$200,000,000
Sovereign Bank (Santander)	\$180,000,000
Mizuho Corporate Bank	\$180,000,000
Credit Agricole	\$140,000,000
Deutsche Bank AG New York Branch	\$140,000,000
KeyBank National Association	\$140,000,000
U.S. Bank, N.A.	\$140,000,000
HSBC Bank	\$112,000,000
Banco Bilbao - NY	\$68,000,000
Bayerische Landesbank	\$68,000,000
SunTrust Bank	\$68,000,000
Bank of New York Mellon	\$68,000,000
PNC Bank, National Association	\$40,000,000
Fifth Third Bank	\$40,000,000
Wing Lung Bank, Los Angeles Branch	\$40,000,000
CIBC Inc.	\$40,000,000
Sumitomo Mitsui Banking Corporation	\$40,000,000
The Northern Trust Company	\$28,000,000
Total	\$4,960,000,000
No. of Lenders	31

Exposure includes core PPL US RCFs and Central Networks \$600MM RCFs





RBS's Role to Support PPL's Recent Acquisitions

Financing for E.ON US Acquisition



PPL Energy Supply		USD 4,000,000,000 Revolving Credit Facility	Joint Lead Arranger and Bookrunner June 2010 United States	
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- Following its agreement to acquire E.ON US for \$7.7BN, PPL announced plans to raise \$5BN via its core revolving credit facilities
- As part of this process, RBS served as Joint Lead Arranger and Bookrunner on the \$4BN PPL Energy Supply facility
- The transaction represented one of the first 4-year facilities in the sector



Kentucky Utilities		USD 1,500,000,000 1.625% FMBs due 2015 3.250% FMBs due 2020 5.125% FMBs due 2040	Joint Bookrunner November 2010 United States	
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- In November 2010, RBS acted as Joint Bookrunner on the debut \$1.5BN issuance for Kentucky Utilities
- The three-tranche offering consisted of a \$250MM 5yr, a \$500MM 10yr and a \$750MM 30yr tranche

Financing for E.ON UK Acquisition

PPL WEM Holdings plc		USD 960,000,000 3.900% notes due 2016 5.375% notes due 2021	Joint Bookrunner April 2011	
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- RBS acted as Left Lead on the £2BN debt takeover financing for the PPL E.ON UK acquisition
- As part of the planned takeover financing to support the E.ON UK acquisition, RBS acted as Joint Bookrunner on the debut offering for PPL WEM, a \$960MM 5yr and 10yr offering
- This offering marked only the second non-US utility offering in 2011 and the first European utility issuance since Jan 2010
- At \$960MM, this offering was one of the 5 largest issues in the USD utility market since the start of 2010

Western Power Distribution (East Midlands) plc; (West Midlands) plc		GBP 600,000,000 Fixed Rate Bonds due 2023 GBP 800,000,000 Fixed Rate Bonds due 2032	Co-Arranger & Joint Bookrunner May 2011 United Kingdom	
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- RBS was appointed Co-Arranger and Joint Bookrunner on the GBP 1.4BN transaction
- RBS advised WPD and PPL on its capital markets refinancing strategy following its acquisition of Central Networks from E.ON
- The transaction capitalized on strong investor sentiment for the name and favorable market conditions and represents the largest GBP utility bond issuance since September 2009
- The issuance completes the refinancing of the entirety of PPL's acquisition debt in less than 7 weeks since acquisition close

Executive Summary

Commercial Paper Executive Summary

Market Conditions

- Supply/demand dynamics in the market have created a very favorable funding environment for short term borrowers; especially non-financial issuers
- As investors look for diversification and incremental yield, a number of Tier II/Tier III borrowers have returned to the market for short term borrowings (versus the bank market)

Applicability to KU/LG&E

- Given the current market environment, a commercial paper program will provide KU/LG&E with the opportunity to manage their cash flow needs efficiently and cost effectively

Core Rec.

- KU/LG&E's decision to establish a commercial paper program will provide KU/LG&E with incremental funding flexibility
- The commercial paper program can be sized to KU/LG&E's expected funding needs or it can be consistent with the size of the RCF
- In order to achieve optimal execution, KU/LG&E should consider establishing a dealer group with 3-4 dealers

Rationale

- A commercial paper program will provide KU/LG&E the flexibility to take advantage of cost effective funding opportunities beyond the bank market
- Commercial paper can be issued to match KU/LG&E's cash flow needs in order to eliminate negative carry associated with borrowing under the bank facility
- Additionally, a commercial paper program will enable KU/LG&E to have a consistent short term fixed income presence

Pricing

- Pricing is reflected on a discount basis and is generally reflected as a spread to Libor
- Excluding rating agency fees, the program establishment/on going costs are minimal. Rating agency fees (initial and on going) represent the majority of the costs associated with the program

Timing

- The establishment of a commercial paper program takes approximately 4-6 weeks
- Once the documentation is completed, KU/LG&E's Dealers will need approximately 2-3 weeks to market the program with investors

Commercial Paper Market Overview

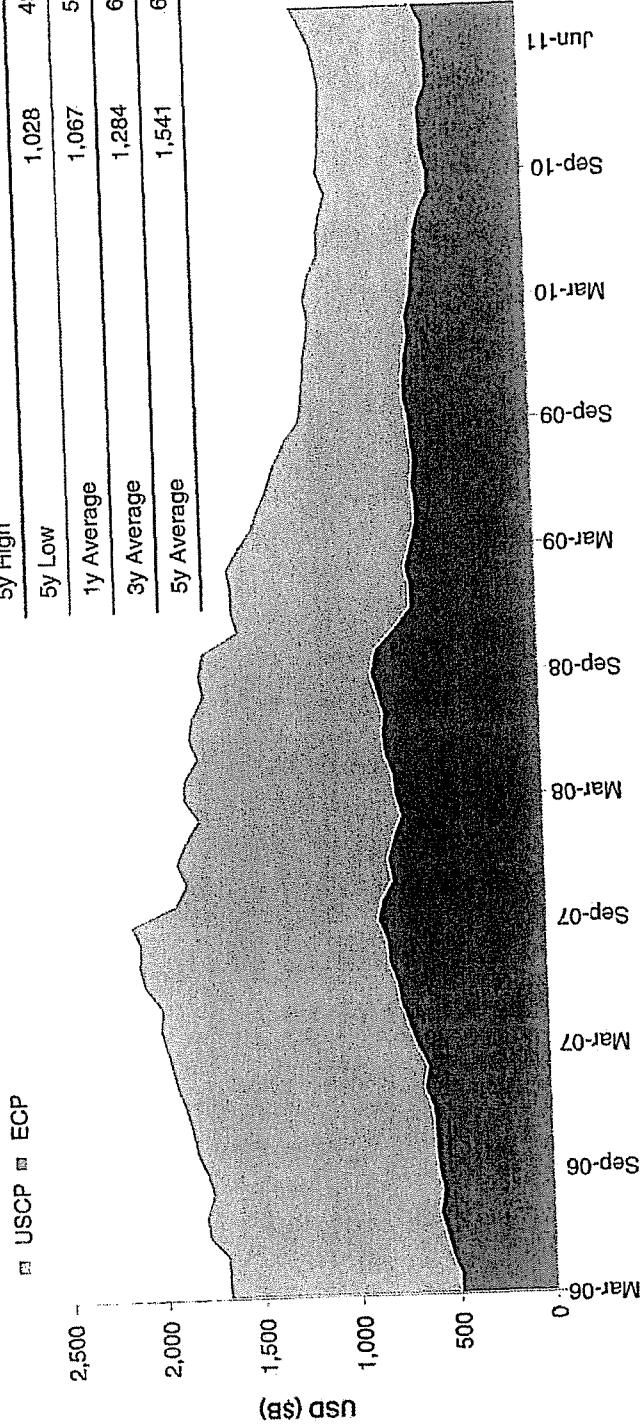
Global Outstandings Stabilize....

Total USCP & ECP Market Outstandings 2006 - YTD

Global CP Statistics (\$ bn)	
USCP	1,172
ECP	555
Current	2,161
5y High	1,028
5y Low	1,067
1y Average	1,284
3y Average	1,541
5y Average	667

Reduction in the global commercial paper market has stopped and a number of sectors have experienced growth. The decline in outstandings over the previous few years was a result of a number of factors including (but not limited to); reduction of overall economic activity and reduced need for working capital, in addition many borrowers have taken advantage of the historically low term rates and have paid down CP with bond proceeds.

Today, despite corporate cash balances remaining at all-time high levels, the renewed activity in the M&A sector, increased share repurchase programs and sovereign debt funding needs have caused issuers to increase their reliance on the commercial paper market.

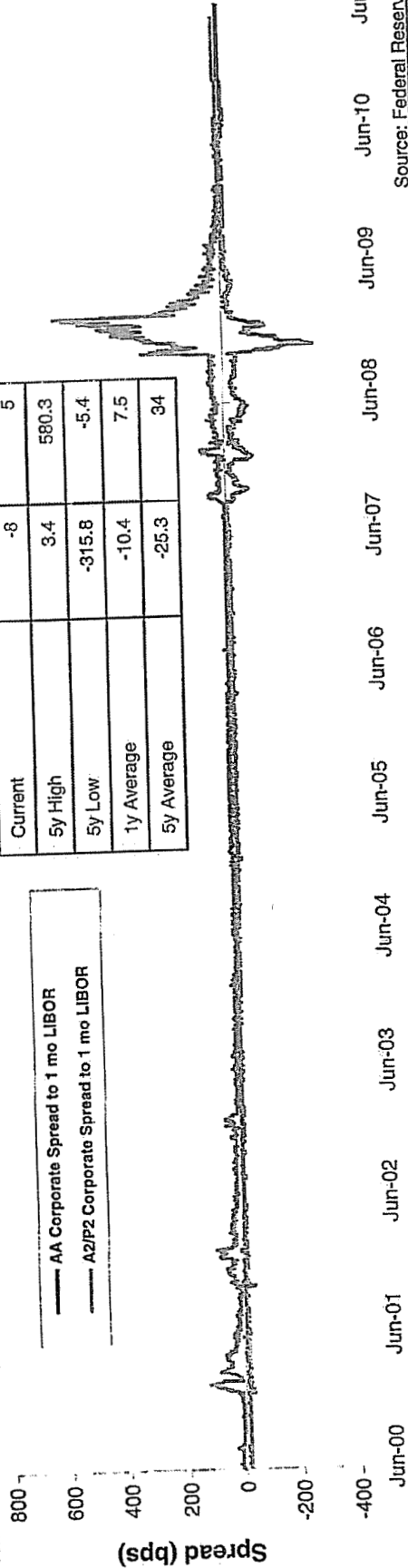


Source: CPWare, Federal Reserve



USCP Market Overview

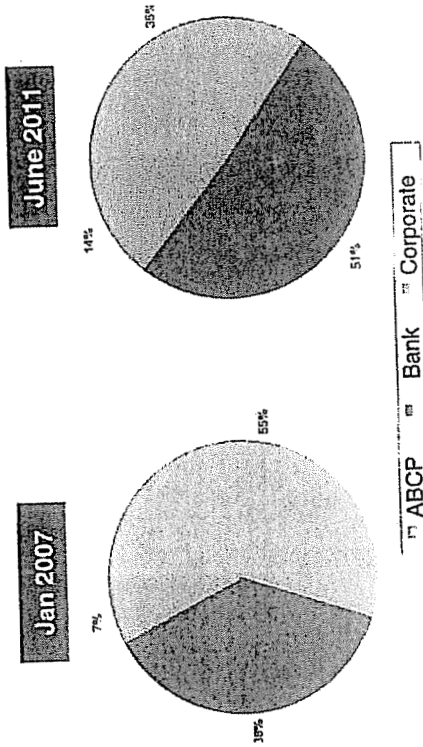
Historical USCP Spreads



Historical Spreads (bps)	Tier I	Tier II
Current	-8	5
5y High	3.4	580.3
5y Low	-315.8	-5.4
1y Average	-10.4	7.5
5y Average	-25.3	34

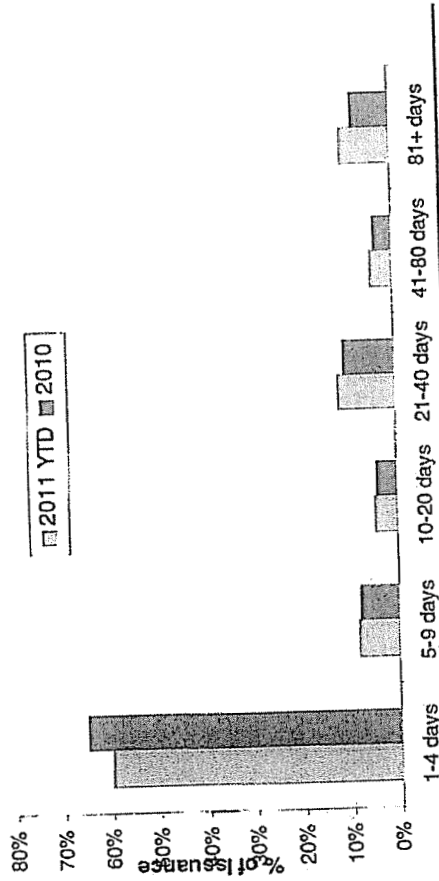
Source: Federal Reserve

Sector composition has shifted



Source: Federal Reserve

While supply remains concentrated in the short dates



Source: Federal Reserve

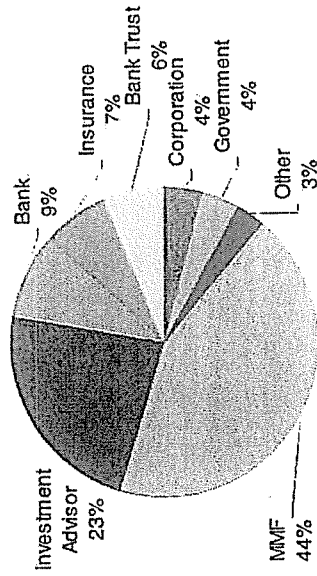


USCP Commercial Paper Investors

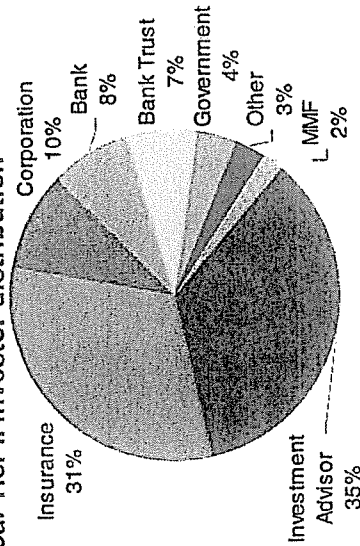
Liquidity in the USCP market is derived from a broad and diverse universe of investors

Investor Type	Description
Bank Portfolios	Manage liquidity to cover banking activities (i.e. withdrawals, loans, redemptions of CDs, etc.)
Bank Trust Departments	Comprise separate accounts for individuals and institutional investors with significant holdings, offering higher yield than a savings account. Each account is managed by an individually assigned portfolio manager. This is different from a money market fund which oversees pooled monies for multiple investors
Corporations	Treasury function used for cash management purposes
Finance Companies	Manage liquidity and invest to develop overall funding strategy
Government Related	Typically comprise state and local governments that maintain liquidity to cover the costs of government administration. Further, maintain liquidity to cover coupon interest payments on bond issuance by government authorities
Insurance Companies	Manage liquidity for property, life and casualty policyholders
Investment Advisor/Money Market Funds	Investment companies that pool money from institutional and individual shareholders to invest in a diversified portfolio of high quality, short-duration assets. These investors are subject to regulation by the SEC and Rule 2a-7
Securities Lender	Uses a portfolio of long-term investments as collateral in the repo market to enhance yield by using cash proceeds to invest in the short-end
Other	Foreign or individual investors

Typical Tier I investor distribution



Typical Tier II investor distribution



Commercial Paper Program
Considerations

USCP Indicative Terms and Conditions

Market Size	~\$1 trillion
Composition	52% Financial; 35% ABCP; 13% Non Financial
Dealers	3-4 dealers is market standard
Settlement Convention	Same Day, but forward settlement is available
Currencies	USD
Tenor of Notes	1-365 days; 1-3 months most liquid; RBS recommends posting the entire curve (1-12 months) to capture the broadest liquidity available. Active overnight market
Average Maturity	45 days
STEP/Listing	NA
Dealer Fee	Dealer fee usually -5 bps Typically quoted "offered side"
Governing Law	New York Law
Status of Notes	Unsecured, ranking pari passu with all other senior unsecured debt of the Issue
Taxation	Free and clear of withholding tax

Program Considerations

A commercial paper program will provide KU/LG&E with a flexible funding alternative

- Once established, a commercial paper program provides issuers with a relatively cheap source of funding compared to bank funding
- A commercial paper programs provide issuers with funding flexibility with regard to maturity dates
- Issuers with cyclical funding needs can access the commercial paper market when necessary
- A commercial paper program would allow KU/LG&E to establish a short term fixed income market presence with many of the largest fund complexes globally

Benefits:

- A commercial paper program can be easily established with minimal start up costs
- RBS suggest that KU/LG&E appoint an "Arranger" to the program that will help facilitate the documentation process among the dealer group for KU/LG&E
- Once the program is established, it is extremely easy to execute transactions
- Virtually no on-going maintenance of program documentation is necessary

Establishment & On-going maintenance:

- Issuers will typically establish a dealer group of 3-4 dealers to achieve price competition and access to broader distribution.

- Investors prefer to have multiple dealers on a program to achieve better secondary liquidity

Program Participants:

- KU/LG&E can establish a process to communicate with the Dealer group in an efficient manner that does not create a significant incremental time commitment
- KU/LG&E will need to appoint an Issuing & Paying Agent for the program that will maintain an account for KU/LG&E and be responsible for the issuance of the notes and the payment of investors at maturity on behalf of KU/LG&E

- In order to access the broadest investor base at the optimal pricing structure, KU/LG&E should be prepared to post the broadest maturity curve possible

Maturity Distribution:

- Although maturities will be concentrated in the shorter dates, longer term opportunities do arise
 - By posting the curve, KU/LG&E will be well positioned to take advantage of this opportunistic funding
-

Program Considerations (cont'd)

- Timing:**
- Once all documentation is complete, KU/LG&E should give the Dealer group at least 2 weeks prior to the initial funding requirement
 - During this pre-marketing period, Dealers will be working with investors to establish the necessary lines for KU/LG&E
 - There is no minimum issuance size, but we recommend KU/LG&E post levels on a consistent basis (at least initially) to ensure access to the broadest investor base
 - KU/LG&E can reflect desired amounts/tenors by the posting price. This will enable KU/LG&E to obtain desired liquidity but also benefit from reverse inquiry types of trades

- Issuance:**
- Standard settlement in the USCP market is same-day (cash)
 - Given the current market environment there is no pricing differential to either settlement practice. However, in certain market conditions (rising interest rate environment, volatile market conditions) liquidity/pricing for forward settlement may be negatively impacted

- Settlement:**
- The management of the CP program can have a material impact on a program's success
 - Dealers should have a clear understanding of KU/LG&E' funding goals and communicate a consistent message to investors
 - KU/LG&E should run a "managed-offered side" program to ensure consistent access to the market

Program Management:

Indicative Pricing/Maturity for KU/LG&E

Short term ratings will have a significant impact on pricing and available liquidity

Ratings	Maturity	Amount	Indicative Pricing*
A1/P1/(F1)	<ul style="list-style-type: none"> ▪ Access to entire money market curve ▪ However maturities generally 6 months and shorter 	<ul style="list-style-type: none"> ▪ > \$10 billion 	<ul style="list-style-type: none"> ▪ L-15 to L-10
A1/P2/F1	<ul style="list-style-type: none"> ▪ Access to entire money market curve ▪ However, maturities generally 3 months and shorter 	<ul style="list-style-type: none"> ▪ \$5-\$7 billion 	<ul style="list-style-type: none"> ▪ L -10 to L-5
A2/P2	<ul style="list-style-type: none"> ▪ Majority of the liquidity concentrated within 45 days 	<ul style="list-style-type: none"> ▪ \$2 billion 	<ul style="list-style-type: none"> ▪ L +5 to L +10
A2/P3	<ul style="list-style-type: none"> ▪ Majority of the liquidity concentrated within 30 days or less 	<ul style="list-style-type: none"> ▪ TBD 	<ul style="list-style-type: none"> ▪ L +30 to L +45

*Indicative pricing versus 1M Libor.

How RBS Executes the Trading Day

Consistent interaction throughout the trading day provides optimal execution

RBS's Commercial Paper Trading Process*

- USCP traders contact London trading desk to check ECP market conditions and analyze overnight news to determine potential impact on U.S. markets
- LIBOR settings are published; Connect with clients that are prepared to conduct issuance, generally European issuers
- RBS Short-Term Credit Sales and Trading meeting. Representatives from the Economics, Interest Rates and High-Grade Syndicate attend

6:00AM-7:30AM

- Sales and trading makes contact with clients

- Trading desk provides issuers with market intelligence, indicative rate run and funding strategy
- Issuer provides dealer(s) with allocated funding amount and posted offered-side rates
- Throughout morning dealer(s) provide Issuer with relevant market feedback: Investor demand, trading landscape and reverse inquiries

7:30AM-10:00AM

- Process "buy" tickets to ensure efficient payment procedure
- Make contact with Issuer to recap daily funding and to determine residual funding needs (if any)
- Finalize confirms of all trading activity with Issuer and back office

10:00AM-12:00PM

- Settlement of all trades occur among IPA, Dealers and Investors
- IPA credits Issuer's account with proceeds from issuance
- Traders go over next day's maturities and will contact Issuer with initial investor feedback

12:00PM-6:00PM

*Times indicated based on EST



Commercial Paper Program Management Considerations

It is our experience that a "managed offer side" program will provide KU/LG&E with greatest access to the broadest universe of investors at the optimal pricing available

Process	Pros	Cons
---------	------	------

Managed Offer Side

- Offered side pricing
- Daily clearance of paper (dealers do not inventory paper)
- Flexible maturity postings

- Consistent pricing in the market will allow investors to appropriately value an issuer's credit
- Dealers are discouraged from inventorying paper as this will compete against future issuance and cause pricing discrepancies
- Maturity flexibility will allow issuers access to date specific and rate insensitive investors

- Incremental time commitment from the issuer

Constant Daily Percentage

- All-in or Offered side pricing
- Daily clearance of paper (dealers do not inventory paper)
- Flexible maturity postings

- Consistent pricing in the market will allow investors to appropriately value an issuer's credit
- Dealers are discouraged from inventorying paper as this will compete against future issuance and cause pricing discrepancies
- Maturity flexibility will allow issuers access to date specific and rate insensitive investors

- Incremental time commitment from the issuer
- Consistent allocation does not incentivize dealers to consistently develop and expand investor liquidity

Bid Wanted

- All-in pricing
- Dealer "owns" paper and places paper on balance sheet
- No maturity flexibility

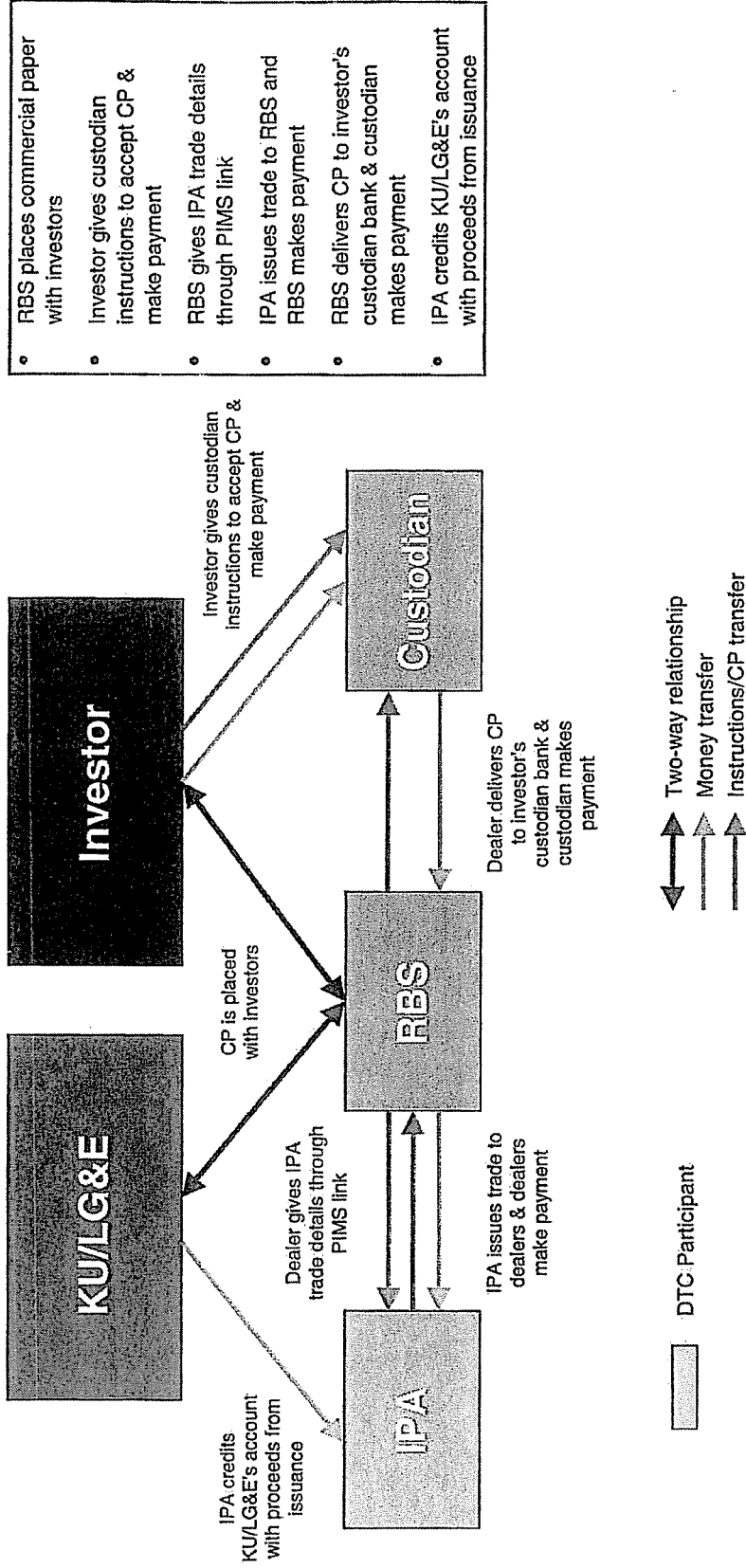
- Issuer loses control of pricing

- Limited "true" investor liquidity as dealers use balance sheet to determine liquidity
- Inventoried paper competes against future issuance
- No clear offered side level established



US Commercial Paper Issuance Procedures

Issuance Mechanics



Documentation and Timeline

U.S. Commercial Paper Program Exemptions

4(2) exemption provides issuers with incremental funding flexibility

- U.S. commercial paper is exempt from registration with the SEC under either Section 3 ("Exempted Securities") or Section 4 ("Exempted Transactions") of the Securities Act of 1933

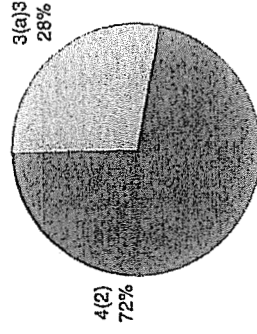
▪ 3(a)(3) program ("Section 3")

- Issuer has the ability to borrow money for "current transactions", which the SEC has deemed to include accounts receivable, inventories and any other liquid assets.
- Maximum maturity of 270 days

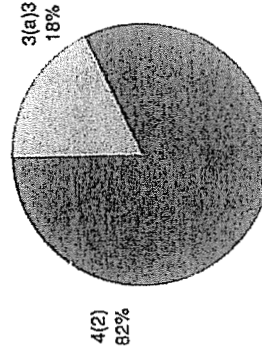
▪ 4(2) ("Section 4")

- Exempts securities sold in "private placement."
- No restriction on use of proceeds.
- Sold only to "accredited" investors or "QIB's" as defined in Rule 144A.
- Maturities of 397 days are possible.

Exemption by number of programs



Exemption by outstandings



Establishing a US Commercial Paper Program

US Commercial Paper Program - Documents

Document	Description	Responsibility
Dealer Agreement	<ul style="list-style-type: none"> An agreement between KU/LG&E and RBS that specifies the terms under which the dealer will act with regard to the issuance of the commercial paper notes 	<ul style="list-style-type: none"> KU/LG&E/RBS
Offering Memorandum	<ul style="list-style-type: none"> A marketing piece outlining the business of KU/LG&E and the terms of the program 	<ul style="list-style-type: none"> KU/LG&E/RBS
Issuing and Paying Agent Agreement	<ul style="list-style-type: none"> Authorizes a bank, acting as an agent for KU/LG&E, to issue commercial paper notes and pay investors at maturity 	<ul style="list-style-type: none"> KU/LG&E/IPA
Board Resolution and Certificate of Incumbency	<ul style="list-style-type: none"> KU/LG&E' Board of Directors must approve the borrowing of funds and designate officials authorized to arrange borrowings on behalf of the Company 	<ul style="list-style-type: none"> KU/LG&E
Securities Law Opinion	<ul style="list-style-type: none"> States that commercial paper notes are exempt from registration under the Securities Act of 1933 pursuant to Section 3 or Section 4 	<ul style="list-style-type: none"> KU/LG&E/Legal Counsel
Corporate Opinion	<ul style="list-style-type: none"> States that the borrower is duly organized, valid existing and in good standing; the Company has the corporate power and authority to execute, deliver and perform its obligations; the notes have been duly authorized executed and delivered; and are legal, valid, binding and enforceable obligations of the issuer 	<ul style="list-style-type: none"> KU/LG&E/Legal Counsel
Guarantee (if applicable)	<ul style="list-style-type: none"> The Guarantee is a guaranty of the due and punctual payment (and not merely of collection) of the principal of and interest, if any on the notes by the issuer 	<ul style="list-style-type: none"> KU/LG&E
Master Note/DTC Letter of Representation	<ul style="list-style-type: none"> Provides terms under which the notes are traded under the "Book-Entry" system 	<ul style="list-style-type: none"> KU/LG&E/DTC/IPA
Confirmation of Program Ratings	<ul style="list-style-type: none"> Letters from [Standard & Poor's/Moody's/Fitch] establishing ratings for the program 	<ul style="list-style-type: none"> KU/LG&E/Rating Agencies

Establishing a US Commercial Paper Program

Timeline

June 2011

M	T	W	T	F	S	S
	1	2	3	4	5	
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30			

July 2011

M	T	W	T	F	S	S
	1	2	3			
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31

August 2011

M	T	W	T	F	S	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

Week of	Action	Responsibility
Week 1	<ul style="list-style-type: none"> ▪ Prepare and distribute term sheet and working group list ▪ Schedule and conduct organizational call – discuss selection of Issuing & Paying Agent ▪ Contact rating agencies regarding CP program details 	<ul style="list-style-type: none"> ▪ RBS ▪ RBS ▪ KU/LG&E
Week 2	<ul style="list-style-type: none"> ▪ Distribute 1st draft of Dealer Agreement and Information Memorandum to KU/LG&E & KU/LG&E's Council ▪ Commence processing other required commercial paper documents ▪ Board Authorization of Borrowing ▪ Guarantee ▪ Certificate of Incumbency ▪ Legal opinions ▪ Issuing and Paying Agent Agreement ▪ Physical Note/Master Note 	<ul style="list-style-type: none"> ▪ RBS ▪ KU/LG&E/KU/LG&E's Counsel
Week 3	<ul style="list-style-type: none"> ▪ Provide comments on Program Documents ▪ Distribute revised draft of Program Documents to KU/LG&E and KU/LG&E's Counsel ▪ Make comments on Program Documents 	<ul style="list-style-type: none"> ▪ KU/LG&E/KU/LG&E's Counsel ▪ RBS ▪ KU/LG&E/KU/LG&E's Counsel

Establishing a US Commercial Paper Program

Timeline

June 2011

M	T	W	T	F	S	S
	1	2	3	4	5	
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30			

July 2011

M	T	W	T	F	S	S
	1	2	3			
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31

August 2011

M	T	W	T	F	S	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

Responsibility

Week of	Action	Responsibility
Week 4-5	<ul style="list-style-type: none"> Distribute revised draft of Program Documents to all Dealers Send draft of Program Documents to rating agencies Make comments on Program Documents Finalize Program Documents Signing; receive letters from rating agencies confirming ratings; all legal opinions and ancillary documents received 	<ul style="list-style-type: none"> RBS KU/LG&E All Dealers KU/LG&E/KU/LG&E's Counsel/RBS KU/LG&E/KU/LG&E's Counsel/Dealers Dealers
Week 6-8	<ul style="list-style-type: none"> Begin marketing period Commence issuing 	<ul style="list-style-type: none"> KU/LG&E/Dealers

What is the Optimal Number of Dealers?

Dealer selection considerations:

- There is no market standard size for a CP program dealer group; however most active issuers utilize a minimum of 3 dealers
- There continues to be a misplaced assumption by issuers that too many dealers will dilute the offering size per dealer and as a result reduce potential investor appetite. **In fact, investors prefer programs with multiple dealers:**
 - Investor liquidity is essential to a programs success; Investors access to secondary liquidity is limited to mandated dealers (i.e., dealer group)
 - Dealer balance sheets are contracting... By definition less support
- In order to maintain the necessary price tension, broad investor distribution/liquidity a commercial paper program should employ a larger dealer group than the historical average
- Dealer group should not be determined based on size of program outstandings
- Issuers should afford themselves the opportunity to leverage multiple platforms in order to accurately identify market trends, dynamics and liquidity
- It is critical that your dealer group have a global presence and is aligned with the firm's origination effort – This will provide you with the necessary understanding of your liquidity and most advantageous market execution and service across the curve

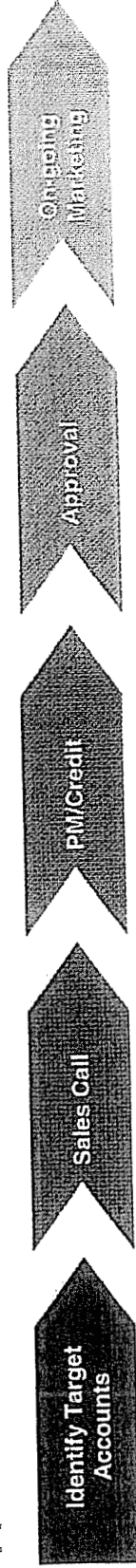


Marketing and Investor Development



Investor Education is the Cornerstone to a Program's Success

A targeted investor approach will ensure that KU/LG&E has access to broadest funding opportunities



- Based on RBS's knowledge of current market conditions and through our proprietary investor database, RBS will conduct a comprehensive investor analysis for KU/LG&E
 - Our target list of investors will include those investors with the highest likelihood of establishing and utilizing the lines to KU/LG&E
 - The target investors will be identified based on KU/LG&E funding goals in conjunction with the investors' investing guidelines/behavior
 - RBS will manage the "allocation" process for KU/LG&E to ensure a broad and diverse universe of liquidity
 - RBS will manage investor concentration on behalf of KU/LG&E
- Educating RBS's salesforce regarding an issuer's credit story and funding goals is a critical component of our marketing strategy and this is an "on-going" process. This affords our sales force to clearly articulate the relative value of the program to existing and potential investors
- A two-pronged approach to investor approval results in a higher likelihood of success
 - Including both the Portfolio and Credit Analyst in the approval process will ensure the most appropriate line is established/modified
 - This approach will also ensure the line will have the highest utilization rate possible
- RBS will continue to update KU/LG&E on developments with their investor base
 - Given RBS's unique organizational structure of incorporating the commercial paper business into the syndicate business, RBS is uniquely positioned to identify term financing opportunities for KU/LG&E

RBS's Commercial Paper Franchise

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The Royal Bank of Scotland

RBS's USCP Capabilities & Key Strengths

RBS Will Add Value to KU/LG&E's Dealer Group

People/Expertise

- RBS has an expansive team with 45 professionals dedicated globally to the money markets. This ensures that KU/LG&E will receive unparalleled commercial paper execution and service
- The senior members of sales, trading and origination have an average of 18 years of industry experience and are able to provide our clients with unparalleled market advice and execution in all market conditions
- RBS covers a broad and diverse universe of commercial paper investors—we cover approximately 450 short term investors across the US

Approach

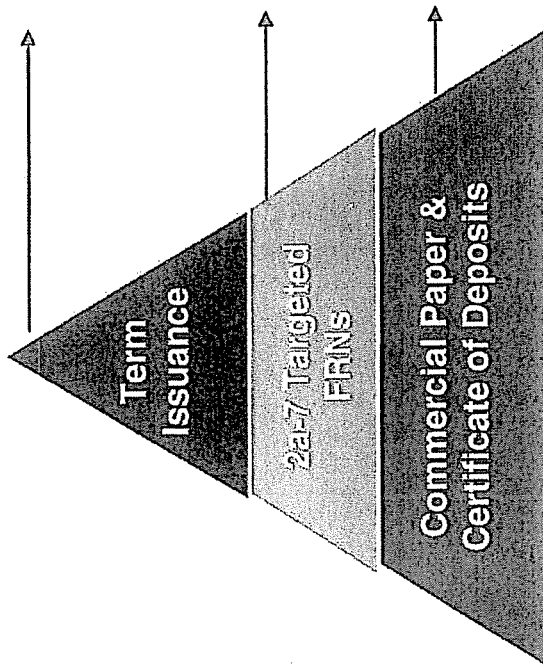
- RBS's unique approach to the market will provide KU/LG&E with the broadest liquidity at the optimal pricing structure
- RBS's global commercial paper business, unlike our market peers, is strategically positioned in the Global High Grade Corporate Syndicate business. This affords us the ability to identify global market trends/dynamics and assist in delivering optimal advice to our clients across capital markets
- RBS's strategy on investor development and marketing will solidify and increase liquidity for KU/LG&E

Market Presence

- RBS represents the entire spectrum of commercial paper issuers including ABCP, Financial, Non Financial and Certificate of Deposit programs
- RBS's global commercial paper franchise maintains approximately \$180 billion of outstandings
- Our market presence allows us to accurately identify market trends and provide clients with timely and relevant market intelligence
- Currently, RBS performs above its pro-rata share on virtually all of the mandated programs we represent in the market

Foundation for our Fixed Income Credit Business

A coordinated effort will ensure that our clients have access to innovative debt opportunities and solutions



Term Issuance (18 month & longer)

- There are significant synergies between 2(a)7 issuance/demand and 18 month and longer activity
- Direct and constant communication with investors off the commercial paper and high-grade syndicate desk gives RBS and its clients the best insight into investors' mindset

Extendible Notes & 2a-7 Targeted Floating Rate Notes

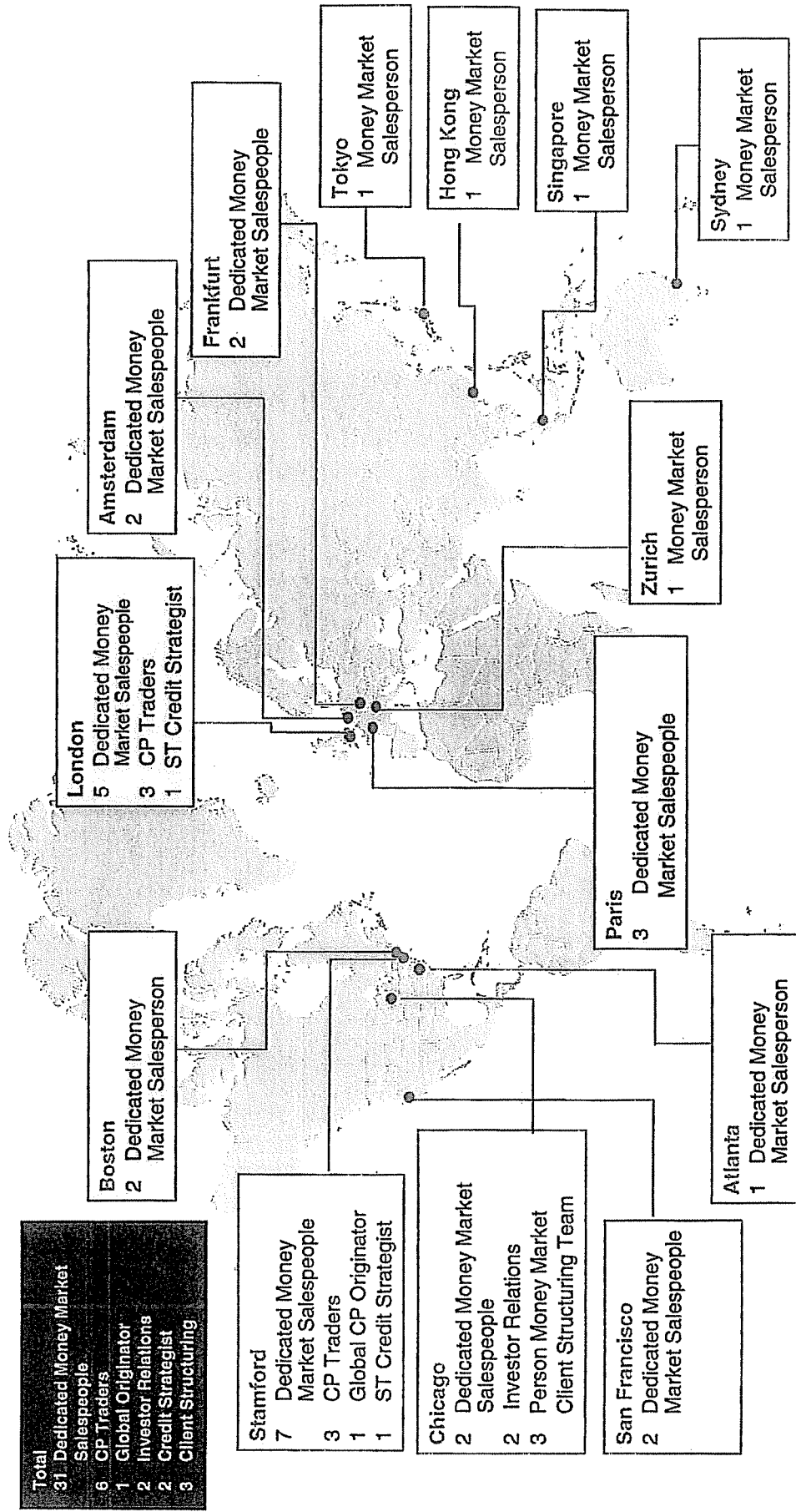
- Leverage existing CP/CD relationships for issuance beyond traditional CP/CD demand

Commercial Paper & Certificate of Deposits ("CP/CD")

- A global CP platform is an integral part of the overall origination effort
 - Provides a daily point of contact with issuers and investors
 - Offers clients with "real-time" market information
 - Continues to provide over two trillion dollars of financing

Global Reach, Local Relationships

Across the world, our team is committed to maximizing solutions and opportunities for our clients



Unparalleled Senior Short Term Sales and Trading Leadership

Sales, Trading and Origination teams are comprised of individuals with vast industry experience

Sales Professionals	Years In Business	Experience	Trading Professionals	Years In Business	Experience
Steve Monroe	23	Head of Sales BGI, JPMorgan	Paul Feidelson	18	Head of Trading BarCap (LEH)
Will Goldthwait	18	Boston Merrill Lynch	Matt Chasin	18	Head of STMF Bear Stearns
Brian McCarthy	20	New York Lehman Brothers	Joann Petrossian	18	Head of Origination BarCap (LEH)
John Guss	20	New York Goldman Sachs	Ian Bedford	22	Head of ECP Trading RBS Securities
Marcy Wilks	18	New York RBS Greenwich	Michael McLaughlin	10	USCP Trading BarCap (LEH)
Chris Monaco	19	New York ABN AMRO	Tom Giardino	17	USCP Trading UBS Securities
Scott Lewis	20	Atlanta Deutsche Bank	Michael Andrew	15	ECP Trading RBS Securities
Bill Jordan	14	San Francisco Goldman Sachs	Chris Bryan	12	USCP Trading Barclays Capital
Joe Duris	15	Chicago JPMorgan	John Graber	15	Short Term Trading Lehman Brothers

RBS Management Provides Depth and Breadth of Experience

Paul Feidelson – Managing Director, Global Head of Short Term Credit Trading

- Paul joined RBS from Barclays, where he most recently headed the Investment & Product Platform for Barclays Wealth in the Americas, following the acquisition of Lehman Brothers in September 2008. Prior to that, he served as the senior and founding member of the Special Investments Group at Lehman, where he was responsible for managing the syndicate process for that firm's private equity franchise and other special investment opportunities for its Private Investment Management division.
- Before joining the Private Investment Management division, Mr. Feidelson served for three years as Head of the Global Short Duration Credit Business, a role he held while also serving on the High Grade Syndicate desk. He previously spent six years focusing on commercial paper and other short-term products, floating rate notes and medium term notes.

Joann Petrossian – Managing Director, Global Head of Short Term Credit Origination

- Joann joined RBS from Barclays/Lehman with over 18 years of commercial paper experience. At Barclays/Lehman, Joann was the Global Head of Short Term Credit Origination. In this role, Joann assisted all types of commercial paper borrowers with access to the short term credit markets. Joann has extensive knowledge of all aspects of the commercial paper market. Prior to her role in Origination, Joann spent 8 years trading all sectors of the commercial paper market.
- Joann was instrumental in the establishment of a number of the recent programs established in the market-SPPE and Royal Park Investments. Additionally, Joann has extensive experience in assisting first time issuers with the necessary documentation and launch strategy; especially surrounding "event driven" financings.

Stephen Monroe – Managing Director, Head of Short Term Market Sales, Americas

- Prior to RBS, Steve was at Barclays Global Investors (BGI) where he was the Global Head of Cash Management. Steve was responsible for developing and executing BGI's overall cash strategy, overseeing approximately \$120 billion of securities lending cash collateral, money market mutual funds and sweep related cash products.
- Prior to BGI, Steve was the US Sales Manager of Short Duration Products for JP Morgan Securities, where he spent nine years. Before joining JP Morgan, Stephen held a variety of trading and sales roles at Bankers Trust.

RBS Covers a Broad and Diverse Universe of Short Term Investors

From overnight deposits to floating rate notes, we provide a wide range of short-term investment solutions to all short term investor types – RBS covers over 450 short term investors

Money Market Funds

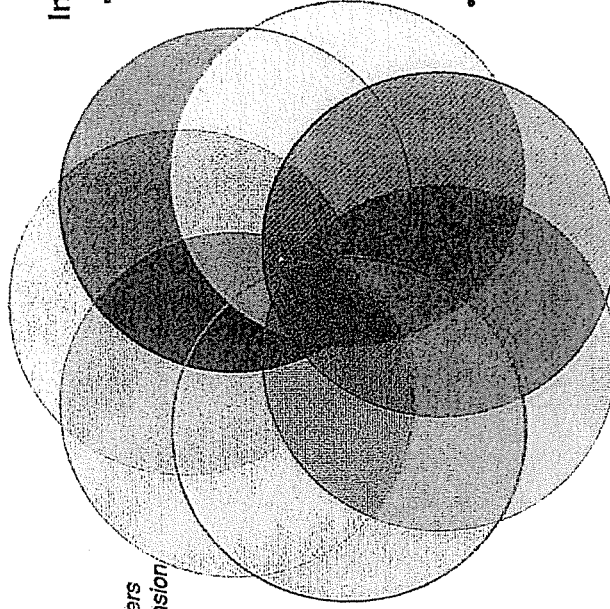
▪ Examples include: BlackRock, Charles Schwab, Deutsche Asset, Dreyfus, FAF Advisors, Fidelity, T.Rowe, Vanguard

Other

▪ Examples include: CALPERS, Ontario Teachers, State Teachers Retirement, United Nations Pension

Bank/Trust

▪ Examples include: BNY Trust, Northern Trust, State Street Bank & Trust



Investment Advisors

▪ Examples include: Bridgewater, Discovery, Guggenheim, PIMCO, RidgeWorth

Securities Lenders

▪ Examples include: BNY Mellon, JPIM, State Street

Corporate Cash

▪ Examples include: Boeing, Bristol Myers, Dell, ExxonMobil, Google, Honeywell, Intel

Insurance Companies

▪ Examples include: Aetna, Babson Capital, MetLife, NY Life, Prudential

Case Study: RBS Provides Sanofi with Optimal Market Execution

Sanofi-Aventis	
sanofi aventis	
\$10,000,000,000	
US Commercial Paper Program	
March 2011	Dealer
	RBS

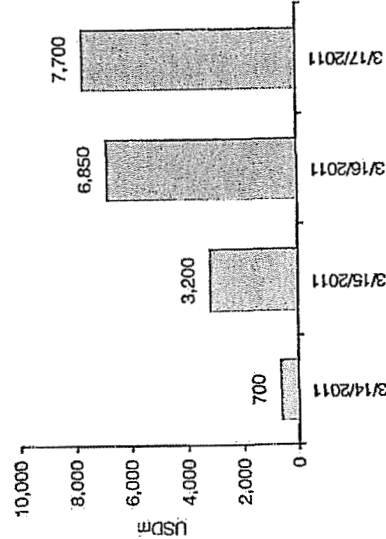
Transaction Recap/Highlights

- Sanofi increased the size of its USCP program to \$10 billion in connection with the Genzyme acquisition. RBS was added to Sanofi's long standing dealer group (BAML, Citibank, Deutsche, JP Morgan) in March 2011.
- The initial plan was to raise approximately \$5-\$7 billion over 15 trading days (Sanofi had approximately \$700 million outstanding prior to the ramp up).
- Sanofi targeted the longer end of the money market curve (3 to 7 months), outside of where there is typically significant money market demand.
- Sanofi-Aventis was able to issue the entire \$7 billion over 3 trading days at levels consistent with their top tier ratings (A1+/F1+).
- Given the increase in outstandings, many new investors established credit lines to Sanofi. Demand was garnered from a cross-section of buyers: *Money Market Funds, Investment Advisors, Insurance Companies and Banks*
- Despite recently being mandated on the program, RBS played a significant role representing 26% of the \$7 billion ramp up, well above our pro-rata share.**

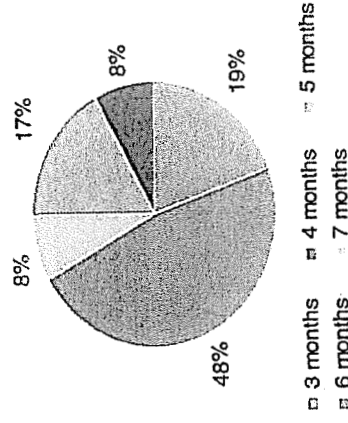
Key terms

Issuer	Sanofi-Aventis
Rating	A1+/P1/F1+
Instrument	USCP
Amount	\$10,000,000,000
Closing	March 7, 2011
Launch	March 15, 2011
Current Outstanding	\$7.7 billion
RBS Role	Dealer

Sanofi-Aventis - Progression of USCP Outstandings



Breakdown of Issuance (through RBS)





Source: RBS


Source: RBS





RBS's Recent Commercial Paper Mandates


AOL Capital Corp.		AOL Resources	\$1,140,000,000 Unsecured CP A2/P2/F1	2010	***RBS
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Air Products and Chemicals, Inc.		AIR PRODUCTS	\$1,500,000,000 Unsecured CP A1/P2	2010	***RBS
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Baltimore Gas & Electric		BGE	\$400,000,000 Unsecured CP A2/P2/F2	2010	***RBS
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
Banesto		Banesto	\$3,000,000,000 Unsecured CP A1+P1/F1	2011	***RBS
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
BAT International Finance		BAT	\$2,000,000,000 Unsecured CP A2/P2/F2	2011	***RBS
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CADES		CADES	\$60,000,000,000 Unsecured CP A1+P1/F1+	2011	***RBS
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Colonial Pipeline		Colonial Pipeline	\$375,000,000 Unsecured CP A1/P1	2011	***RBS
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Computer Sciences Corp.		CSG	\$1,500,000,000 Unsecured CP A2/P2/F2	2011	***RBS
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
Daimler		DAIMLER	\$3,000,000,000 Unsecured CP A2/P2	2011	***RBS
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Devon Energy		devon	\$5,000,000,000 Unsecured CP A2/P2/F2	2011	***RBS
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Excel Paratubers		Excel Paratubers	\$150,000,000 Unsecured CP A2/P2	2010	***RBS
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Home Depot		Home Depot	\$3,250,000,000 Unsecured CP A1/P1	2011	***RBS
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
Mattel Inc.		Mattel Inc.	\$1,000,000,000 Unsecured CP A2/P2	2010	***RBS
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
MidAmerican Energy		MidAmerican Energy	\$450,000,000 Unsecured CP A2/P1/F1	2010	***RBS
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National Rural Utilities		National Rural Utilities	\$12,000,000,000 Unsecured CP A1+P1/F1	2011	***RBS
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Network Rail		Network Rail	\$4,000,000,000 Unsecured CP A1+P1/F1+	2011	***RBS
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
New York Stock Exchange		NYSE	\$3,000,000,000 Unsecured CP A1/P2	2011	***RBS
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
Northern States Power		Northern States Power	\$150,000,000 Unsecured CP A2/P2/F1	2011	***RBS
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
OGE Energy Corp.		OGE	\$500,000,000 Unsecured CP A2/P2/F1	2010	***RBS
------------------	---	-----	---	------	--------

PacifiCorp		PacifiCorp	\$1,500,000,000 Unsecured CP A2/P2/F2	2010	***RBS
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Pacific Life Insurance		Pacific Life Insurance	\$700,000,000 Unsecured CP A1/P1/F1	2010	***RBS
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Progress Energy		Progress Energy	\$2,500,000,000 Unsecured CP A2/P2	2011	***RBS
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Southern California Edison		EDISON	\$2,000,000,000 Unsecured CP A2/P2/F2	2011	***RBS
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Sanofi		Sanofi	\$10,000,000,000 Unsecured CP A1+P1/F1+	2011	***RBS
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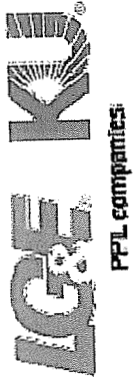
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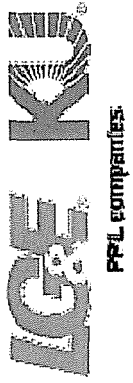
Presentation to:

LG&E and KU Energy

Regarding:

Commercial Paper Market Overview

March 2011

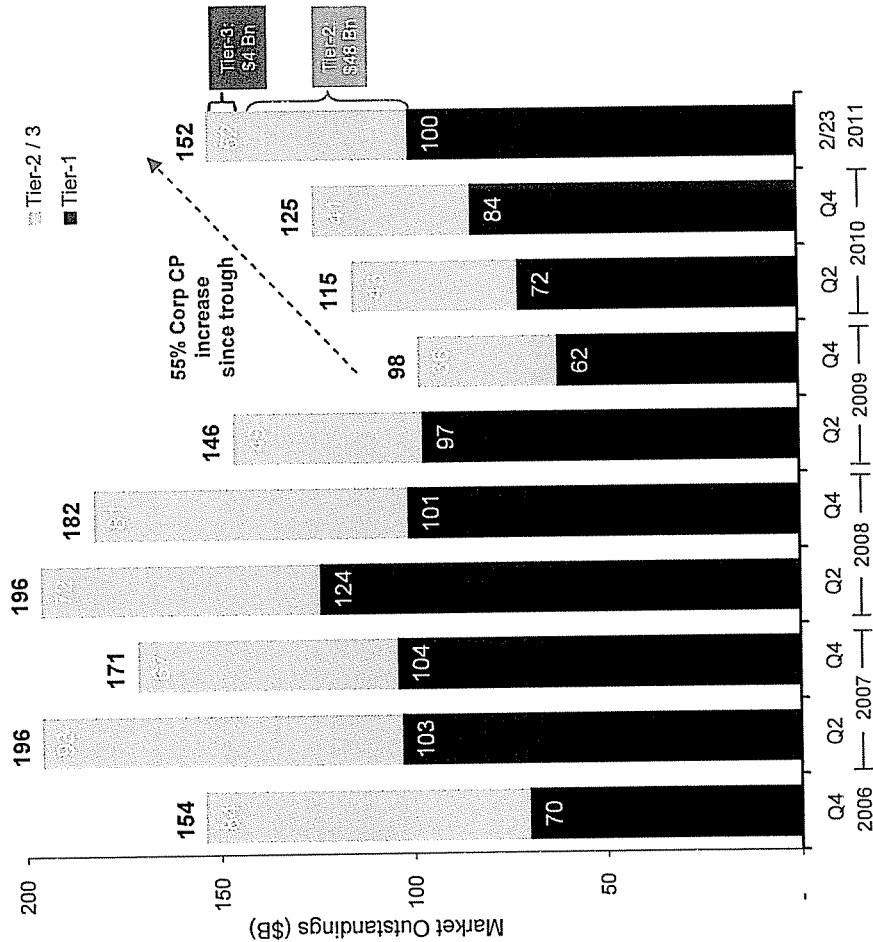


Commercial Paper Market Update

Commercial Paper Market Update

Corporate CP Outstandings Have Risen 22% 2011 Year-to-Date

Corporate USCP Outstandings ⁽¹⁾



The corporate CP market has rebounded - with a 55% increase in outstandings since its trough in 4Q 2009

CP Funding Outlook & Drivers of Increased Volumes

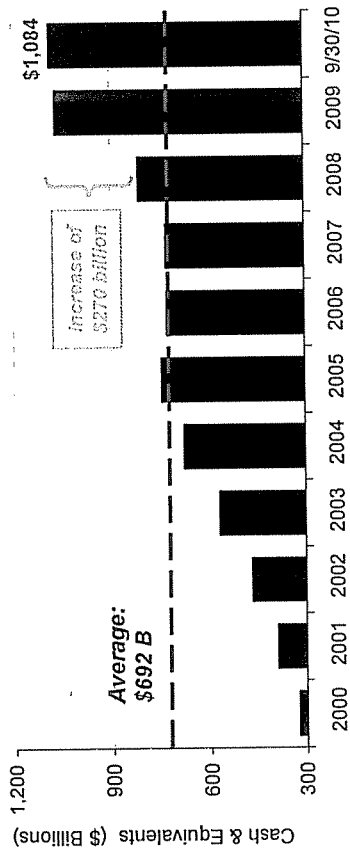
- **High-quality corporate CP supply is up** year-over-year. Investors seeking increased yield are expected to continue to drive demand for Tier-2 and Tier-3 paper
- **Demand remains strong:** While money fund assets have experienced a recent decline, they still remain above January 2007 levels. Meanwhile, cash on corporate balance sheets is at historical highs, representing another source of investable assets and effectively filling the 'hole' left by money fund outflows
- **Tier-2 & Tier-3 CP spreads have remained stable** over the course of the last 15-18 months, with slight funding pressures over the year-end
- **Tier-3 market momentum continues to build.** In 2010, there were more than 20 active Tier-3 issuers. At least half of these issuers re-entered the market, attracted by the significant liquidity and cost savings (vs. bank borrowing). This trend is expected to continue in 2011
- **Continuation of the broad economic recovery:** As corporations work through their current high cash balances, short-term debt financing needs are likely to increase to fund inventories, accounts receivable, etc.
- **Increase in strategic initiatives:** As acquisition activity increases, the need for bridge financing in the form of CP will also increase. Investor-friendly activities (stock buybacks, dividend payments) will represent additional uses for increased CP funding
- **"Recalibration" of debt mix:** Term debt markets have been very attractive for many corporate borrowers over the last 18-24 months. As a result many borrowers currently have less short-term variable rate debt than they have historically maintained. This would argue for increased CP issuance

(1) Source: Federal Reserve

Commercial Paper Market Update

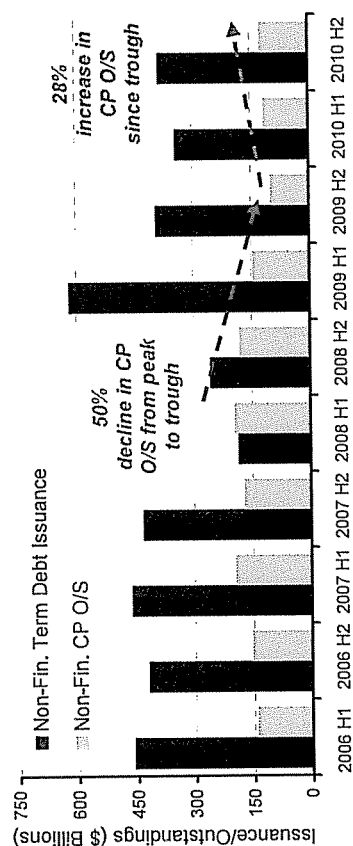
Current Market Conditions: Anticipated Drivers of Increased CP Issuance

Corporate Cash Balances Near All-Time Highs ⁽¹⁾



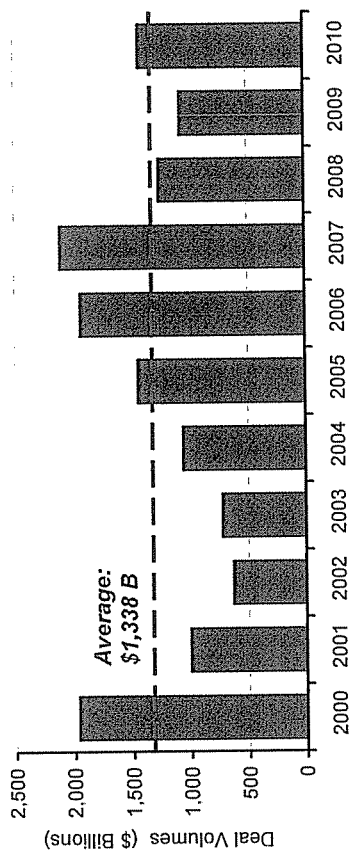
Cash on corporate balance sheets has increased substantially since 2008. Short-term debt needs are likely to increase as they work through these balances

US Corporate Term Debt Issuance vs. USCP O/S ⁽³⁾



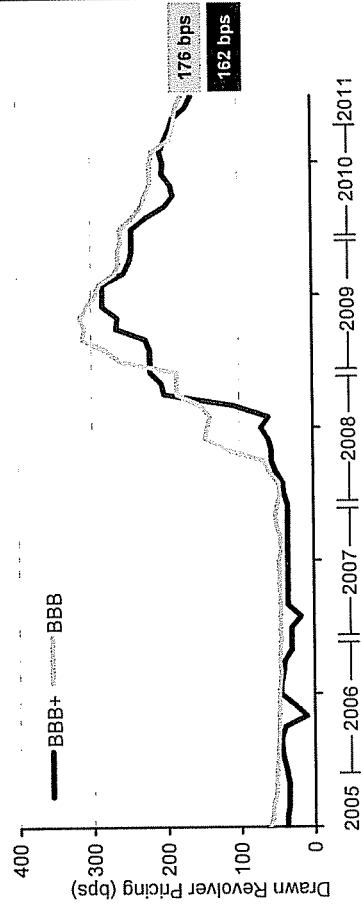
Corporations have begun to "recalibrate" their debt mix - issuing shorter maturity floating rate debt (e.g. CP)

Historical Annual M&A Volumes - Americas ⁽²⁾



Announced acquisition activity has notably increased in 2010. CP is a commonly used bridge financing tool for M&A

BBB-Rated Syndicated Loan Market: Drawn Pricing ⁽⁴⁾



While fees in the bank loan market have declined from their peaks, drawn costs are still considerably higher than pre-crisis levels (and CP funding costs)

(1) Reported cash for members of S&P 500 as of 9/30/10. Source: EnctSet; (2) Source: Dentlog, as of 12/31/10; (3) Source: BojAML Database, Federal Reserve; (4) Source: BojAML Database, Federal Reserve, 2/15/2011



Commercial Paper Market Update

Tier-2 US Commercial Paper Market Update

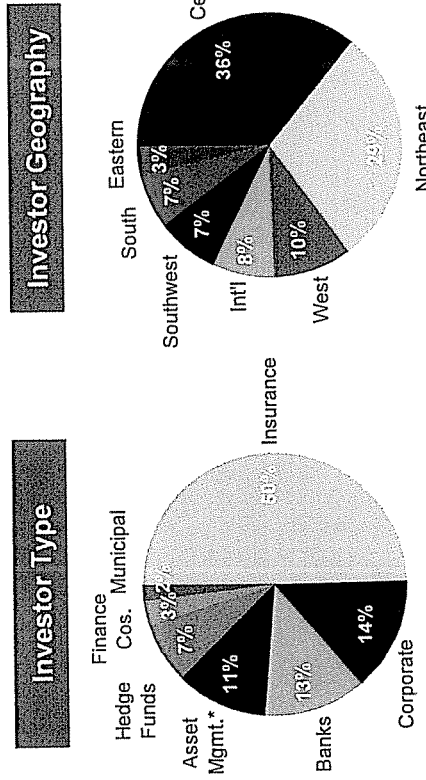
Credit Ratings Correlations

Long-Term Ratings		Short-Term Ratings			
S&P	Moody's	Fitch	S&P	Moody's	Fitch
A-	A3	A-			
(BBB+)	(Baa1)	(A-2)	(A-2)	(P-2)	F2
BBB	Baa2	BBB			
BBB-	Baa3	BBB-	A-3	P-3	F3

Market Overview

- \$49 billion of market outstandings representing a decrease of 45% since the market peak in mid-2007. Investor demand appears to be outpacing current supply – providing an excellent backdrop for new or additional Tier-2 issuance
- Approximately 150 active issuers; nineteen issuers have more than \$500 million in outstandings
- The largest issuers currently maintain outstandings in the \$500 million - \$2.0 billion range
- Pricing is highly dependent on name and industry
- 88% of the Tier-2 market outstandings have maturities of 45 days or less ⁽¹⁾

Tier-2 Investor Distribution ⁽²⁾



* 2a-7 funds represent only a subset of the total number of Asset Managers

(1) Source: Federal Reserve Bank of New York. (2) Source: BofAML Database, FY 2010 (3) Source: Moody's, BofAML Database, as of 9/30/2010 or latest available.

Current Top Tier-2 Commercial Paper Issuers ⁽³⁾

Issuer	Ratings	Current O/S (\$MM)
ING America Insurance Holdings	A-2 / P-2 / F2	\$1,835
BMW US Capital, LLC	A-2 / P-2 / -	1,552
CVS Caremark	A-2 / P-2 / F2	1,384
Volkswagen of America	A-2 / P-2 / -	1,169
NextEra Capital	A-2 / P-2 / F2	1,077
Sempra Global	A-2 / P-2 / F1	1,044
Pacific Gas & Electric Company	A-2 / P-2 / F1	1,017
General Mills	A-2 / P-2 / F2	1,002
H.J. Heinz	A-2 / P-2 / F2	881
Consolidated Edison	A-2 / P-2 / F2	832

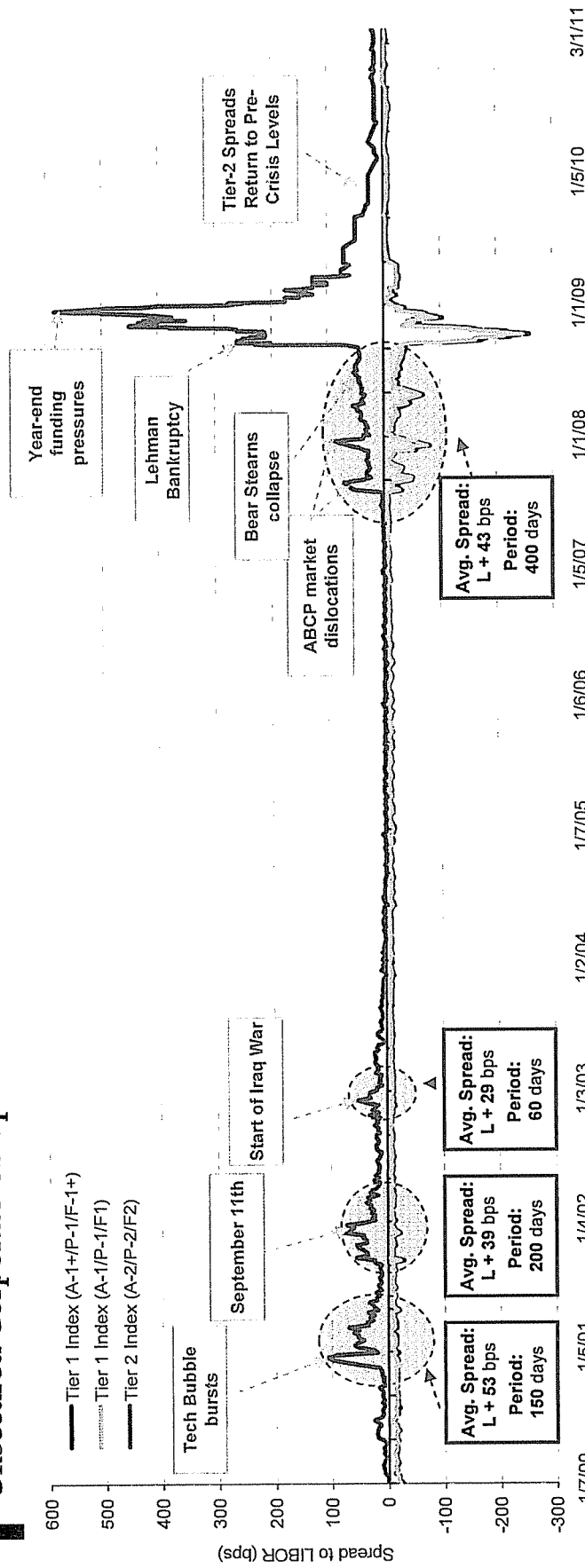




Commercial Paper Market Update

Tier-2 Commercial Paper Spreads Have Returned to Pre-Crisis Levels

Unsecured Corporate CP Spreads to 1-Month LIBOR ⁽¹⁾



Current Indicative "All-in" CP Pricing for LG&E and KU Energy

CP Ratings	Available Market Capacity	Spread to 1-Month LIBOR ⁽²⁾	Available Maturities (Greatest Liquidity)	Volatility (over Quarter & Year ends)
Louisville Gas & Electric [A-2/P-2/-]	\$500 MM +	L + 15 to L + 20 bps	Overnight – 3 months	Low / Medium
Kentucky Utilities [A-2/P-2/-]	\$500 MM +	L + 15 to L + 20 bps	Overnight – 3 months	Low / Medium

(1) Sources: Fed and BofAML. (2) Spreads reflect the range of current market pricing on 3/1/11 and "all-in" levels, inclusive of dealer commissions.





Commercial Paper Market Update

Utility Issuers with Commercial Paper Programs

Issuer	ST Ratings	Prog. Size (\$MM)	O/S (\$MM)	Issuer	ST Ratings	Prog. Size (\$MM)	O/S (\$MM)	Issuer	ST Ratings	Prog. Size (\$MM)	O/S (\$MM)
AGL Capital Corp.	A-2/P-2/F2	1,140	692	Hawaiian Electric Co.	A-3/P-2	200	-	PacifiCorp	A-2/P-2/F2	1,500	82
Alabama Power Co.	A-1/P-1/F1	600	20	Hawaiian Electric Industries	A-3/P-2	100	25	PECO Energy Co.	A-2/P-2/F2	600	-
ALLETE	A-2/P-2	500	-	IDACORP	A-2/P-2/F2	150	66	Peoples Gas & Light	A-2/P-2	250	-
Alliant Energy	P-2	100	-	Idaho Power Co.	A-2/P-2/F2	200	-	Peppco Holdings	A-2/P-3/F2	700	335
Ameren Corp.	A-3/P-3/F2	400	328	Integrity's Energy Grp.	A-2/P-2	950	123	Pinnacle West Capital	A-3/P-3/F3	250	56
American Electric Power	A-2/P-2/F2	2,500	348	Interstate Power and Light	A-2/P-2	300	-	Potomac Electric Power Co.	A-2/P-2/F2	500	-
American Transmission Co.	A-1/P-1/F1	275	91	Kansas City Power & Light	A-2/P-2	600	302	PPL Electric Utilities Corp.	A-2/P-2/F2	200	-
American Water Capital	A-2/P-2	500	233	Keyspan Corp.	A-2/P-2	1,500	-	Progress Energy Carolinas	A-2/P-2	1,130	-
Arizona Public Service Co.	A-3/P-2/F3	250	-	Madison Gas and Electric	A-1+/P-1	75	1	Progress Energy Florida	A-2/P-2	1,130	-
Atlantic City Electric Co.	A-2/P-2	250	166	MDU Resources Grp.	A-2/P-2/F2	125	20	Public Service Co. NC	A-2/P-2/F2	250	20
Baltimore Gas and Electric	A-2/P-2/F2	400	-	MidAmerican Energy Co.	A-2/P-1/F1	700	-	Public Service Co. of CO	A-2/P-2	500	248
Basin Electric Power Coop.	A-1/P-1/F1+	550	-	National Fuel Gas	A-2/P-2/F2	300	-	Public Service El. & Gas	A-2/P-2/F2	600	-
Carolina Power & Light	A-2/P-2/F1	750	-	National Grid USA	A-2/P-2	2,000	791	Public Service Enterprise	A-2/P-2/F2	1,000	-
CenterPoint Energy	A-2/F3	1,000	-	National Rural Utilities CFC	A-1/P-1/F1	12,000	1,895	South Carolina El. & Gas	A-2/P-2/F2	350	176
Chugach Electric	A-1/P-2	300	84	New Jersey Natural Gas	A-1/P-1	250	57	South Carolina Fuel Co.	A-2/P-2/F2	250	215
Consolidated Edison	A-2/P-2/F2	2,250	832	New York State El. & Gas	A-2/P-2/F2	200	-	Southern California Edison	A-2/P-2/F1	1,500	106
Constellation Energy Grp.	A-3/P-3/F3	2,500	-	NextEra Energy (FPL Grp)	A-2/P-2/F1	4,000	788	Southern Co.	A-1/P-2/F1	1,500	205
Delmarva Power & Light	A-2/P-2/F2	500	3	Nicor	A-1+/P-2/F1	1,000	-	Southwestern Public	A-2/P-2/F2	250	13
Detroit Edison Co. (The)	A2/P-2/F2	275	-	Northern Illinois Gas Co.	A-1+/P-1/F1	700	370	Union Electric Co.	A-3/P-3/F2	300	-
Dominion Resources	A-2/P-2/F2	3,000	747	Northern States Power Co.	A-2/P-2/F1	375	23	Vectren Corp.	A-2/P-2	600	-
DTE Energy Co.	A-2/P-2/F2	900	-	NSTAR	A-1/P-1/F1	175	127	Virginia Electric and Power	A-2/P-2/F2	3,000	736
Duke Energy Carolinas LLC	A-2/P-2/	700	-	OGE Energy	A-2/P-2/F1	600	224	Washington Gas Light Co.	A-1+/P-1/F1+	300	-
Duke Energy Corp.	A-2/P-2	2,200	491	Oglethorpe Power Corp.	A-1/P-2/F1	355	293	WGL Holdings	A-1+/P-2/F1	175	110
Empire District Electric Co.	A-3/P-2/F2	75	50	Oklahoma Gas & Electric	A-2/P-1	400	-	Wisconsin Electric Power	A-2/P-1/F1	400	89
Exelon Corp.	A-2/P-2/F2	1,000	-	ONEOK	A-2/P-2	1,200	127	Wisconsin Energy Corp.	A-2/P-2/F2	600	276
Exelon Generation Co.	A-2/P-2/F2	5,000	-	ONEOK Partners LP	A-2/P-2	1,000	430	Wisconsin Power and Light	A-2/P-1	250	50
Florida Power & Light Co.	A-2/P-1/F1	2,500	-	Orange & Rockland Utilities	A-2/P-2/F2	200	87	Wisconsin Public Service	A-2/P-1	125	-
FPL Fuels	A-2/P-1	300	-	Pacific Gas & Electric Co.	A-2/P-2	1,750	587	Xcel Energy	A-2/P-2	800	184

BoFAML acts as a CP dealer for a wide range of utility issuers across the country

Yellow highlighting indicates BoFAML-lead programs

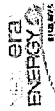


Source: Bloomberg, Moody's, BAML Trading Desk. Outstandings are average for most recent quarter or as of 9/30/2010 or most recently available.

Commercial Paper Market Update

Distribution Analysis: Tier-2 Utility Issuers

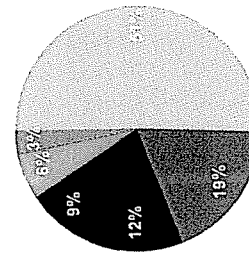
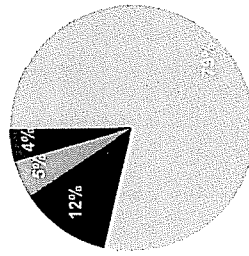
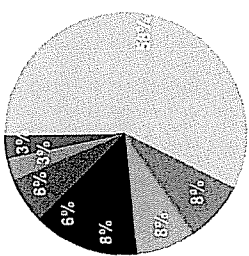
Select Active Tier-2 Power & Energy Issuers



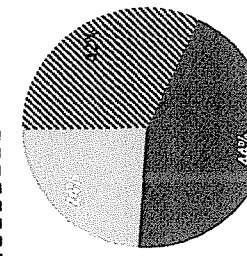
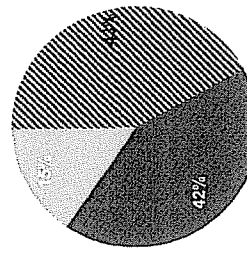
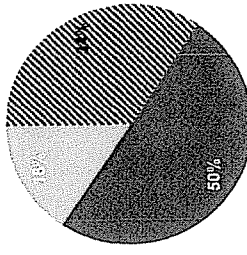
Par Value Sold (\$, MM)	\$5,709	\$3,733	\$1,557
Average Maturity (days)	21	9	11
Maturity Range	1-68	1-34	1-52
Recent Peak Market Outstandings (\$,MM) *	\$1,523	\$322	\$140
# of Investors	94	44	30
Ratings	A-2 / P-2 / F2	A-2 / P-2 / F2	A-2 / P-2 / F2

- Investment Companies
- Banks / Bank Trusts
- Pension
- Insurance Companies
- Corporations
- Government
- Hedge Funds
- GWM Sales
- Non-Profit

Investor Distribution by Type



Investor Distribution by Size



Through BofAML's extensive distribution platform, issuers have achieved notable participation (60%+) from non-institutional investors

Source: BofAML Database. Represents activity for the period of FY2010.

Commercial Paper Market Update

"All-in" Indicative Cost Comparison: Current Drawn Revolver vs. CP Funding ⁽¹⁾

	Current Revolver Funding Strategy	Future CP Funding Strategy
	Current Drawn Revolver	CP Issuance (with "Back-up" Revolver)
Expected Short-Term Ratings	-	A-2/P-2
Funding Cost (offered-side)	-	LIBOR + 10 – 15 bps
Dealer Fee	-	5 bps
Rating Agency Fees ⁽²⁾	-	7 bps
Legal Counsel Fees ⁽³⁾	-	< 1 bps
Administrative Costs (IPA fees) ⁽⁴⁾	-	< 1 bps
Net Cost of Revolver ⁽⁵⁾	LIBOR + 200 bps	25 bps
"All-in" Funding Costs	LIBOR + 200 bps	LIBOR + 47 – 52 bps
	▲ ▲	▲ ▲
	Cost Savings = 150 bps	

(1) Assuming \$500 million CP outstandings or drawn amount on lending facility. \$500 million CP program size and lending facility size. 1 mo. LIBOR assumed.

(2) USCP programs require ratings from at least two U.S. recognized rating agencies.

- Moody's charges \$42,500 annually plus a quarterly charge of \$28,000 (if outstandings are between \$100 - \$500 million). The approximate cost for Moody's rating is \$42,500 + \$112,000 = \$154,500
- S&P charges \$42,000 annually plus a quarterly charge of \$24,000 (if outstandings are between \$100 - \$500 million). The approximate cost for S&P's rating is \$42,000 + \$96,000 = \$138,000. (Note: S&P charges \$50,000 as initial fee for the first year of the program in lieu of the annual fee)

(3) \$35,000-\$50,000 = one-time, up-front fees assume the use of external US and local counsel and cover the creation and review of documentation, the delivery of required opinions and discussions/negotiations with the rating agencies. Fees do not include disbursements. An issuer may be able to use internal counsel representation, to the extent that the SIFMA form Placement Agency/Dealer Agreement is utilized. (Amortized over 3 years.)

(4) Issuing and Paying agent charges will vary depending on the size of the program as well as the IPA used and generally ranges between \$20,000-\$25,000

(5) Line of credit fees consist of a facility fee, drawn fee and undrawn fee. In the case of CP funding, the drawn fee does not apply. Fees for Back-up Lines of Credit are based on current costs of LG&E and KLI's facilities. Fees are as follows: drawn fee of LIBOR + 200 bps, and undrawn fee of 25 bps.



CP Establishment Recommendations

CP Establishment Recommendations

Overview of SEC Exemptions

CP Issuance is Exempt from SEC Registration

- Commercial paper does not require registration with the Securities and Exchange Commission (“SEC”) or the use of a prospectus, provided it qualifies for an exemption from registration under the Securities Act of 1933 (the “1933 Act”)
 - Several sections of the 1933 Act allow for automatic exemption from registration requirements (described below)
 - In order to be assured of the availability of such an exemption, the Issuer generally relies upon the expert legal opinion of a reputable law firm or in-house legal counsel
 - There are two exemptions used most often for commercial paper issuance – the Section 3(a)3 “Current Transactions” exemption and the Section 4(2) “Private Placement” exemption
- Section 4(2)/144a exempt commercial paper is widely used because there is no restriction on the use of proceeds and is, therefore ideal for stock buybacks and acquisition funding. A 4(2) program provides exemption from registration for any security that is offered exclusively to sophisticated investors, i.e., institutional investors
 - Specifications for the method of offering
 - Minimum note size of US\$250,000
 - No stated restriction on maturities or use of proceeds although maximum maturity is 397 days matching 2a-7 restrictions
 - Unlimited number of investors participating as long as investor eligibility requirements are met

Issuers Preferring 4(2) Exemption

- Due to the greater flexibility provided by the 4(2) exemption, the number of outstanding 4(2) programs have surpassed the number of 3(a)(3) programs
- Since the investor market for commercial paper is generally institutional, most investors buying commercial paper exempt under Section 3(a)(3) can also buy notes offered pursuant to the Section 4(2) exemption. As a result, there is no longer a trading premium associated with 4(2) paper

BofAML would recommend LGE and KU utilize the 4(2) SEC exemption when establishing their USCP programs

CP Establishment Recommendations

Program Establishment - Documentation Requirements

Steps Necessary to Establish a Commercial Paper Program

- As CP is exempt from SEC registration, the Securities Industry and Financial Markets Association (SIFMA) has standardized CP documentation which makes program establishment relatively efficient. On average, program establishment takes approximately 4 weeks, as the Board Resolution and IPA Agreement often require additional lead time
- During the final week of documentation, BofAML will pre-market the Issuer's program in order to gain credit approval in advance from investors. There are no road show meetings/conference calls necessary to establish a CP program nor does management participate in pre-marketing

Documents to be Prepared With Dealer

- **Dealer Agreement:** A Dealer Agreement is executed between BofAML and the Issuer
- **Legal Opinions:** Pertains to the 3(a)3 or 4(2) exemption from the Securities Act of 1933 under which the commercial paper will be issued
- **Private Placement Memorandum:** PPM is prepared by BofAML and distributed to the sales force

Documents to be Forwarded to Dealer

- **Board of Directors Resolution:** Authorizes the issuance of commercial papers
- **Issuing & Paying Agent Agreement:** Executed between the Company and the IPA
- **Credit Facility:** Back-up liquidity is a requirement of rating agencies and is determined on an issuer-by-issuer basis
- **Rating Agency Letters:** Rating Agency Letters confirming Issuer's commercial paper ratings
- **DTC Letter of Representations:** Accommodates book-entry issuance (Part of the IPA agreement)



CP Establishment Recommendations Necessary Steps for Program Establishment

Indicative Timetable ⁽¹⁾

	<u>Event</u>	<u>Responsibility</u>
Week 1	<ul style="list-style-type: none"> ◆ Organizational meeting; discuss details of program, responsibilities, procedures, necessary documentation and timing ◆ Drafting of the Offering Memorandum to be used by Bank of America Merrill Lynch (BofAML) in connection with the sale of commercial paper ◆ Drafting of the Commercial Paper Dealer Agreement between the Issuer and BofAML ◆ Drafting of the Opinions of Counsel ◆ Notify Rating Agencies of intent to issue Commercial Paper. Request short-term debt ratings (if necessary) ◆ Resolution from the Board of Directors is created authorizing the issuance of commercial paper, the amount and authorized signatories 	<p style="text-align: center;">BofAML / MT</p> <p style="text-align: center;">BofAML / MT</p> <p style="text-align: center;">DC / IC / BofAML / MT IC / MT</p> <p style="text-align: center;">MT</p> <p style="text-align: center;">MT</p>
Week 2	<ul style="list-style-type: none"> ◆ Issuing and Paying Agent, which is a member of the Depository Trust Company's ("DTC") same-day funds settlement system, is selected and the Issuing and Paying Agency Agreement is negotiated ◆ Issuing and Paying Agent initiates documentation process with DTC 	<p style="text-align: center;">IC / MT / IPA</p> <p style="text-align: center;">IPA</p>
Week 3	<ul style="list-style-type: none"> ◆ Preliminary comments given on all respective documentation; incorporation of appropriate revisions ◆ Distribution of documents to all parties for final changes and approval 	<p style="text-align: center;">BofAML / MT / DC / IC</p> <p style="text-align: center;">BofAML / MT / DC / IC</p>
Week 4	<ul style="list-style-type: none"> ◆ Execution of Commercial Paper Dealer Agreement. Opinion of Counsel is delivered. Ratings letters are delivered. Offering Memorandum is finalized and signed 	<p style="text-align: center;">BofAML / MT / DC / IC</p>
Week 5	<ul style="list-style-type: none"> ◆ Conference call between BofAML trader and Issuer to discuss issuing procedures and program strategy ◆ Begin marketing of program with distribution of Offering Memorandum and a series of conference calls to sales force and key investors 	<p style="text-align: center;">BofAML / MT</p> <p style="text-align: center;">BofAML</p>

* **Commercial Paper Issuance Begins** *

<u>Participant</u>	<u>Symbol</u>
Mettler-Toledo (Issuer)	MT
Bank of America Merrill Lynch	BofAML
Dealer's Counsel	DC
Issuer's Counsel	IC
Issuing & Paying Agent	IPA

USCP Programs are typically established in 3-5 weeks



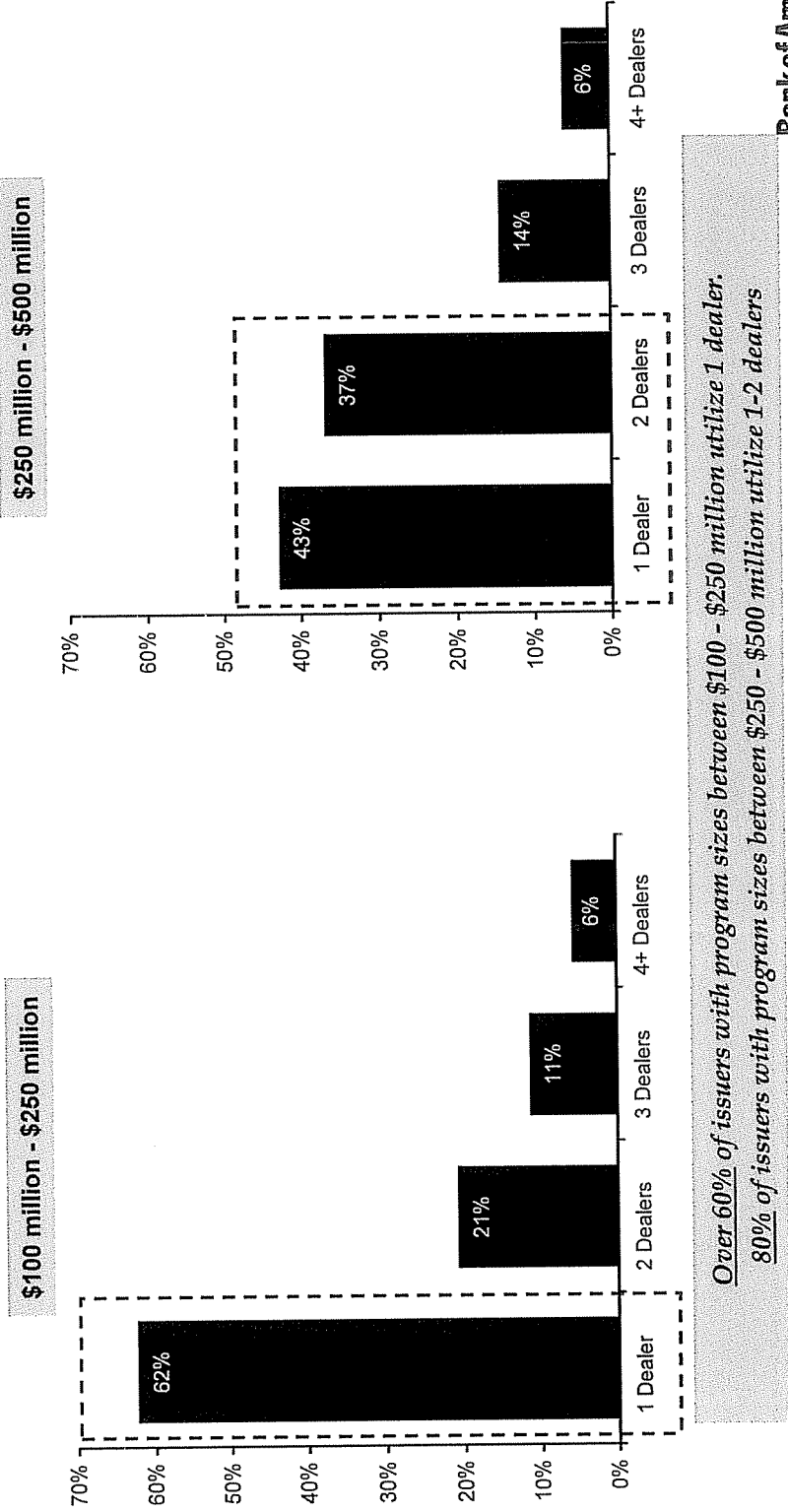
(1) Length of time is at the discretion of the issuer and typically ranges from 4-5 weeks, but can be completed in 2 weeks

CP Establishment Recommendations Dealer Panel Selection

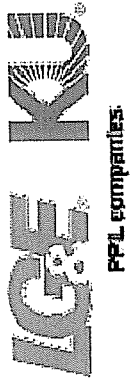
Commercial Paper Dealer Selection

- The majority of programs utilize 1-3 dealers, with the number of dealers increasing as market outstandings increase
- For programs with outstandings in the \$100 - \$500 million range, we would recommend utilizing 1 or 2 dealers. (Additional dealers can always be added at a later date)

Number of Dealers for Currently-Active Corporate Commercial Paper Programs ⁽¹⁾



(1) Source: Bloomberg. Actively rated programs only



Bank of America Merrill Lynch Short-Term Fixed Income Platform



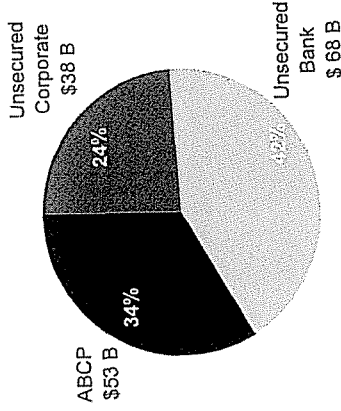
Bank of America Merrill Lynch Short-Term Fixed Income Platform

Short-Term Fixed Income Credentials

USCP Platform Highlights

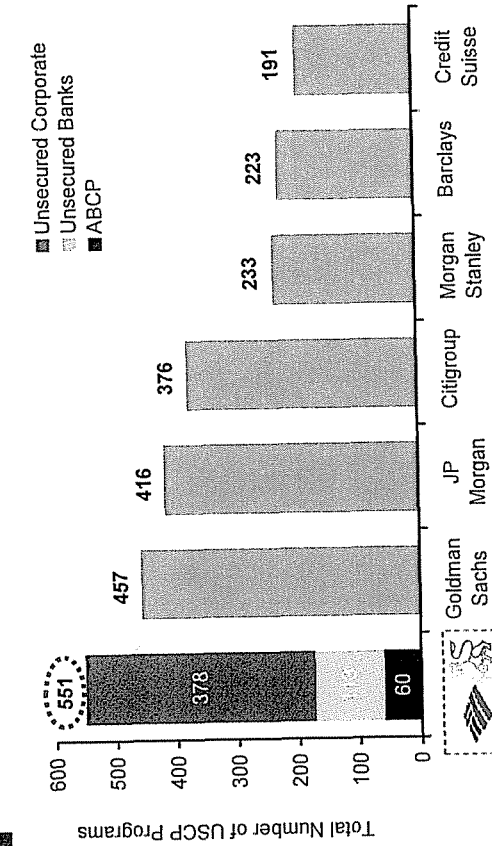
- **Strong Team:** BofAML maintains the deepest and most heavily resourced USCP group
- **Leader in Outstandings:** \$159 billion of USCP outstanding currently, representing 30% of the dealer-placed market
- **High Daily Volume:** BofAML's CP desk sees an average of \$35 billion of buy/sell volume daily
- **Experienced Traders:** BofAML has the most experienced short term fixed income trading team in the market
- **Broad Investor Universe:** BofAML's CP desk sold \$4.2 trillion of new issue paper in the last twelve months to 10,000 investors

Outstandings by Type ⁽²⁾

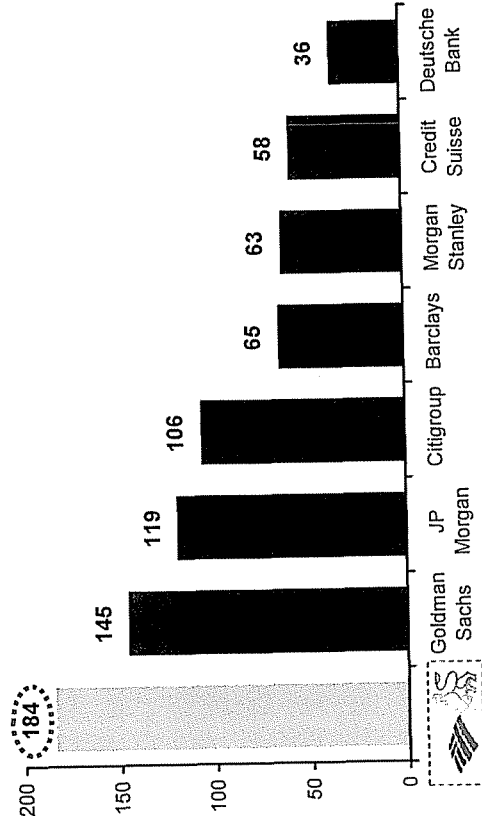


Current Total Outstandings = \$159 Billion

USCP Dealer League Table ⁽¹⁾



Tier-2 & Tier-3 USCP Dealer League Table ⁽¹⁾



(1) Sources: Bloomberg Financial Markets, Standard & Poors, Moody's Investors Service - as of 4Q 2010.
 (2) Source: BofAML Trading Desk

Bank of America Merrill Lynch Short-Term Fixed Income Platform

Unique Distribution Capabilities

Different Segments of the Investor Base Have Distinct Investment Patterns

- Bank of America Merrill Lynch is the only firm that accesses the full spectrum of commercial paper investors. BofAML has strong relationships with the largest institutional accounts while also successfully penetrating the "mini-institutional," retail and high net worth individual accounts located across the country
- BofAML's large issuer base and breadth of distribution provides us with unique insight into investor behavior and enables us to successfully target liquidity for both new and existing programs

Large Institutions

- BofAML Sales Platform: Institutional Sales Desk
- Sophisticated, professional investors
- Money funds, banks and bank trusts, insurance companies, securities lenders, large money managers
- Independent credit department
- Require buy-in from both portfolio management and credit to purchase
- Large block buyers (minimum outstandings requirement)
- **Sample Investors:**
 - Babson Capital Management
 - Fidelity Investments
 - Goldman Sachs Asset Management
 - JPM Investment Management

Middle Markets

- BofAML Sales Platform: Global Liquidity Solutions
- Small money funds and money managers, large corporates, regional banks and bank trusts, small insurance companies, large municipalities, non-profits
- Portfolio management and credit combined role
- Transaction size varies (no minimum outstandings requirement)
- **Sample Investors:**
 - Alliance Data Systems
 - Georgia Institute of Technology
 - Michigan Dept. of Treasury
 - Tennessee Consolidated Retirement

Mini-Institutional

- BofAML Sales Platform: Retail Brokerage Network
- Non-professional investors
- Less price sensitive
- No formal credit process - investment decision based primarily on ratings and name familiarity
- Small block and odd-lot buyers
- **Sample Investors:**
 - Genesee County, Michigan
 - Machine Tool Assurance Ltd.
 - Municipality of Anchorage
 - Southern California Pipe Trades

Bank of America Merrill Lynch has the largest, most diverse commercial paper investor base of over 10,000 investors



Bank of America Merrill Lynch Short-Term Fixed Income Platform

Extensive Distribution Network Selling CP to Geographically Diverse Investors

Midwest

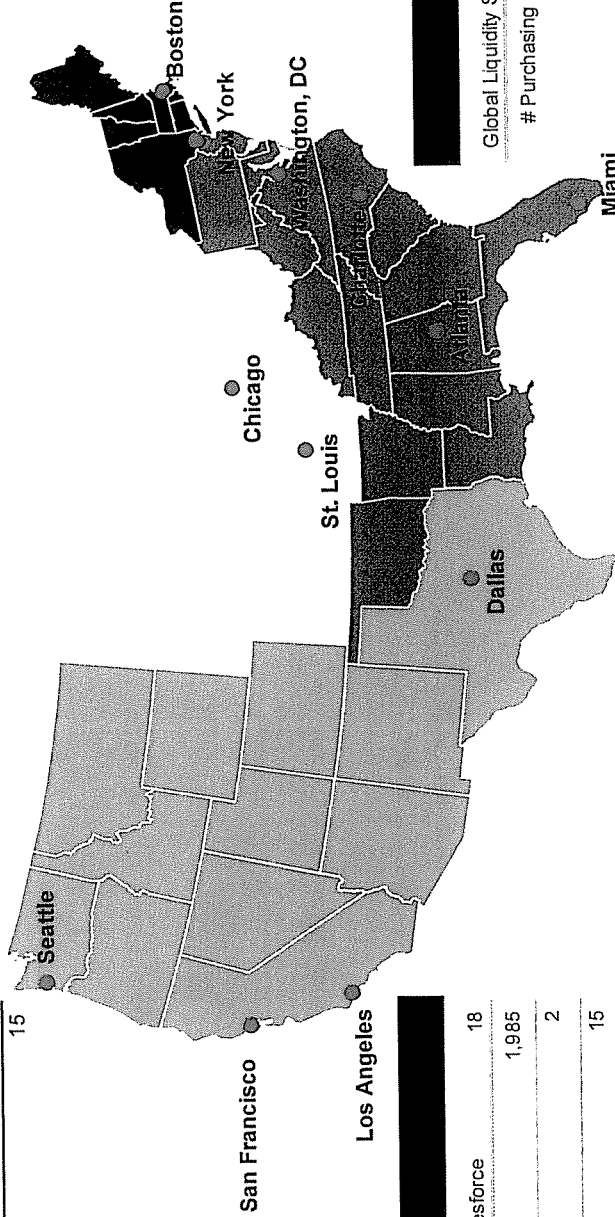
Global Liquidity Solutions Salesforce	9
# Purchasing Accounts	1,000
Institutional Salesforce	2
# Purchasing Accounts	15

New York City

Global Liquidity Solutions Salesforce	5
# Purchasing Accounts	550
Institutional Salesforce	6
# Purchasing Accounts	40

Northeast

Global Liquidity Solutions Salesforce	11
# Purchasing Accounts	1,215



West

Global Liquidity Solutions Salesforce	18
# Purchasing Accounts	1,985
Institutional Salesforce	2
# Purchasing Accounts	15

South

Global Liquidity Solutions Salesforce	25
# Purchasing Accounts	2,760

Bank of America Merrill Lynch Short-Term Fixed Income Platform offers a far-reaching sales force located across the nation with 75+ sales professionals and 7,500+ purchasing accounts





Bank of America Merrill Lynch Short-Term Fixed Income Platform

BofAML Provides Issuers With In-Depth Market Commentary & Analysis

CP Trading Desk Provides Daily Market Color

1<GO>DEL 2<GO>REPLY 3<GO>FWD 11<GO>NEXT 12<GO>PREV 99<GO>OPTIONS
7/19 7:14:11

From: * MIKE COPPOLA (BANK OF AMERICA SECU)
To: * SIDDHARTH COELHO-PPRBHU (BANK OF AMERICA SECU)
Cc:
Subject:

91) * WNEC 646 855-6333 C 718 650-9249
UCONN 92) Move

funds call 20.22 well it looks like we have gotten thru the rollover period and supply should abate a bit most flow for quality remains 1-3 mo and most all others 45days and in we did see some 4 activity but it would be best described as spotty really don't expect change on any fronts bills and agencies appeared unchanged and stable seems to be stable also good luck

1<GO>DEL 2<GO>REPLY 3<GO>FWD 11<GO>NEXT 12<GO>PREV 99<GO>OPTIONS
7/28 7:08:36

From: * MIKE COPPOLA (BANK OF AMERICA SECU)
To: * SIDDHARTH COELHO-PPRBHU (BANK OF AMERICA SECU)
Cc:

91) * WNEC 646 855-6333 C 718 650-9249
UCONN CORPORATE CP RUN 7/28 92) Move

	A1/P1	A2/P2	FOR .A1/P1
1M	.19-.22 UNC	.38-.48 UNC	.28-.33
2M	.22-.26 UNC	.45-.55	.35-.40
3M	.25-.30	.55-.65	.42-.47
4M	.27-.32 UNC	.60-.80	.50-.55
5M	.30-.35 UNC	.70-.90	.55-.60
6M	.32-.37 UNC	.80-1.00	.60-.65
9M	.45-.50 UNC		
WKS	.18-.23 UNC	.35-.45 UNC	

In addition to customized issuer emails, calls and Bloomberg, our traders provide market color and commentary throughout the trading day

BofAML Publishes Regular CP Market Commentary

U.S. Commercial Paper
This is a reprint of the BofAML CP Market Commentary

WEEK IN REVIEW
07/16/2010

USCP MARKET

Supply in the US Commercial Paper market expanded for a second week in a row to \$17 billion, one share led by Finance which continued to lead the market. Other factors were reduced supply of supply.

Flows were stronger for Finance in the three month term which led to the market expansion but flows in the more than 12 month term were lower than expected. The market for 12 month term was also lower than expected. The market for 12 month term was also lower than expected.

Financials continued to lead the market in the three month term with flows of \$3-5 billion in the three month term. With a market for 12 month term of \$1 billion in the three month term, the market for 12 month term was also lower than expected.

The 3-month Commercial Paper rate (September 2010) ended at 1.10% and the 12-month rate ended at 1.10%.

COMMERCIAL PAPER SUPPLY DATA AS OF JULY 16th

Category	3M	6M	9M	12M	Total
Finance	10.5	1.5	1.5	1.5	13.5
Government	1.5	1.5	1.5	1.5	6.0
Other	0.5	0.5	0.5	0.5	2.0
Total	12.5	3.5	3.5	3.5	23.0

USCP Market Outlook

Q3 Market Outlook

Q3 Market Outlook

USCP Volume & Maturity Distribution

USCP Sector Mix

Q3 Market Outlook

USCP Market Outlook

Customized Issuer CP Program Performance Reviews

US Commercial Paper Distribution Considerations
Issuer Program Review - BofAML Issuance

Distribution Summary (Avg. 2008 - July 2010)
Investors for the Period: Aug. 2008 - July 2010

Investor Type

Investor Type	Percentage
Bank	33%
Money Market Fund	22%
Other	45%

Issuer Type

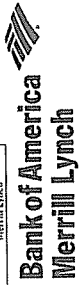
Issuer Type	Percentage
Finance	75%
Government	15%
Other	10%

Commercial Paper Investors

Investor	Number	Avg. Trade Size (\$M)	Market Share (%)
Bank of America	1.5	1.5	1.5
Wells Fargo	1.5	1.5	1.5
Citigroup	1.5	1.5	1.5
JP Morgan Chase	1.5	1.5	1.5
Other	1.5	1.5	1.5

BofAML Monthly Issuance & Maturities

Bank of America Merrill Lynch





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Bank of Tokyo-Mitsubishi UFJ



LG&E and KU Energy, LLC Securitization Discussion

April 2011



Bank of Tokyo-Mitsubishi UFJ



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- 5 Contact Information
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Introduction

The Bank of Tokyo-Mitsubishi UFJ, Ltd. ("BTMU") is pleased to have the opportunity to discuss ideas for an accounts receivable securitization program for LG&E and KU Energy, LLC.

LG&E and KU Energy, LLC. Objectives

- Diversify funding sources by using an accounts receivable securitization.
- Establish a program that fits well into Louisville Gas and Electric Company ("LG&E") and Kentucky Utilities Company's ("KU") corporate structure and asset base.
- Evaluate both individual programs for LG&E and KU as well as a combined program.
- Based on BTMU's review, as well as our extensive experience in securitizing utility accounts receivables, LG&E and KU's receivables have a strong potential to be a securitized asset.

Kentucky Utilities Company (\$ in millions)

Year	Customer Rec.	Affiliated Companies	Other	Unbilled Rec.	Total Rec.
2010	90	12	20	89	211
2009	79	9	18	76	182

*
 ~ \$100
 Σ * ≈ \$150
 60/70% - ADVANCE RATE

Louisville Gas and Electric Company (\$ in millions)

Year	Customer Rec.	Affiliated Companies	Other	Unbilled Rec.	Total Rec.
2010	70	30	13	81	194
2009	66	53	12	65	196

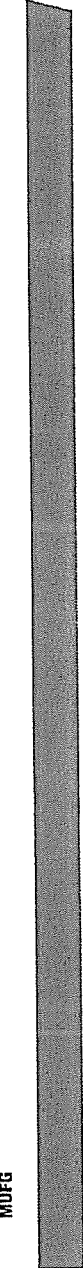
*
 ~ \$100
 Σ * ≈ \$150
 60/70% - ADVANCE RATE

Transaction Objectives

- Cost effective securitization program that is scaleable and can accommodate the seasonal receivables balance.
- Work with an industry leading provider with strong receivable securitization capabilities, knowledge of securitization with utilities and experience in being Agent on transactions.



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BTMU Securitization Group Information



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BTMU Securitization Group – League Table Status

Leadership

- BTMU is a market leader of ABCP programs with approximately \$26.4 billion in CP outstanding worldwide in 4Q10.
- As of March 31, 2011, BTMU had approximately \$17 billion in commitments and approximately \$9.6 billion outstanding in the U.S.

Experience and Stability

- BTMU's two U.S. ABCP programs have over 70 unique transactions spanning a variety of businesses and a full spectrum of asset-backed securitization products.
- During the financial crisis, when many providers were either retreating or slowing originations, BTMU actively added new transactions.
- Having been Agent and Co-Purchaser of numerous facilities, BTMU has worked with all the leading ABCP market players.

20 LARGEST ABCP PROGRAM ADMINISTRATORS
AC10 Average ABCP Outstandings

Rank	Administrator	\$ Millions	# Issuers	Market Share (%)
1	Royal Bank of Scotland PLC	51,008	8	10.3%
2	Bank of New York Mellon	39,722	2	8.0%
3	Citibank, N.A.	32,496	10	6.6%
4	Bank of Tokyo-Mitsubishi UFJ	26,445	10	5.3%
5	HSBC Bank PLC	25,578	4	5.2%
6	Deutsche Bank AG	21,445	7	4.3%
7	JPMorgan Chase Bank	20,859	4	4.2%
8	Rabobank Nederland	20,215	4	4.1%
9	Lloyds TSB Bank PLC	19,707	2	4.0%
10	HBOS Treasury Services plc	16,210	2	3.3%
11	Barclays Bank PLC	14,952	3	3.0%
12	Royal Bank of Canada	13,628	6	2.8%
13	Credit Agricole	13,390	3	2.7%
14	Société Générale	12,696	5	2.6%
15	TD Securities Inc.	10,793	6	2.2%
16	BNP Paribas	9,369	6	1.9%
17	Fortis Bank S.A./N.V.	8,257	2	1.7%
18	State Street Global Markets LLC	8,036	2	1.6%
19	Bank of Montreal	7,842	6	1.6%
20	Ford Motor Credit Company	7,080	1	1.4%
	other			23.3%
	Total	494,885		100%

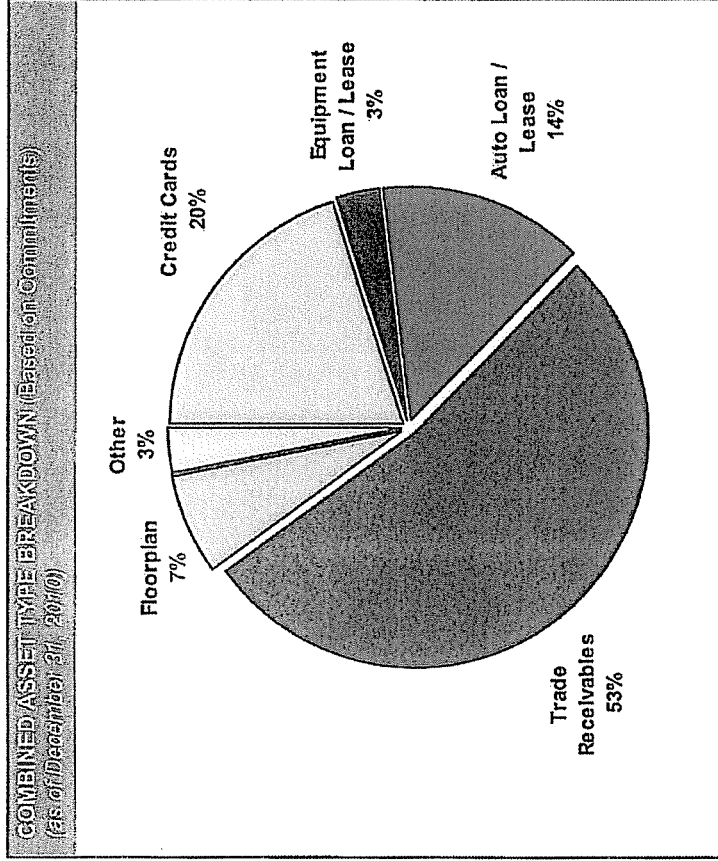
Source: Moody's

BTMU Securitization Group – Assets Financed

In the U.S., BTMU has substantial experience across most every major asset class and industry group.

Core Competency

- BTMU's conduits are used to provide an efficient form of financing for our important relationship customers.
- BTMU does not use its ABCP conduits to fund assets on a transactional basis and, as a consequence, you will not find securities, mortgages or CDOs funded in our conduits.
- As shown by our continued growth, BTMU is committed to its securitization business and providing value added solutions to its important relationship clients.
- All of BTMU's ABCP conduits are post-review with the rating agencies, which greatly contributes to the flexibility of structuring and certainty of execution within a tight time frame.
- Any changes to documents will not require rating agency involvement.



Source: BTMU



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BTMU – Select Utility Securitization Experience

BTMU has substantial utility receivable securitization experience that can add value to LG&E and KU Energy, LLC.

UTILITY	TRANSACTION SIZE (\$MM)	BTMU COMMITMENT (\$MM)	BTMU ROLE
Gas Utility	275	225	Agent
Gas Utility	75	75	Agent
Gas / Electric Utility	225	225	Agent
Electric Utility	150	150	Agent
Electric Utility	260	260	Agent
Electric Utility	95	95	Agent
Electric / Gas Utility	250	100	Co-Purchaser
Electrical / Gas Utility	750	100	Co-Purchaser

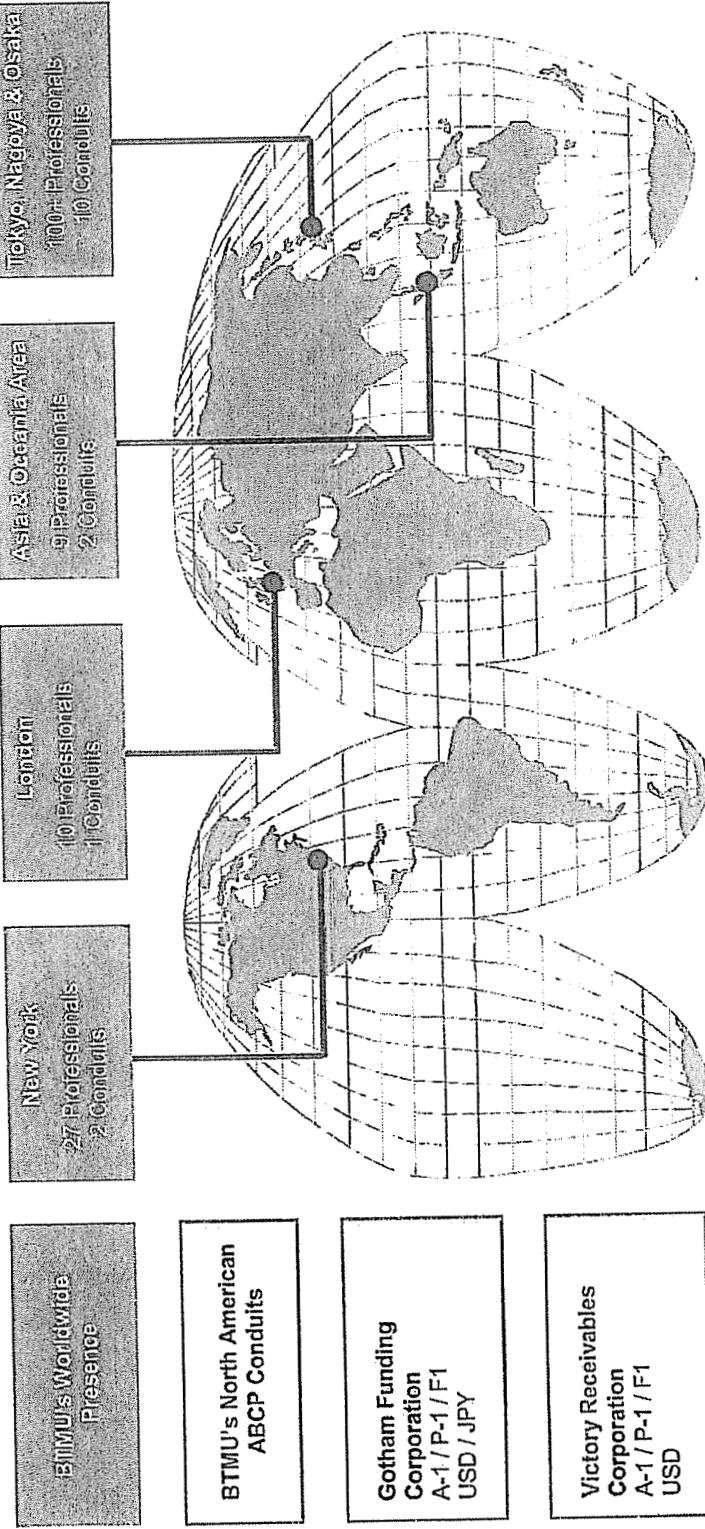


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BTMU – Worldwide Presence

BTMU's more than 140 securitization professionals worldwide deliver a broad range of experience across the globe.





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Securitization Transaction Structure and Mechanics



Transaction Structure – Transaction Benefits

A receivable securitization transaction is a standard and known financing solution.

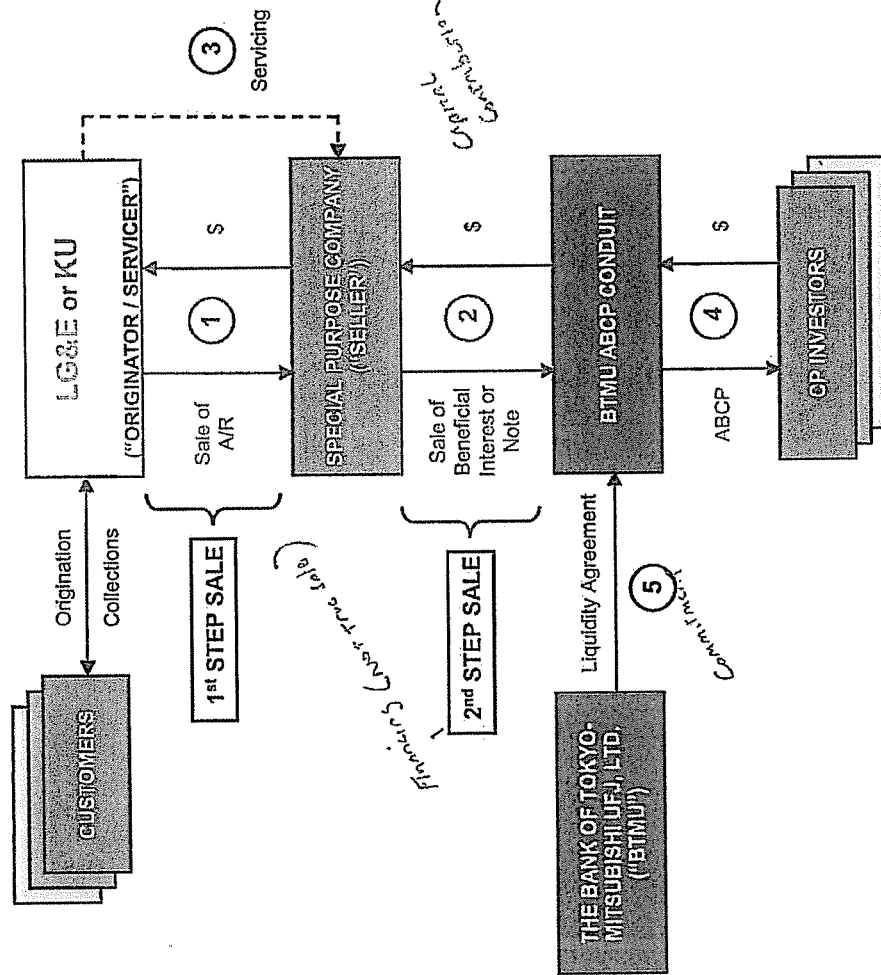
- ✓ **Diversification of Funding Sources**
 - Diversify sources of capital.
 - No cannibalization of BTMU's appetite for our customers' corporate credit.
 - Create source of liquidity from accounts receivable.
 - Rating agency liquidity credit for longer multi-year facilities
- ✓ **Structural Flexibility**
 - On or off balance sheet treatment.
 - Revolves to support ongoing financing needs.
- ✓ **Understandable Structure**
 - Rating agencies are very familiar with program.
 - Banks and bond investors understand structure.

MULTI-YEAR FACILITIES
1Yr, 2Yr, 3Yr - Fronting Fee
- ✓ **Ease of Execution**
 - Standard documentation.
 - Easy monthly reporting.
 - Understandable structure to syndicate to Co-Purchasers.



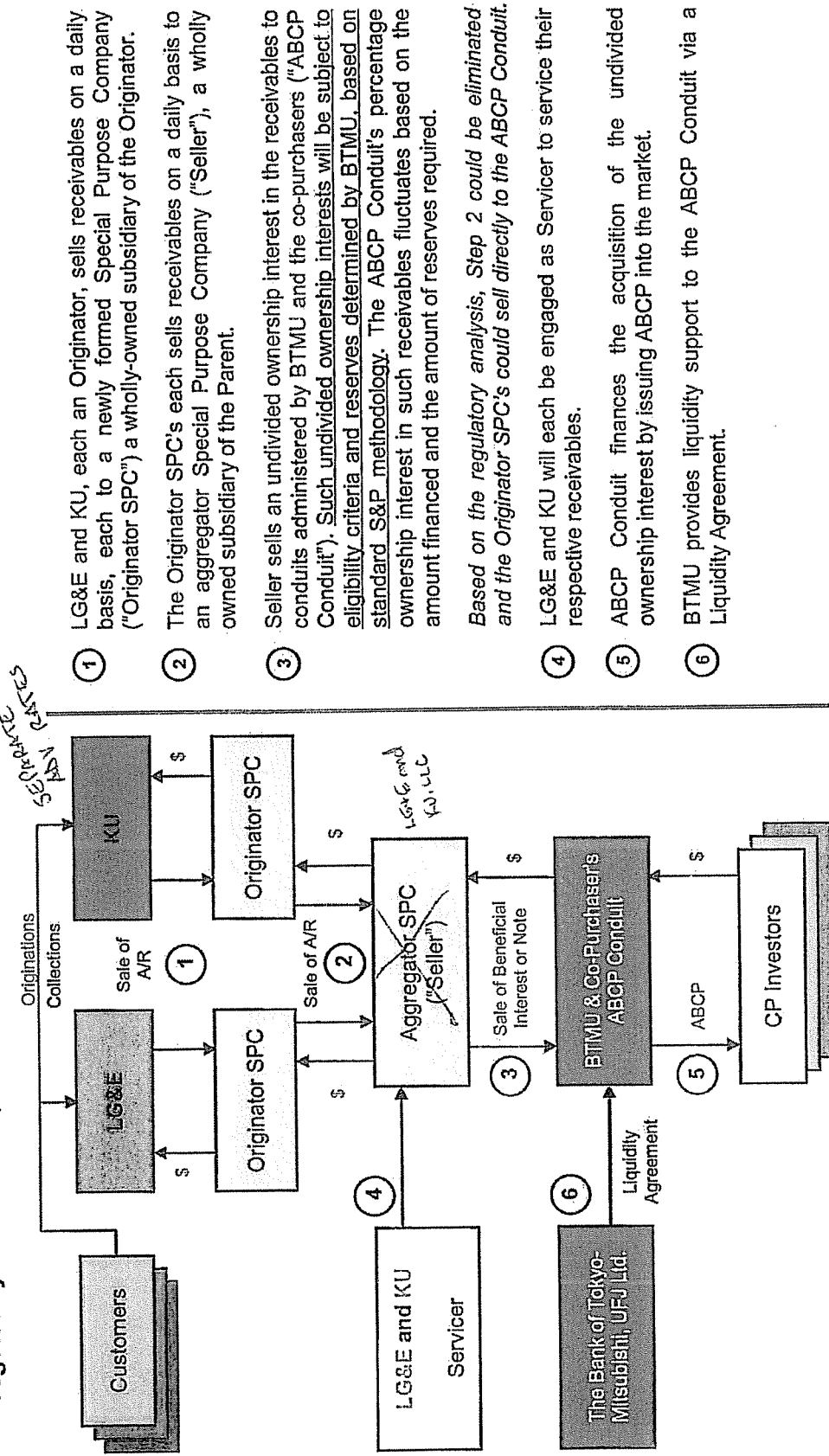
Transaction Structure - Single Originator Structure

1. Originator sells receivables on a daily basis to a newly formed Special Purpose Company ("Seller"), a wholly-owned subsidiary of the Originator.
2. Seller sells an undivided ownership interest in the receivables to a conduit administered by BTMU. Such undivided ownership interests will be subject to eligibility criteria and reserves (described herein). The ABCP Conduit's percentage ownership interest in such receivables fluctuates based on the amount financed and the amount of reserves required.
3. Servicer will be responsible for, among other tasks, (i) keeping of records relating to the receivables, (ii) reporting of the receivables to Purchasers, and (iii) origination and collection of receivables in accordance with normal procedures and credit and collection policies.
4. The ABCP Conduit finances the acquisition of the undivided ownership interest by issuing ABCP into the market.
5. BTMU provides liquidity support to the ABCP Conduit via a Liquidity Agreement.



Transaction Structure - Dual Originator Structure

The following provides an overview of a Dual Originator receivable securitization transaction. Based on the regulatory environment, there are several variations of this structure that can be completed.





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Transaction Structure – Summary of Terms

- Program Type: Revolving purchase facility for accounts receivables.
- Program Limit: Up to \$200 million, or some other amount determined by LG&E and/or KU and the Agent.
- BTMU Commitment: Up to \$200 million.
- Term: Up to 3 years.
- Closing Date: To be determined.
- Structure Rating: "A" indicative level based on rating agency methodologies for trade receivables.
- Originator : LG&E and/or KU
- Seller (SPE): Wholly owned SPE of LG&E and/or KU.
- Purchaser: A BTMU administered ABCP Conduit and to the extent not the ABCP Conduit, the Liquidity Bank.
- Liquidity Bank: BTMU.
- Funding Cost: Please refer to Pricing Analysis.
- Commitment Fee: Please refer to Pricing Analysis.
- Arrangement Fee: Please refer to Pricing Analysis.
- Costs: All costs covered, including but not limited to legal, audit and due diligence.
- Rating Agency: **Not required for BTMU.** BTMU is post review by the rating agencies.

Transactions terms proposed here are solely for indicative purposes and are subject to further analysis, due diligence and credit approval by BTMU.



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Transaction Structure - Pricing Analysis*

BTMU Fees

▪ 364-Day commitment pricing:

- Used Fee ABCP + 65 bps
- Unused Fee 25 bps
- Upfront Fee 10bps, subject to a minimum

▪ 2-Year commitment pricing:

- Used Fee ABCP + 75 bps
- Unused Fee 27.5 bps
- Upfront Fee 15bps, subject to a minimum

▪ 3-Year commitment pricing:

- Used Fee ABCP + 85 bps
- Unused Fee 30 bps
- Upfront Fee 20bps, subject to a minimum

▪ Tenor Strategy:

- Low Refinancing Risk: If LG&E and KU Energy, LLC is not concerned about renewal risk, the 364-day tenor offers the most economical solution.
- Liquidity Credit/Higher Refinancing Risks: If LG&E and KU Energy, LLC values the security of longer term commitments (or rating agency credit, if applicable) or is concerned about annual renewal risk, BTMU is willing to provide up to a 3-year commitment.

* Terms proposed here are solely for indicative purposes and are subject to further analysis, due diligence and credit approvals by BTMU.

COMPANY LEGAL FEES
 175K - LEGAL
 30 - 45 - AUDIT
 6M - SPV



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Transaction Structure - S&P Eligibility / Advance Rate Mechanics

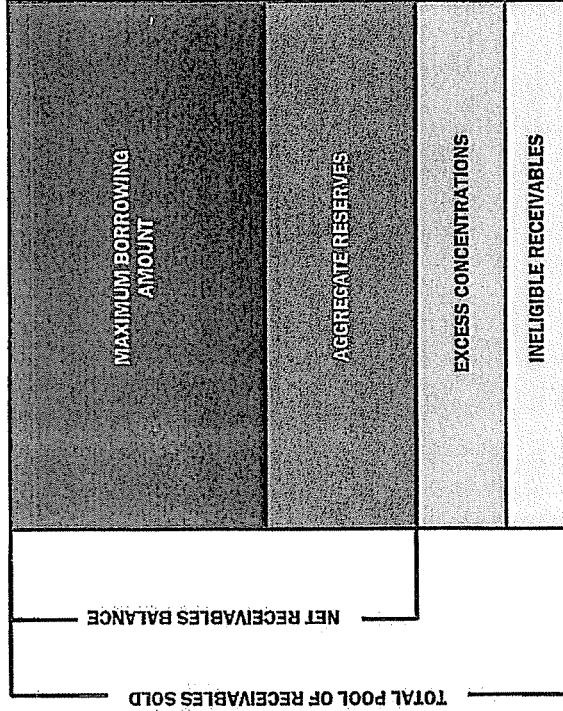
The total pool of receivables sold are "filtered" by eligibility criteria; Ineligible Receivables are not eligible for funding.

The total pool is adjusted by Excess Concentrations, which limits exposure in the pool to any one or any group of customers.

The resulting pool of receivables is the Net Receivables Balance ("NRB").

Aggregate Reserves are calculated and reduced from the NRB. The result is the Maximum Borrow Amount.

Maximum Borrow Amount fluctuates monthly based on the performance of the total receivables pool. Pool performance is monitored monthly through standard performance ratios, which track delinquency, defaults, and dilution (non-cash adjustments to accounts receivable) among other metrics.



Maximum Borrow Amount = Total Receivables - Ineligibles - Excess Concentrations - Aggregate Reserves

The following reserves are applied in standard accounts receivable securitizations:

- Aggregate Reserves = Loss Reserve + Dilution Reserve + Yield & Servicing Reserve
- BTMU recommends structuring the program to a rating agency 'A' or 'AA' level.

15-20% BILLING ERRORS (USUALLY BELOW)

65-80% ADVANCE RATE



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Transaction Structure - Typical Eligibility Criteria

The following Eligibility Criteria are those typically found in a receivable securitization. Receivables that do not reflect these criteria are considered Ineligible Receivables when calculating the Maximum Borrowing Amount. Eligibility Criteria may be adjusted to reflect LG&E and KU Energy, LLC's portfolio.

Eligible Receivables include, but are not limited to, a receivable(s):

- the obligor of which (i) is a United States resident or a resident of such other jurisdiction as has been approved by the Agent, (ii) is not an affiliate, (iii) is not a government or a governmental agency, (iv) is not subject to any bankruptcy proceeding, (v) satisfies the requirements of LG&E and KU Energy, LLC's Credit and Collection Policy, (vi) is a party to a contract that is in form and substance reasonably satisfactory to the Agent, and (vii) has not been otherwise excluded by the Agent;
- which is denominated and payable in U.S. dollars in the U.S. (U.S. dollar denominated receivables due from obligors located in other countries are permitted in amounts up to [TBD]% of outstandings);
- which arises in the ordinary course of business;
- which is not issued with payment terms of more than [TBD] days from the original billing date;
- which is not a defaulted, delinquent or diluted receivable;
- not more than [TBD]% of the receivables owed by the obligor of which are defaulted receivables;
- which is not the subject of any asserted dispute, offset, holdback, defense, or other adverse claim;
- which conforms to all applicable laws, rulings and regulations in effect;
- which does not require the consent of the obligor to sell, transfer, pledge or assign the right to receive payment;
- is an "account" within the meaning of Section 9-106 of the UCC of the State of New York;
- which represents all or part of the sales price of merchandise, insurance and services within the meaning of the Investment Company Act of 1940, Section 3(c)(5), as amended;
- a purchase of which is a "current transaction" within the Section 3(a)(3) of the Securities Act of 1933; and
- other customary eligibility criteria.

Transaction Structure – Reserve Calculations

Reserve calculation mechanics – Standard & Poor’s methodology:

Loss Reserve

Loss Reserve is established to protect against the risk of a systemic default among the diversified obligors of the receivables.

$$\text{Loss Reserve} = \text{Loss Percentage} \times \text{Net Receivables Balance}$$

$$\text{Loss Percentage} = \text{Greater of (A) Stress Factor} \times \text{Loss Ratio} \times \text{Loss Horizon Ratio or (B) Loss Reserve Floor}$$

Stress Factors (“SF”):

<u>Indicative Rating</u>	<u>Level</u>
AAA	2.50
AA	2.25
A	2.00

Loss Ratio: the greatest [TBD] average Default Ratio as calculated for each of the 12 most recently ended calendar months.

Default Ratio: an amount (expressed as a percentage) equal to (i) the sum of (A) all Defaulted Receivables (based on a default proxy TBD) and (B) all receivables that became charged-off Receivables divided by (ii) the aggregate gross sales month [TBD] months prior.

Loss Horizon Ratio: an amount (expressed as a percentage) equal to (i) the aggregate gross sales of the Originators during the [TBD] recently ended calendar months divided by (ii) the Net Receivables Balance as of the last day of the most recently ended month.

Loss Reserve Floor: is designed to cover a multiple of obligors based upon rating level. The standard is typically driven off non-investment grade obligors subject to the following:

<u>Indicative Rating</u>	<u>Obligor Multiple</u>
AAA	5
AA	5
A	4



Transaction Structure – Reserve Calculations (cont.)

Reserve calculation mechanics – Standard & Poor’s methodology:

Dilution Reserve

The Dilution Reserve covers non-cash adjustments to receivables during liquidation.

$$\text{Dilution Reserve} = \text{Dilution Percentage} \times \text{Net Receivable Balance}$$

Dilution Percentage is the greater of (i) dynamic dilution percentage and (ii) dilution percentage floor.

$$\text{Dynamic Dilution Percentage} = [(\text{SF} \times \text{ED}) + ((\text{DS}-\text{ED}) \times (\text{DS}/\text{ED}))] \times \text{DHR}$$

$$\text{Dilution Percentage Floor} = \text{ED} \times \text{DHR}$$

ED = Expected Dilution, the 12-month average of the [TBD] rolling average Dilution Ratio (“DR”).

DR = Dilution Ratio, the current month’s Dilution to Sales [TBD] months prior.

DS = Dilution Spike, the maximum of the [TBD] month rolling average Dilution to Sales Ratio over the last 12 months.

SF = Stress Factor. Same levels as Loss Reserve.

DHR = Dilution Horizon Ratio, which is calculated by dividing (i) Sales during most recent [TBD] months by (ii) Net Receivable Balance for the most recent calendar month.



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Transaction Structure – Reserve Calculations (cont.)

Reserve calculation mechanics – Standard & Poor’s methodology:

Yield & Servicing Reserve

Yield & Servicing Reserve covers the funding costs, fees and the servicing fees during liquidation.

$$\text{Yield \& Servicing Reserve} = (\text{Default Rate} + \text{Servicing Fee} + \text{Trustee Fee}) \times \text{SF} \times (\text{Adjusted DSO}/360)$$

Default Rate: Negotiated Default Rate of interest.

Adjusted DSO: a stress applied to the days sales outstanding calculation.

$$\text{Days Sales Outstanding} = [\text{Total Receivables} / \text{Sales}] \times 30 \text{ Days}$$

SF: Stress Factor, [2.0]x.

Transaction Structure – Servicing Activities

- Management of the receivables will be governed by standard procedures and credit and collection policies.
 - Designed to not impact current receivables management practices.
 - Designed to not impact existing customer base.
- The Originator, or an affiliate of the Originator, is engaged as Servicer so not to disturb its relationship with customers.
 - The Servicer faces the customers under the normal course of business.
 - BTMU does not disclose that it is financing a securitization program on behalf of the Originator.
 - The primary notification that a receivable financing exists is typically a footnote in the Financing and Accounting sections of the Originator's financial statements.
- In addition to originating and collecting the accounts receivable under the normal course of business, the Servicer will have certain reporting requirements that include, but are not limited to:
 - Annual and Quarterly Financial Statements;
 - Monthly Information Package (form to be provided prior to closing) that highlights the receivable balances, performance of the receivables, portfolio triggers and calculated availability under the program. More frequent reporting may be required under certain circumstances, including an Event of Termination;
 - Audit & annual 3rd party audit of securitization program.



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Transaction Structure – Documentation

Receivable securitization, being a common securitization product, has fairly standardized base documentation that can quickly be adjusted to reflect specific receivables and servicing activities.

- Standard receivable securitization documents include, but are not limited to:
 - Receivable Sale Agreement: Sale between Originator and Seller;
 - Receivable Purchase Agreement: Sale of undivided ownership interest between Seller and Purchasers;
 - Seller Documents: Typical documents necessary to create and incorporate a newly formed special purpose company;
 - Fee Letter: Fees payable to the Purchasers and Agent;
 - Parent Undertaking: To the extent necessary, provides that the Originator/Servicer will cause its affiliates to perform as required under the documents;
 - Standard Opinions: True Sale, Non-consolidation, Corporate matters, UCC Security Interest and Perfection Matters;
 - Corporate documentation related to Authority, Incumbency and other matters related to the Originator;
 - UCC Financing Statements.
- Documents will include standard operating procedures, representation and warranties, covenants, amortization events and indemnities for the benefit of the Purchaser(s).

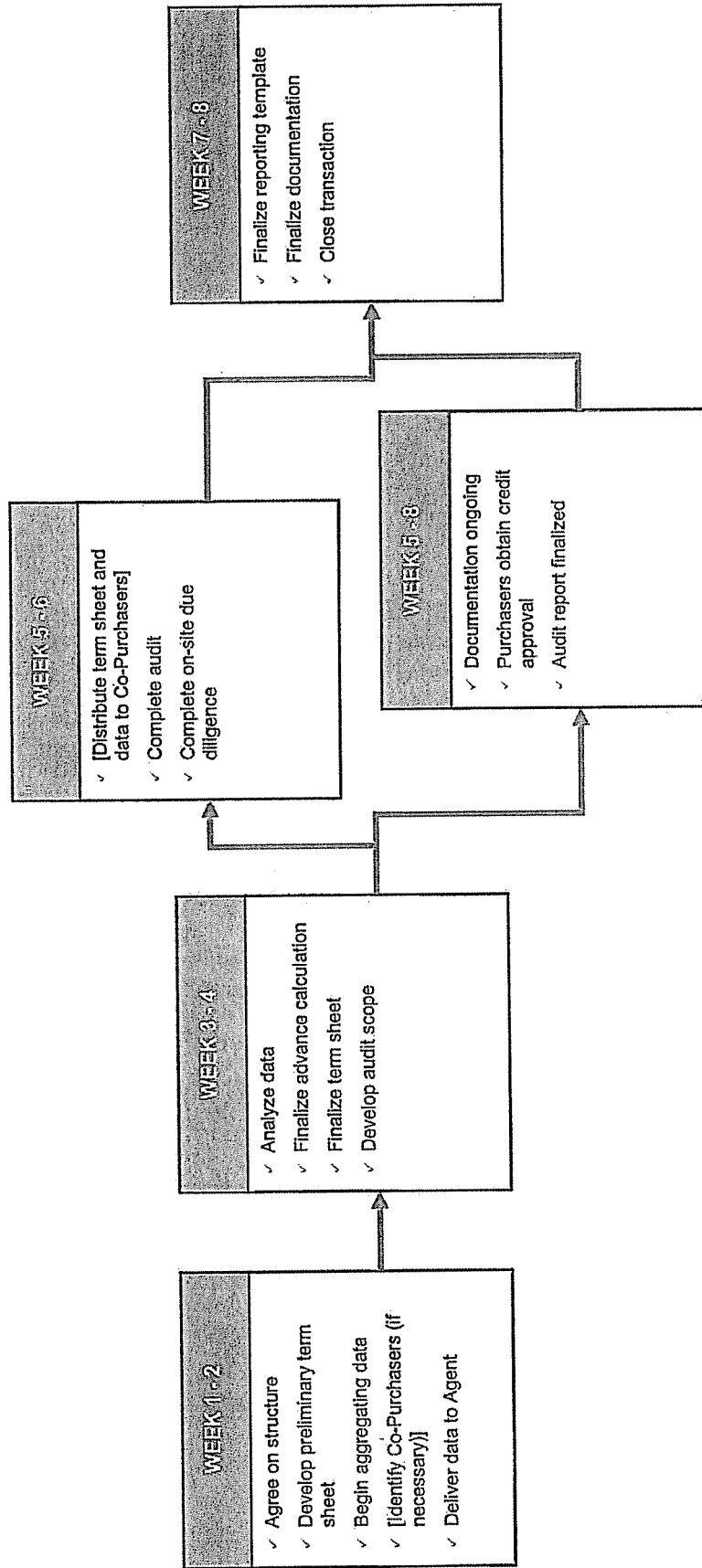


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Transaction Structure – Timeline

A typical receivable securitization transaction can be executed in an 8 week timeframe.



Transaction Structure – Data Requirements

Typical data requirements include, but are not limited to, the following data and figures:

- Historical data, submitted on a monthly basis typically for the past [3] years, covering:
 - Accounts receivable rolforward: receivable balance, collections, credit adjustments and write-offs;
 - Aging analysis: Receivable aging by 30-day (or other as applicable) buckets;
 - Delinquency statistics (with an explanation of the aging process as well as any reconciliation of the receivables aging to the general ledger);
 - Dilution figures (with a summary of the terms giving rise to dilution and an explanation of each of the items). Dilution is any non-cash reduction to the receivable balance.
- A summary of payment terms offered and the percentage of the receivables subject so such terms including weighted average payment term figures (if receivables are aged on a past due vs. past invoice basis).
- A sample credit memo aged back to the date of invoicing with an explanation of the dilution and the dollar amount of the dilution.
- Historical portfolio turnover (day's sales outstanding) variance analysis.
- A breakdown of the top customer concentrations and their related ratings (if available).



Bank of Tokyo-Mitsubishi UFJ



Market Update

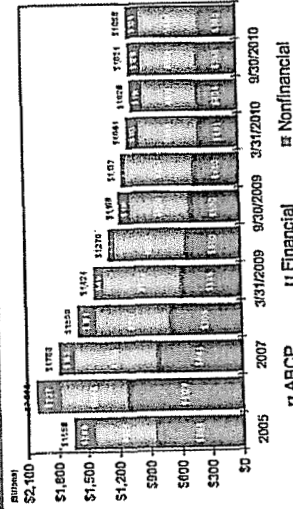


Bank of Tokyo-Mitsubishi UFJ

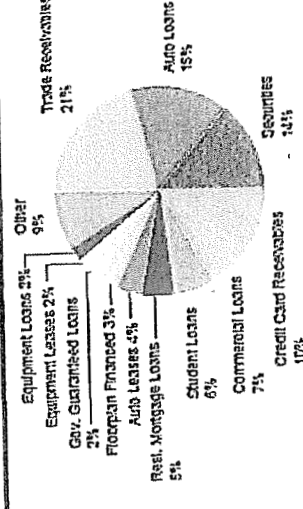


- For most of 2010, ABCP outstandings hovered around \$400 billion. For the quarter ending Dec. 31, 2010, ABCP outstandings were \$380 billion representing 36% of the overall USCP market.
- Currently, there are just 109 ABCP conduit programs in the market, down from 333 programs in early 2007. Multiseller programs continue to dominate the marketplace as other less diversified conduits have fallen out of favor as a result of the crisis. Multiseller conduits now represent 69% of the marketplace by year end 2010 compared to 42% year end 2007.
- Trade Receivables, Auto Loans, Securities-linked transactions, and Credit Card Receivables are the dominate asset classes funded via ABCP conduits comprising 60% of all assets.
- Corporate US commercial paper outstandings increased by \$22.1 billion or 2.1% to \$1.057 trillion in the fourth quarter of 2010, mostly due to a \$16 billion increase in Financial (mostly Bank) unsecured CP. Compared to year end 2009, total CP outstanding is down \$80 billion or 7.0%.
- Requirements for funds remain low by historical standards but strong economic data since the announcement of QE2 and a rise in stock market levels indicate corporate America will begin to increase their borrowing needs in 2011. BTMU saw increased utilization in the 4th quarter 2010.
- With a flat LIBOR curve ABCP rates have returned to the historic (pre-crisis) norm against traditional benchmarks such as LIBOR. Historically low LIBOR rates have led to a favorable funding environment for Issuers as investors seek to extend maturities to capture additional yield. Spreads tend to widen during a crisis, most recently the European sovereign debt crisis.
- ABCP continues to be in strong demand with investors and demand exceeds supply.

Total US Commercial Paper Market Outstanding

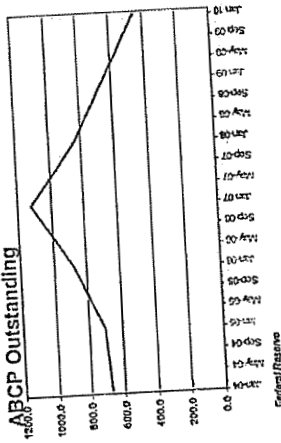


ABCP Multi-Seller Asset Type Composition

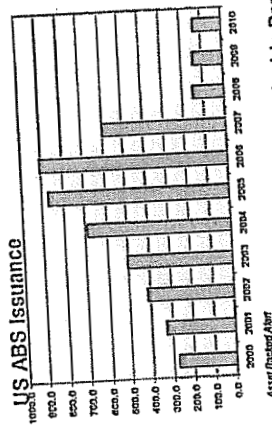


Securitization Market 2010 Overview and 2011 Perspective

2010 Overview

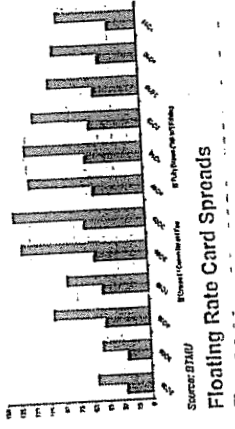


Volume



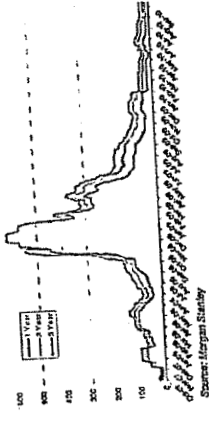
Structure and Pricing

Average Pricing for Trade Receivable Programs



2011 Perspective

Concerns and Considerations



- 2010 was a rebound year as banks re-entered the market pushing spreads down from the historical highs of 2008 and 2009.
- 1st half activity in the conduit market was relatively slow, but began to pick-up with new programs from clients looking for lower cost liquidity and capital markets issuers accessing the ABCP market due to capital markets regulatory uncertainty.
- Structures remained conservative, but began to loosen as conduit investors looked to enter existing programs.

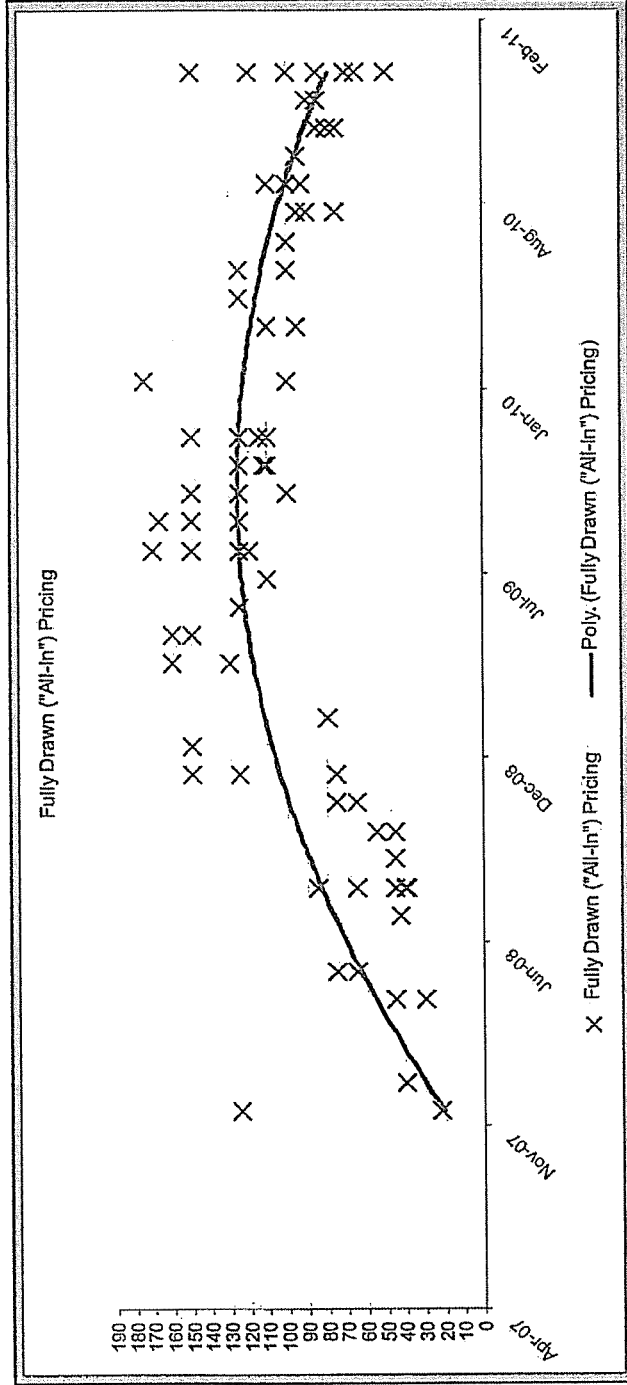
- ABCP outstanding dropped by 20% in 2010 to \$380 billion due to liquid corporate balance sheets. This was partially offset by capital markets issuers accessing the ABCP market.
- Capital markets activity remained low due to regulatory uncertainty, expiration of TALF and declining consumer debt balances.

- Multi-year structures gained favor in 2010 as companies looked for certainty of funding and rating agency credit.
- Many structures remained at AA and AAA levels.
- Trade receivable drawn pricing is trending below 90bps and is looking for a floor.
- Trade receivable un-drawn pricing is breaking away from the 50% of drawn spread rule.
- Assets with capital markets execution has seen substantial spread compression.

- Conduit activity is expected to pick-up as legacy revolvers price to current market levels, clients look for more cost efficient funding and to "right-size" revolver banks and as capital markets issuers look for a substitute.
- Pricing is expected to slowly drop and find a floor.
- Transactions will gently migrate to pre-crisis structures, but are not expected to loosen to that seen prior to the financial crisis. Conduit investors will begin to entertain new asset classes.
- Deferred Purchase Price Structures will be selectively used for off-balance sheet treatment.

- Regulatory and accounting changes will continue to impact the market.
- These changes are expected to have a bigger impact on the capital markets.
- Issuers in the conduit market will want to find investors that will weather these changes.

Securitization Market Pricing - Trade Receivable Spreads



The above chart illustrates fully drawn pricing for trade receivable programs in which BTMU acts as a participant



 Bank of Tokyo-Mitsubishi UFJ



IGF KU
PPL companies

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Bank of Tokyo-Mitsubishi UFJ

IG&E KU
PFI companies

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Bank of Tokyo-Mitsubishi UFJ



PPL companies

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IGF KU
PPL companies



Appendix



Bank of Tokyo-Mitsubishi UFJ

MUFG



Appendix I - Format for Data Requirements

✓ Monthly Receivables Balances

	BEGINNING OF MONTH RECEIVABLES BALANCE	ORDERS SALES	DEBIT ADJUSTMENTS*	CASH COLLECTIONS	ORDERS WRITE-OFFS	DILUTION / CREDIT ADJUSTMENTS**	UNAPPLIED CASH	END OF MONTH RECEIVABLES BALANCE
Jan-08								
Feb-08								
Mar-08								
Apr-08								
May-08								
Jun-08								
Jul-08								
Aug-08								
Sep-08								
Oct-08								
Nov-08								
Dec-08								
Jan-09								
Feb-09								
Mar-09								
Apr-09								
May-09								
Jun-09								
Jul-09								
Aug-09								
Sep-09								
Oct-09								
Nov-09								
Dec-09								
Jan-10								
Feb-10								
Mar-10								
Apr-10								
May-10								
Jun-10								
Jul-10								
Aug-10								
Sep-10								
Oct-10								
Nov-10								
Dec-10								

* Billing adjustments, etc.

** Please fill out the details for returns, allowances, disputes, warranties, claims, etc. in the subsequent tables.



Bank of Tokyo-Mitsubishi UFJ



Appendix I – Format for Data Requirements

✓ Portfolio Aging (exclude credit adjustments and unapplied cash, if possible)

	1-30 DAYS PAST DUE	31-60 DAYS PAST DUE	61-90 DAYS PAST DUE	91-120 DAYS PAST DUE	121-180 DAYS PAST DUE	181-100 DAYS PAST DUE	180+ DAYS PAST DUE	TOTAL	AFFILIATED RECEIVABLES	GOVERNMENT RECEIVABLES	FOREIGN RECEIVABLES	CANADIAN RECEIVABLES IN USD
Jan-08												
Feb-08												
Mar-08												
Apr-08												
⚡												
Sep-10												
Oct-10												
Nov-10												
Dec-10												

✓ Dilution Detail

	DEFECTIVE MERCHANDISE / RETURNS	PRICE PROTECTION / REBATES	BILLING ERRORS / ADJUSTMENTS	PAYMENT DISCOUNTS	VOLUME REBATES	OTHER	TOTAL
Jan-08							
Feb-08							
Mar-08							
Apr-08							
⚡							
Sep-10							
Oct-10							
Nov-10							
Dec-10							

Note: A minimum of the most recent 24 months of data is required to determine indicative advance rate and advance amount.



Bank of Tokyo-Mitsubishi UFJ



Appendix I – Format for Data Requirements

- ✓ Composition of the Portfolio by Billing Terms (monthly)

PAYMENT TERMS	OUTSTANDING JANUARY 2010	% OF TOTAL
TOTAL		

- ✓ Top Obligors (monthly)

	NAME	RECEIVABLES BALANCE OUTSTANDING	% OF TOTAL OUTSTANDING
1			
2			
3			
4			
5			
6			
7			
8			
9			
10			
TOTAL			

Note: Receivable balances of affiliated obligors must be aggregated prior to ranking. Affiliated obligors comprise those directly or indirectly in control of, or controlled by, each other under common control.



Bank of Tokyo-Mitsubishi UFJ



ICE KU
PPL companies

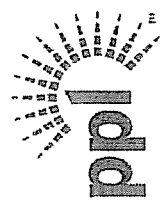
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PPL Corp.

Discussion Materials

April 29, 2011



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Executive Summary

Executive Summary

SunTrust Robinson Humphrey ("STRH") is pleased to discuss financing alternatives with PPL Corporation ("PPL" or the "Company")

Situation Overview

- In today's market, companies have access to a broad range of attractive financing alternatives
- The low interest rate environment supplemented by strong investor demand favors issuers
- PPL has plans to spend up to \$4.8BN at the Kentucky-based regulated utilities with a focus on generation through 2015
 - The Company announced in April that it would target six coal units operated by Kentucky Utilities Company ("KU") and Louisville Gas & Electric Company ("LGE") for retirement by 2016, which is expected to be the year when the most stringent federal emissions regulations take effect
 - PPL could supplement liquidity and funded debt capacity at KU and LGE with receivables securitization facilities
 - KU and LGE have average receivables balances of more than \$300MM combined, which could be used to supplement liquidity at attractive rates
 - In 2010, STRH and PPL discussed tax-exempt alternatives for bank funded loans and letter of credit facilities
 - At year end, the bank qualified loan exception expired for new money projects; however, banks are still able to provide attractive, non-bank qualified tax-exempt financing to clients for new projects or bond repurchase

Meeting Objectives

- STRH looks forward to partnering with PPL on future financing and liquidity needs.
- Revisit securitization as an alternative liquidity source, and update the Company on current market conditions, indicative pricing and structure
 - Update the Company on the tax-exempt debt market, and provide indicative terms for non-bank qualified tax-exempt financing at KU and LGE

Receivables Securitization Discussion

Receivables Securitization Summary

Overview

- Receivables securitization would be KU and LGE's lowest cost funding source
 - PPL could supplement liquidity and funded debt capacity at Kentucky Utilities Company and Louisville Gas & Electric Company with receivables securitization facilities
 - Frequently used by regulated utilities as an alternative to traditional bank and bond financing
 - Structured to focus on the credit profile of the underlying receivables rather than the corporate credit
 - Lower than the current market cost of bank financing
 - STRH believes KU and LGE could support receivables securitization facilities in the range of \$200MM to \$300MM in aggregate
 - Each utility's credit agreement allows for receivables securitization financing
 - Regulatory approval may be required
- Facility could be structured as multi-year for a modest pricing premium
 - 364-day pricing in the range of 65 – 75 bps
 - 3-year pricing in the range of 80 – 90 bps

Indicative Pricing

- Indicative pricing for a receivables securitization facility:

Tenor	Drawn Spread	Unused Fee
364-day	65 - 75 bps	30 - 35 bps
3-year ⁽¹⁾	80 - 90 bps	35 - 40 bps

Receivables Securitization versus Revolving Credit Facility

	Drawn Spread
Receivables Securitization (364-day)	65 - 75 bps
Revolving Credit Facility	200 bps
Balance	(125 - 135 bps)

⁽¹⁾ 3-year pricing based on a grid

Indicative Terms

Proposed Summary Terms and Conditions

Borrower:	A wholly owned subsidiary of KUL/GE ("SPE")		
Company/Servicer:	KUL/GE		
Lead Arranger/Agent:	SunTrust Robinson Humphrey ("STRH")		
Closing Date:	TBD		
Description:	Conduit-funded utility service receivables securitization facility		
Maturity:	364-day		
Facility Size:	KU:	\$125MM - \$150MM	
	LGE:	\$100MM - \$125MM	
Security:	Utility service receivables transferred to the SPE by KUL/GE		
Covenants:	Receivables-specific performance covenants plus the bank financial covenant package		
Advance Rate:	Borrowing base driven by eligibility criteria and rating agency resene formulas		
Reporting:	Monthly		
Pricing:		Drawn Spread	Unused Fee
	364-day:	65 - 75 bps	30 - 35 bps
	3 year:	80 - 90 bps	35 - 40 bps

Considerations

- « SPE borrower under the utility service receivables facility will be a newly formed subsidiary of the applicable utility
- « Each utility will service its receivables and manage its respective SPE
- « Securitization facilities have longer execution timeline than a bank loan and may require regulatory approval
- « Conduit-funded facility with CP cost basis
- « Multi-year commitment availability for modest pricing premium
- « Facility should be sized relative to expectations for receivables outstanding
- « Financial covenants would mirror the respective utility's bank credit facility
- « Funding capacity will float based on size and credit metrics of the receivables pool
- « 3-year facility would have a ratings-based pricing grid

Securitization Facility Sizing

(Amounts in \$MMs)

Kentucky Utilities Company	4Q10	3Q10	2Q10	1Q10	4Q09	3Q09	2Q09	1Q09	AVG	MIN	MAX
Customer A/R	\$87	\$107	\$93	\$104	\$81	\$86	\$97	\$75	\$91	\$75	\$107
Other A/R	29	33	34	20	20	29	23	22	26	20	34
Unbilled Revenues	89	67	74	59	76	53	43	68	66	43	89
Total	\$204	\$207	\$201	\$184	\$176	\$168	\$164	\$165	\$184	\$164	\$207
Estimated Facility Size (75% Advance Rate)	\$153	\$155	\$161	\$168	\$142	\$126	\$123	\$124	\$138	\$123	\$165

Louisville Gas & Electric Company	4Q10	3Q10	2Q10	1Q10	4Q09	3Q09	2Q09	1Q09	AVG	MIN	MAX
Customer A/R	\$71	\$72	\$76	\$82	\$68	\$57	\$72	\$94	\$74	\$57	\$94
Other A/R	16	11	21	7	13	11	11	9	12	7	21
Unbilled Revenues	79	51	60	48	64	48	51	60	58	48	79
Total	\$166	\$134	\$157	\$138	\$145	\$117	\$134	\$163	\$144	\$117	\$166
Estimated Facility Size (75% Advance Rate)	\$124	\$100	\$117	\$106	\$108	\$88	\$100	\$122	\$108	\$88	\$124

KU and LGE could use securitization as a cost effective mechanism to supplement liquidity

- KU could support a securitization facility ranging from \$125MM to \$150MM
- Receivables and unbilled revenue consistently range from \$160MM to \$200MM

KU and LGE previously (E.ON era) had conduit securitization facilities sized at \$50MM and \$75MM, respectively

- LGE could support a facility ranging from \$100MM to \$125MM

- Receivables and unbilled revenue consistently range from \$115MM to \$165MM

- Facility size and advance rate would be based on the specific characteristics of each utility's receivables pool
- Each utility's receivables balance swings seasonally between the first and third quarters

STRH expects receivables facilities for KU and LGE to have gross advance rates of 75%

Indicative Advance Rate (\$MMs)	KU	LGE
Gross Receivable Balance (4Q10)	\$204	\$166
Less: Estimated Ineligible Receivables (10% of Gross)	20	17
Eligible Receivable Balance (ERB)	\$184	\$149
Less: Estimated Concentrations (2% of ERB)	4	3
Estimated Reserve Floor (15% of NRB)	27	22
Effective Advance Rate (on Gross Receivable Balance)	75%	75%

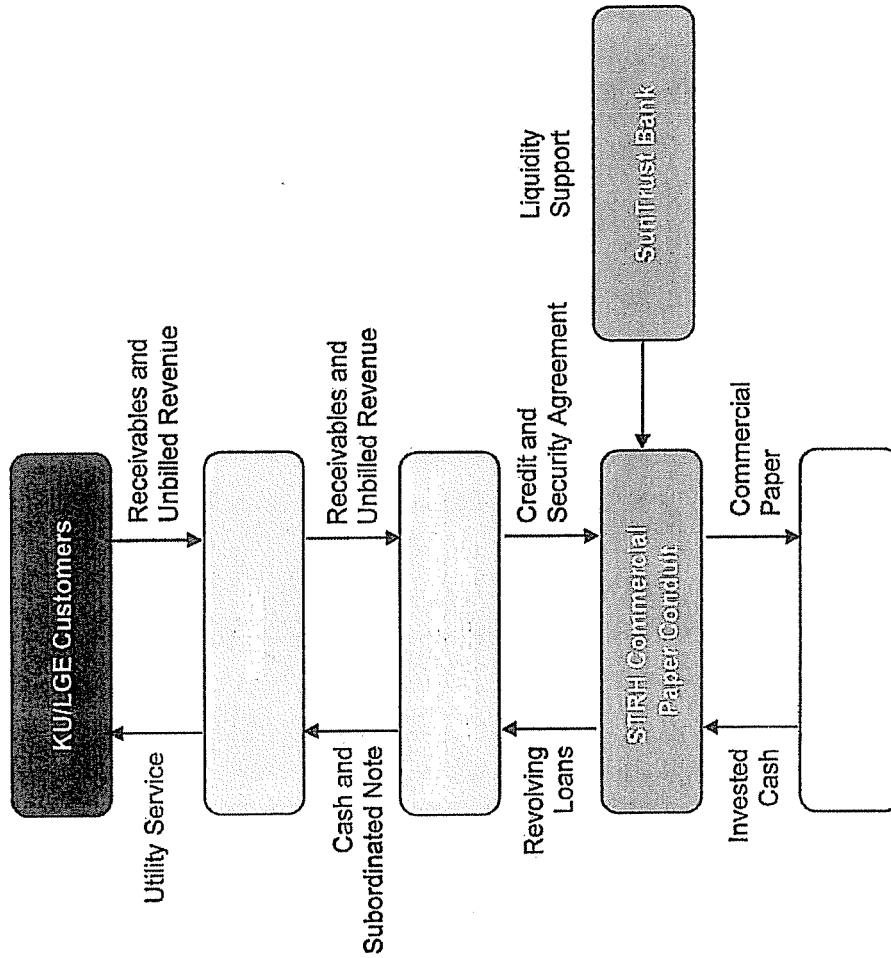
⁽¹⁾ Source: FERC filings

⁽²⁾ Estimated utility service receivable facility sized at 75% of the gross balance

Structural Overview – Utility Service Receivables Securitization

A receivables financing would be structured as a standard two-step securitization transaction

- KULGE would form a special purpose subsidiary ("SPE") for the purpose of conducting the receivables securitization
- In the first step of the transaction, KULGE will sell all of its rights, title, and interest in a defined pool of utility service receivables and unbilled revenue (the "Collateral") to the SPE in exchange for cash and subordinated note
- Transfers between KULGE and the SPE will be made on a true sale basis and opined on as such by outside counsel
- In the second step of the transaction, the SPE will enter into a credit and security agreement ("CSA") with a commercial paper conduit administered by STRH (the "Conduit")
- The CSA will provide the SPE with loans from the Conduit on a revolving basis, secured by the Collateral
- The Conduit finances the loans it makes to the SPE by issuing asset-backed commercial paper, which is backed by a liquidity facility from SunTrust Bank
- Advances under the facility would be reflected as debt on KULGE's financial statements



Securitization Diligence and Timeline

A receivables securitization facility for PPL can be comfortably executed in 6-8 weeks

Receivables Data Request

- Summary level information (not by customer / obligor)
 - 36 months of history (+/-)
- Receivables aging
 - Days past due ("dpd") or days past invoice ("dpi") basis
 - Aging buckets in thirty day increments, beginning with current (dpd) or 0-30 (dpi) out to 120+ dpd or 150+ dpi
 - Debit-only aging, with summary credit balances for each month
- Receivables roll-forward
 - Beginning balance (should match aging, adjusted for credit balances)
 - Sales
 - Non-cash credit adjustments (discounts and allowances)
 - Cash collections
 - Charge-offs (for inability to pay for credit reasons)
 - Ending balance (should match aging, adjusted for credit balances)
 - Beginning and ending balance of unbilled revenue
- Key characteristics
 - 10 largest balances in excess of 2% of total receivables
 - Obligor/customer deposit balances
 - Payable balances owed to large vendors that are also receivable obligors

Timeline

Week	Activity
Prior	PPL provides detailed receivable information
1	Detailed term sheet/Agreement on structure
2	Due diligence meeting/Receivables audit
3	Diligence follow-up/First draft of documents
4	Draft audit circulated/Documents turned
5	Create reporting templates/Documents turned
6	Audit report finalized/Documents turned
7	Documents finalized/Transaction closing
8	Overflow week

Conduit Market Update

Market Trends

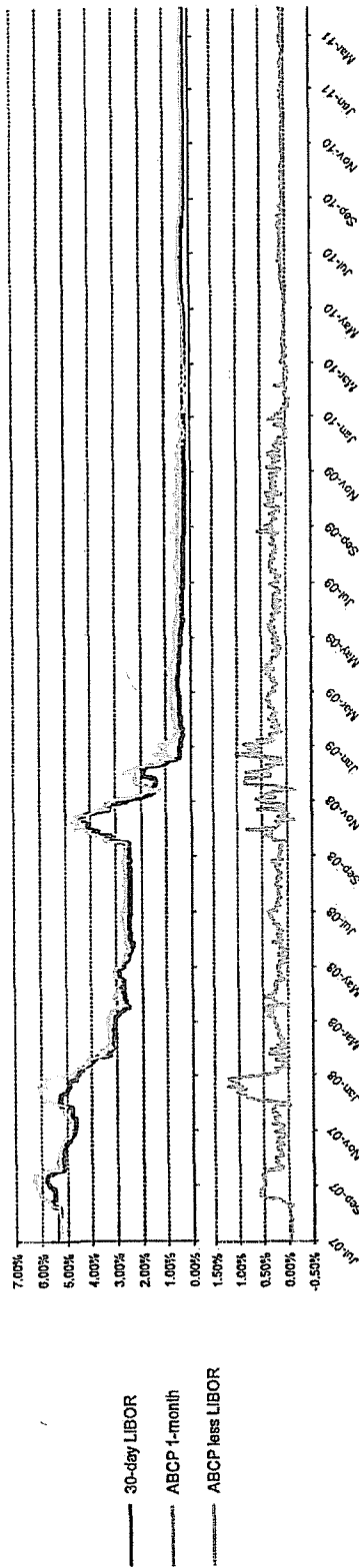
- Significant increase in new transaction activity since the beginning of 2010
- Accounting and regulatory changes are causing some banks to migrate their conduit business onto their balance sheets
- Issuers continue to diversify their securitization banks, resulting in more widely syndicated facilities
- Facilities longer than one year are increasingly common
 - Committed multi-year liquidity
 - Reduced re-pricing and roll-over risk

US CP Market

- After a steady decline beginning in 4Q 2007, the US CP market has shown signs of stabilization from late 2009 through the first quarter of 2011
- ABCP rates have stabilized and continue to track LIBOR, after decoupling at times from 2007 through 2009
- Conduit facilities are becoming competitive with corporate A-2/P-2 issuance

The conduit market is expected to grow in 2011, from a base of \$400 Billion

30-Day LIBOR Rates vs. ABCP Index



Comparable Transactions

Parent Company	Parent Rating S&P/Moody/Efitch	Receivables Facility Size (\$MM)	Tenor	Syndication	Average Bank Hold	A/R Facility % of Total Utility Credit Facilities	Usage Profile	Participating Subsidiaries
American Electric Power	BBB-/Baa2/BBB	\$750	50% 364-day 50% 3 year	6 banks	\$125	34%	80 - 90%	Columbus Southern, Indiana Michigan, Ohio Power, Public Service Company of Oklahoma, Southwestern Electric, Appalachian Power
AES	BB-/Baa2/BB	\$50	364-day	1 bank	\$50	25%	Heavy	Indianapolis Power and Light
Alliant Energy	BBB+/-Baa1/NR	\$160	364-day	1 bank	\$160	20%	Limited	Interstate Power and Light Company (IPL)
Avista	BBB-/Baa3/BBB-	\$50	364-day	1 bank	\$50	11%	Limited	Avista
CenterPoint	BBB/Baa1/BBB-	\$375	364-day	1 bank	\$375	29%	Limited / Seasonal	CNP Energy Services, CNP Energy Mississippi River, CNP Energy Gas Transmission, CNP Energy Field Services
CMS Energy	BBB-/Baa1/BBB+	\$250	364-day	2 banks	\$125	28%	25 - 50%	Consumers Energy
DUKE Energy	A-/Baa2/A-	\$300 \$450	2-year 364-day	3 banks	\$250	13%	Heavy	Duke Energy Carolinas, Duke Energy Ohio, Duke Energy Indiana, Duke Energy Kentucky
EXELON	BBB/Baa1/BBB+	\$225	364-day	1 bank	\$225	28%	N/A	PECO
Great Plains	Baa3/BBB/NR	\$95	364-day	1 bank	\$95	14%	Seasonal	Kansas City Power and Light
FirstEnergy	BBB-/Baa3/BBB	\$385	364-day	2 banks	\$190	20%	Limited	Ohio Edison Company and Pennsylvania Electric Company
NiSource	BBB-/Baa2/BBB-	\$475	364-day	2 banks	\$238	24%	Moderate	Northern Indiana Public Service Company, Columbia of Ohio, Columbia of Pennsylvania
PPL	BBB+/-Baa3/BBB	\$150	364-day	1 bank	\$150	44%	Limited	PPL Electric
TECO	BBB-/Baa3/BBB-	\$150	364-day	1 bank	\$150	32%	20%	Tampa Electric Company
Energy Future Holdings (f/k/a TXU)	B-/Caa2/CCC	\$700	Multi-year	1 bank	\$700	21%	Moderate	TXU Energy

✕ Regulated utilities remain active users of the conduit market

Utility receivable securitization facilities are frequently syndicated at larger transaction sizes

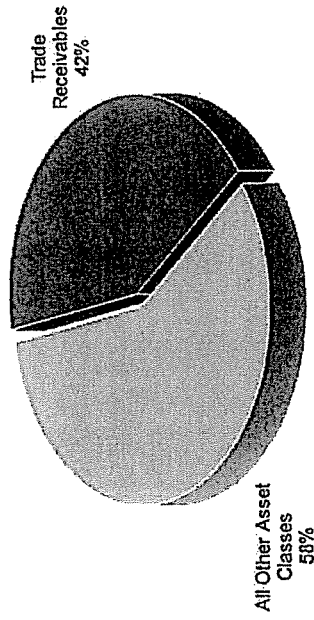
✕ 364-day tenor remains the norm, given the size of conduit facilities relative to total credit commitments

STRH Trade Receivable Expertise

STRH is consistently recognized for our broad expertise, superior structuring capabilities, ease of execution, and on-going transaction support

Leading Trade Receivables Capabilities

- Consistent leader in trade receivables securitization
- As of March 31, 2011, trade receivables represented STRH's largest securitized asset class
 - 16 transactions
 - \$1.6 BN in total commitments (42%)
- Our seasoned professionals' structuring experience allows STRH to provide superior advance rates and client friendly structures



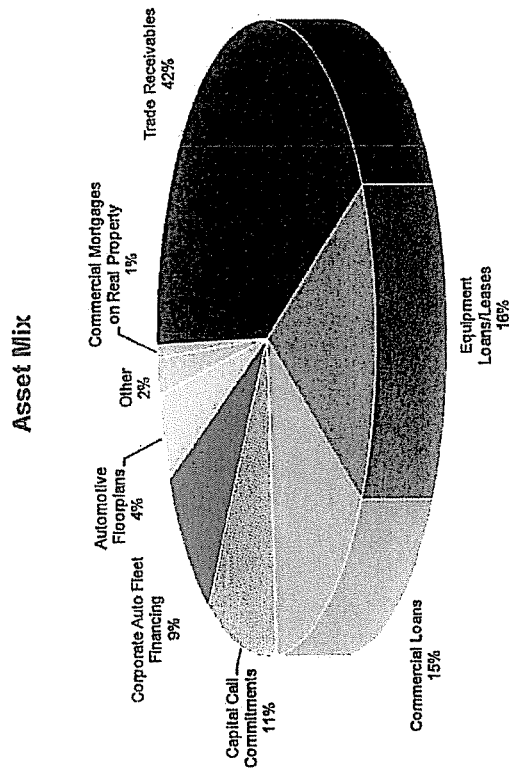
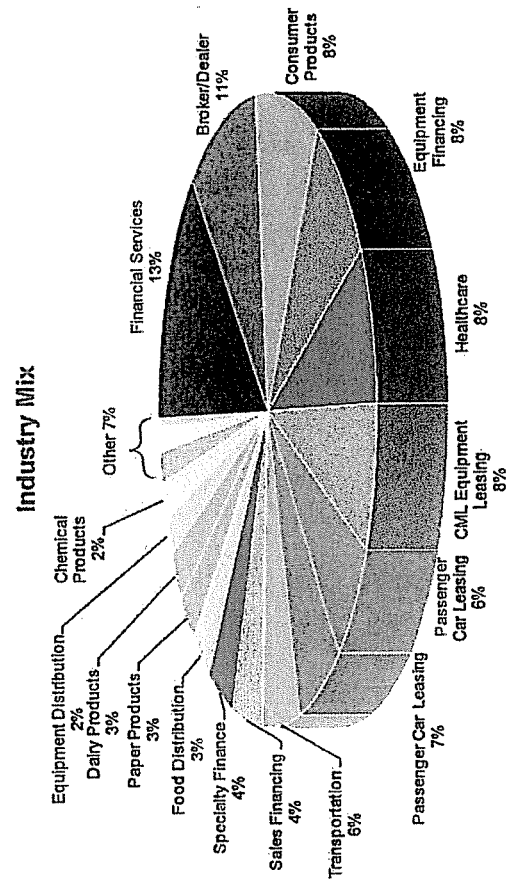
Client-Focused Approach

- STRH incorporates a relationship based approach to our securitization business. The team you meet in the marketing process will remain consistent throughout structuring, closing, and ongoing monitoring
- STRH's historical focus on first time issuers means that our professionals are uniquely suited to analyze and structure your transaction while providing personally tailored ongoing support
- Our team driven approach allows us to work directly with your personnel to implement the processes and functions necessary for smooth day-to-day operations
- STRH has extensive experience working with issuers to incorporate additional receivables acquired through acquisitions
- As part of our client focused strategy, each transaction undergoes a detailed strategic review annually often resulting in substantive enhancements to funding availability

STRH Securitization Portfolio

- STRH continues to view securitization as a valuable product for its corporate and commercial client base. As such, the Asset Securitization Group has been given significant new capacity to meet its aggressive growth objectives
- STRH has focused origination and portfolio management efforts on specific industries and asset classes in order to maximize the portfolio's risk return profile:
 - In 2010 STRH closed over \$1.3BN in securitization commitments
 - In 2009 STRH closed more than \$500MM in securitization commitments
 - Portfolio is comprised of 37 individual originators with transaction sizes ranging from \$100MM to \$400MM

STRH Securitization Portfolio Profile – March 31, 2011



Tax-Exempt Market Update

2010 Review

- 4Q 2010 saw a large amount of issuance in the municipal market
- Outflows in the tax-exempt mutual fund market grew to large levels towards the end of 2010 and have continued into 2011
- Due to the high levels of issuance combined with record municipal mutual fund outflows, the market saw poor performance
- Municipal issuance in 4Q 2010 was marked by a large increase in Build America Bonds
- Many issuers pushed deals into the market in the last quarter of 2010 to take advantage of various stimulus programs before they expired at the end of 2010. For the last quarter, volume was approximately \$132.5BN, or roughly one-third higher than each of the three previous quarters. 4Q 2010 saw the highest level of 4Q issuance on record, with the next highest being in 2006 (\$121.9BN)
 - The end of 2010 saw increased tax-exempt mutual fund outflows. The week ending January 5th, 2011 was the eighth consecutive week of net outflows. Investors have pulled \$23.3BN out of tax-exempt mutual funds in the last 8 weeks. The first wave of outflows was hypothesized to have taken place as investors tried to lock in gains; the continued outflows could be a result of the first wave of outflows forcing lower prices
 - The heavy supply in the last quarter, combined with high levels of mutual fund outflows, contributed to the worst quarterly performance in over 16 years in the tax-exempt market. Municipal yields have jumped up since mid-October by 86 bps in 10 years and 97 bps in 30 years. The S&P Index tracking total returns on municipal bonds is down 4.4% in the past three months
 - Total municipal issuance in 2010 set a record, up by 5.4% to \$431.9BN, besting the previous record of \$429.9BN set in 2007
 - Tax-exempt issuance was \$274.2BN in 2010, representing the lowest levels since 2001. With the expiration of taxable options, it is expected that issuers will return to tax-exempt borrowing. Estimates for 2011 are between \$375BN and \$400BN
 - Taxable issuance accounted for more than 35%, or \$151.9BN, of total borrowings. Build America Bonds ("BABs") made up \$117.3BN, or 27% of total market volume (77% of taxable volume). During December, taxable issuance accounted for approximately 40% of total market volume. Over the life of the program, BABs accounted for \$187BN in issuance

Tax-Exempt Market Update

2011 – The Year Ahead

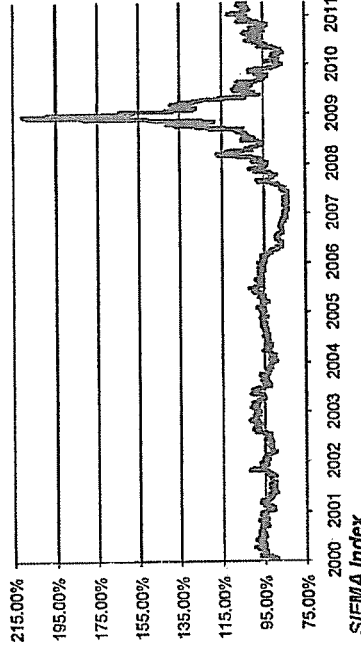
- Tax-exempt mutual fund outflows are expected to continue to be a determining factor for municipal yields
 - It is anticipated that market participants will continue to focus on credit quality, preferring high grade names
 - Credit spreads could widen further as headlines continue to focus on deteriorating tax bases and unfunded or underfunded pension liabilities
 - Concerns about the financial stability of municipal issuers has been growing, stimulated by continuing media stories about imminent defaults and bankruptcies
 - Overall issuance (taxable and tax-exempt) in 2011 is expected to be down, but tax-exempt issuance will increase, due in part to the expiration of various stimulus bill provisions, including the Build America Bond program
 - Tax laws as well as absolute yields will determine retail demand
 - As financial institutions slowly return to profitability, the demand for bank-qualified bonds should increase. However, bank-qualified issues have returned to the \$10MM annual issuance requirement. This means that there will be fewer bank-qualified bonds offered, and we should therefore see a return to more normal bank-qualified spreads to non-bank-qualified bonds
 - Spreads on existing Build America Bonds have narrowed significantly in early 2011, confirming the belief that the expiration of the program would boost their value. The most robust tightening is occurring for the bigger issues that are eligible for inclusion in long-duration taxable bond indices.
- Tax-exempt mutual fund outflows and credit quality will continue to be driving factors for investors
- Overall issuance in 2011 is expected to be down – tax-exempt issuance is expected to increase
- Build America Bonds have seen increased demand due to scarcity following the program's expiration
- Investors are not differentiating between various credit profiles in the tax-exempt market causing unnecessarily high yields for even AAA names

Market Snapshot – As of April 28, 2011

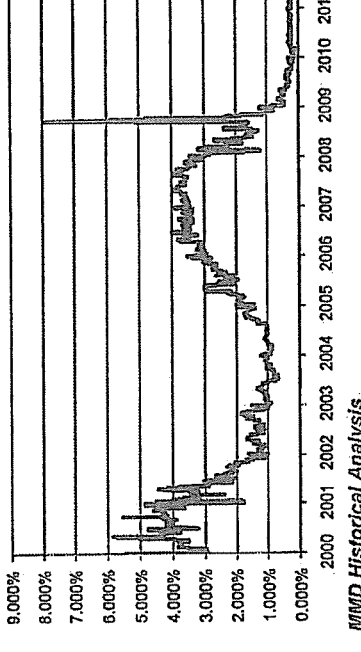
Market Commentary

- Municipal bonds sold just \$46.94BN in the first quarter of 2011, according to Thompson Reuters. This marks the lowest level of issuance since the first quarter of 2000, and 55% less than the same period last year
- Rising borrowing costs have discouraged potential issuers; the 10-year AAA MMD averaged 3.18% during 1Q 2011 versus 2.98% in 4Q 2010. However, yields remain relatively low historically, discouraging potential investors (10-year AAA MMD averaged 3.75% over the last decade)
- According to SIFMA, municipal issuance totaled \$46.8B in the first quarter of 2011, less than a third of issuance from fourth-quarter 2010 of \$132.3B and less than half the issuance of the first quarter 2010. At current levels, issuance could fall below \$200B in 2011
- This week's calendar, estimated to be \$3.05B, comes on the heels of 8 straight days of municipal market rally. The 10-year AAA yield is now 2.99%, 19 bps lower than the average for the first quarter. The 30-year is now 4.70%, down from 4.85% on April 11
- Bank-qualified bonds continue to see aggressive bids. Last week's issues with good credit quality priced 10 to 30 bps above the AAA curve in the 15 to 25 year range. The most aggressive part of the bank qualified curve is now 20 to 25 years
- The rally can be partially attributed to the lack of supply in the market. However, demand remains light. Should supply increase, and demand does not increase in step, market participants expect yields to increase

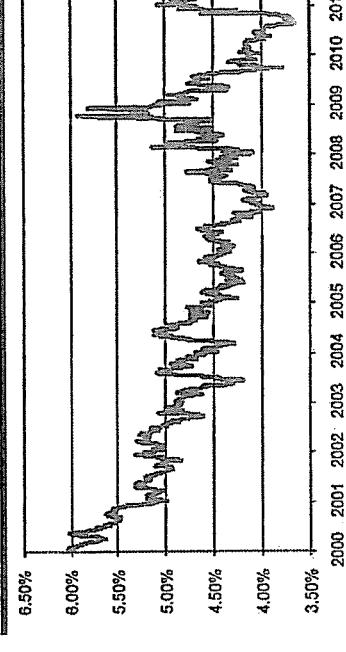
30-Year MMD to 30-Year Treasury



SIFMA Index



MMD Historical Analysis



Tax-Exempt Debt Summary – Immediate Needs/Opportunities

New Money Needs

- Kentucky Utilities - ~\$100MM
- Other

Put Bonds / LC Maturities Coming Due Within 1 Year

	<u>Put/LC Expiration Date</u>
▪ Louisville Gas & Electric Company – Louisville/Jefferson County Metro Government, Series 2000A	Put 12/01/2011 ←
▪ Kentucky Utilities Company – County of Mercer, Kentucky, Series 2000A	LC 12/01/2011
▪ Kentucky Utilities Company – County of Carroll, Kentucky, Series 2004A	LC 12/01/2011
▪ Kentucky Utilities Company – County of Carroll, Kentucky, Series 2006B	LC 12/01/2011
▪ Kentucky Utilities Company – County of Carroll, Kentucky, Series 2008A	LC 12/01/2011
Total	
	\$25,000,000
	\$12,900,000
	\$50,000,000
	\$54,000,000
	\$77,947,000
	\$219,847,000

Failing Auctions

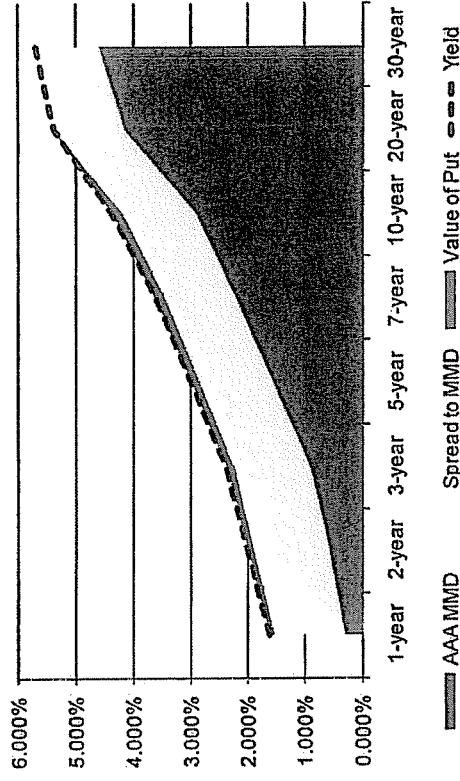
	<u>Rate at Most Recently Failed Auction</u>
▪ Louisville Gas & Electric Company – County of Trimble, Kentucky, Series 2000A	0.240% 3/30/2011
▪ Louisville Gas & Electric Company – County of Jefferson, Kentucky, Series 2001A	0.160% 4/26/2011
▪ Kentucky Utilities Company – County of Carroll, Kentucky, Series 2002C	0.302% 4/13/2011
Total	
	\$83,335,000
	\$10,104,000
	\$96,000,000
	\$189,439,000

Interest Rate Update

Borrower:	Louisville Gas & Electric Kentucky Utilities Company
Security:	Secured
Ratings:	A2/A-/A+
Structure	AAA Level
	Spread to MMD
	Yield
Put Bonds	
1-year	0.320% 1.305% 1.625%
2-year	0.580% 1.420% 2.000%
3-year	0.910% 1.465% 2.375%
5-year	1.560% 1.440% 3.000%
7-year	2.210% 1.415% 3.625%
10-year	2.910% 1.455% 4.375%
Term Bonds	
5-year	1.560% 1.290% 2.850%
10-year	2.910% 1.290% 4.200%
20-year	4.170% 1.230% 5.400%
30-year	4.610% 1.090% 5.700%

Pricing as of April 28, 2011

Louisville Gas & Electric / Kentucky Utilities Company



Non-Bank Qualified Tax-Exempt Bank Loan

- Because short-term interest rates are so low, and the difference between short-term tax-exempt rates and short-term taxable rates is insignificant today, we have developed a multi-option solution for several of our clients which enables our clients to use a tax-exempt loan product or an LC structure interchangeably
- Since banks currently enjoy an extraordinarily low cost of funding, the difference between bank qualified bank loans and non-bank qualified bank loans has become much less significant, causing non-bank qualified bank loans to become an attractive alternative
- The conceptual advantage of using the tax-exempt loan structure is that your credit spread is also tax adjusted as well as your borrowing base cost
 - For example, the traditional advantage of the VRDB product was that rather than your base borrowing cost being based on LIBOR, the base borrowing cost is based on the tax-adjusted level of SIFMA
 - However, in today's environment, LIBOR and SIFMA are virtually the same, eliminating the advantage to our borrowers in the tax-exempt markets
 - The chart below illustrates the differences in rates between a VRDN structure, a bank qualified tax-exempt loan structure, and a non-bank qualified tax-exempt bank loan structure:

	LC-Backed Issue	Bank Qualified Loan - Previously Shown	Non-Bank Qualified Loan
Base Rate ¹	0.270%	0.211%	0.211%
Letter of Credit Fee	1.125%	-	-
Credit Spread	-	1.125%	1.125%
Subtotal	1.395%	1.336%	1.336%
Less: Tax Benefit	-	67%	75%
	1.395%	0.895%	1.002%
Facing Fee	0.125%	-	-
Remarketing Fee	0.125%	-	-
Placement Fee ²	-	0.100%	0.100%
Fee Subtotal	0.250%	0.100%	0.100%
Total	1.645%	0.995%	1.102%

¹ Base rate reflects SIFMA for the LC-backed issue option and LIBOR for the tax-exempt loan options

² The placement fees are amortized over 5 years - 50bps upfront

3 AND 5YR

Tax Exempt Debt Summary

Louisville Gas & Electric Company

	Balance (\$000's)	Maturity	Coupon	Ratings		Support	Call / Status
				Moody's	S&P		
County of Jefferson, Kentucky Pollution Control Revenue Bonds, Series 1997A	\$35,000	11/01/2027	Commercial Paper	A2/P-1	-	-	Anytime at Par
County of Trimble, Kentucky Pollution Control Revenue Bonds, Series 1997A	\$35,000	11/01/2027	Commercial Paper	A2/P-1	A-	-	Anytime at Par
Louisville/Jefferson County Metro Government, Kentucky Pollution Control Revenue Bonds, Series 2000A	\$25,000	05/01/2027	5.375%	A2	-	-	12/01/2011 Mandatory Put
County of Trimble, Kentucky Pollution Control Revenue Bonds, Series 2000A	\$83,335	08/01/2030	Variable	A2	A-	Ambac	Auction Rate 03/03/2011 Fall @ 0.240
County of Trimble, Kentucky Pollution Control Revenue Bonds, Series 2001A	\$27,500	09/01/2026	Commercial Paper	A2/P-1	A-	-	Anytime at Par
County of Jefferson, Kentucky Environmental Facilities Revenue Bonds, Series 2001A	\$10,104	09/01/2027	Variable	-	A-	Ambac	Auction Rate 04/26/2011 Fall @ 0.160
County of Jefferson, Kentucky Pollution Control Revenue Bonds, Series 2001A	\$22,500	09/01/2026	Commercial Paper	A2/P-1	A-	-	Anytime at Par
County of Trimble, Kentucky Pollution Control Revenue Bonds, Series 2002A	\$41,665	10/01/2032	Variable	A2	A-	Ambac	Auction Rate 03/03/2011 Success @ 0.342 Put
Louisville/Jefferson County Metro Government, Kentucky Pollution Control Revenue Bonds, Series 2003A	\$128,000	10/01/2033	1.900%	A2	A-	XL-Capital	06/01/2012 Mandatory Put



Tax Exempt Debt Summary

Louisville Gas & Electric Company (continued)						
	Balance (\$'000's)	Maturity	Coupon	Ratings		Call / Status
				Moody's	S&P	
Louisville/Jefferson County Metro Government, Kentucky Pollution Control Revenue Bonds, Series 2005A	\$40,000	02/01/2035	5.750%	A2	-	12/02/2013 Mandatory Put
Louisville/Jefferson County Metro Government, Kentucky Pollution Control Revenue Bonds, Series 2007A	\$31,000	06/01/2033	5.625%	A2	-	12/03/2012 Mandatory Put
Louisville/Jefferson County Metro Government, Kentucky Pollution Control Revenue Bonds, Series 2007B	\$35,000	06/01/2033	1.900%	A2	A-/A-2	04/02/2012 Mandatory Put
County of Trimble, Kentucky Environmental Facilities Revenue Refunding Bonds, Series 2007A	\$60,000	06/01/2033	4.600%	A2	A-	06/01/2017 @ .100
Total Tax-Exempt Debt	\$574,104					

Tax Exempt Debt Summary

Kentucky Utilities Company

	Balance (\$'000's)	Maturity	Coupon	Ratings		Support	Call / Status
				Moody's	S&P		
County of Mercer, Kentucky Solid Waste Disposal Facility Revenue Bonds, Series 2000A	\$12,900	05/01/2023	Variable	Aa1/MIG1	AAA/A-1+	Wells Fargo 12/01/2011	Anytime at Par
County of Mercer, Kentucky Pollution Control Revenue Bonds, Series 2002A	\$7,400	02/01/2031	Commercial Paper	A2/P-1	A-/A-3	-	Anytime at Par
County of Muhlenberg, Kentucky Pollution Control Revenue Bonds, Series 2002A	\$2,000	02/01/2032	Commercial Paper	A2/P-1	A-/A-3	-	Anytime at Par
County of Carroll, Kentucky Pollution Control Revenue Bonds, Series 2002A	\$20,930	02/01/2032	Commercial Paper	A2/P-1	A-/A-3	-	Anytime at Par
County of Carroll, Kentucky Pollution Control Revenue Bonds, Series 2002B	\$2,400	02/01/2032	Commercial Paper	A2/P-1	A-/A-3	-	Anytime at Par
County of Carroll, Kentucky Pollution Control Revenue Bonds, Series 2002C	\$96,000	10/01/2032	Variable	A2	A-	Ambac	Auction Rate 04/12/2011 Fall @ 0.302
County of Carroll, Kentucky Environmental Facilities Revenue Bonds, Series 2004A	\$50,000	10/01/2034	Variable	Aa1/MIG1	AAA/A-1+	Wells Fargo 12/01/2011	Anytime at Par
County of Carroll, Kentucky Environmental Facilities Revenue Refunding Bonds, Series 2006B	\$54,000	10/01/2034	Variable	Aa1/MIG1	AAA/A-1+	Wells Fargo 12/01/2011	05/02/2011 Mandatory Full Tender
County of Carroll, Kentucky Environmental Facilities Revenue Bonds, Series 2007A	\$17,875	02/01/2026	5.750%	A2	A-	-	06/01/2018 @ 100













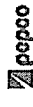





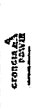









Tax Exempt Debt Summary

Kentucky Utilities Company (continued)

	Balance (\$000's)	Maturity	Coupon	Ratings		Support	Call / Status
				Moody's	S&P		
County of Trimble, Kentucky Environmental Facilities Revenue Bonds, Series 2007A	\$8,927	03/01/2037	6.000%	A2	A-	Ambac	06/01/2018 @ 100
County of Carroll, Kentucky Environmental Facilities Revenue Bonds, Series 2008A	\$77,947	02/01/2035	Variable	Aa1/NMIG1	AAA/A-1+	Wells Fargo 12/01/2011	05/02/2011 Mandatory Full Tender
Total Tax-Exempt Debt	\$350,379						

SunTrust Tax-Exempt Experience

We offer our clients complete underwriting capabilities with a full suite of tax-exempt product offerings.

 VEPCO \$40,000,000 Sole Manager April 2011	 Georgia Power \$83,515,000 Sole Manager January 2011	 Mississippi Power \$50,000,000 Sole Manager December 2010	 Mississippi Power \$50,000,000 Co-Manager December 2010	 TECO \$75,000,000 Co-Manager November 2010	 Arizona Public Service \$80,900,000 Co-Manager October 2010	 Tucson Electric Power Company \$100,000,000 Co-Manager October 2010
 Southern California Edison \$100,000,000 Co-Manager October 2010	 Arizona Public Service \$32,650,000 Co-Senior Manager July 2010	 Public Service Company of NIM \$403,845,000 Co-Manager May 2010	 Oglethorpe Power \$133,550,000 Co-Manager April 2010	 VEPCO \$40,000,000 Senior Manager March 2010	 Atlantic City Electric \$23,150,000 Co-Manager March 2010	 Tucson Electric Power Company \$130,000,000 Co-Manager January 2010
 VEPCO \$50,000,000 Sole Manager February 2010	 Oglethorpe Power \$112,055,000 Co-Manager December 2009	 FirstEnergy Generation \$78,835,000 Co-Manager November 2009	 FirstEnergy Generation \$81,640,000 Co-Manager October 2009	 Georgia Power \$75,000,000 Senior Manager September 2009	 Rochester Gas & Electric \$39,850,000 Co-Senior Manager July 2009	 Arizona Public Service \$163,975,000 Co-Manager June 2009
 Arizona Public Service \$179,000,000 Co-Manager May 2009	 Dominion Energy \$50,000,000 Co-Senior Manager May 2009	 Oglethorpe Power \$248,350,000 Co-Senior Manager December 2008	 Wisconsin Electric Power \$67,000,000 Senior Manager August 2008	 FirstEnergy Generation \$141,260,000 Senior Manager July 2008	 Mid American Energy \$57,325,000 Senior Manager July 2008	 Appalachian Power \$50,275,000 Senior Manager June 2008

Important Disclosures

SunTrust Robinson Humphrey is the trade name for the corporate and investment banking services of SunTrust Banks, Inc. and its subsidiaries, including SunTrust Robinson Humphrey, Inc. member, FINRA and SIPC.

Debt and equity underwriting, trading, research and sales, loan syndications, municipal securities trading and sales, and mergers and acquisitions advisory services are offered by SunTrust Robinson Humphrey, Inc.

Cash management, loans and related products, foreign exchange, risk management products and services and agency services are offered by various non-broker dealer subsidiaries of SunTrust Banks, Inc.

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PPL Electric Utilities
PPL Energy Supply LLC

Kentucky Utilities
Louisville Gas & Electric

STRH Commercial Paper Capabilities

May 17, 2011

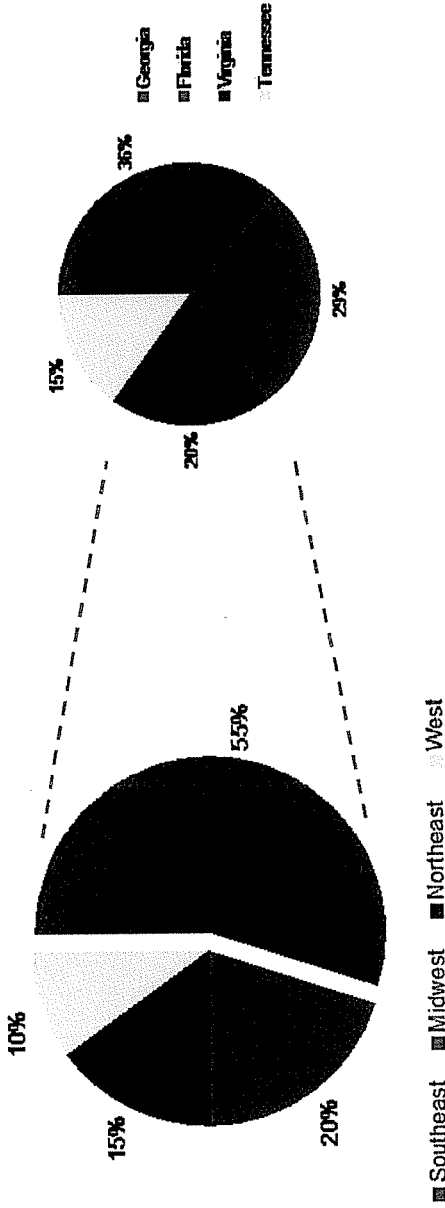
Commercial Paper Capabilities

Volume

- Annual commercial paper trading volume exceeds \$300Bln
- Primary dealer on over 80 programs totaling over \$63Bln

Distribution

- Extensive investor network with over 2,000 accounts utilized to increase issuer diversification
 - Large institutional money funds and asset managers
 - Smaller corporate and institutional accounts typically not covered by other dealers
- Geographic distribution focused in the Southeast used to further enhance issuer diversification



Expertise

- Average years of experience on money market trading desk of 21 years

Active Programs (partial list)

AGL Capital Corp.	Daily Farmers of America	Kansas City P&L	Nicor Inc	Ryder System, Inc.
Atmos Energy Corp	Darden Restaurants	Kellogg Company	Northern Illinois Gas	Sherwin-Williams Co
AutoZone, Inc.	DCP Midstream, LLC	Kinder Morgan Energy	Oglethorpe Power	St. Jude Medical, Inc.
Block Financial LLC	Delmarva Power & Light	Leggett & Platt, Inc.	ONEOK, Inc.	Three Pillars Funding
Brown-Forman Corp.	Equifax Inc.	Lowe's Companies	Pepco Holdings, Inc.	T.J.X. Companies, Inc.
C.R. Bard, Inc.	Florida Power & Light	McCormick & Co	Precision Cast Corp.	Torchmark Corp.
Cardinal Health, Inc.	Harris Corp.	McDonald's Corp.	Puget Sound Energy Inc	Vulcan Materials
CVS Corporation	HJ Heinz Finance Co.	MidAmerican Energy	Questar Corp	WellPoint Inc.

SunTrust Robinson Humphrey Strengths and Dealer Role

Strengths

Volume

- Trades in over \$300 billion of commercial paper annually
- Acts as primary dealer on over 80 programs totaling over \$63 billion

Distribution

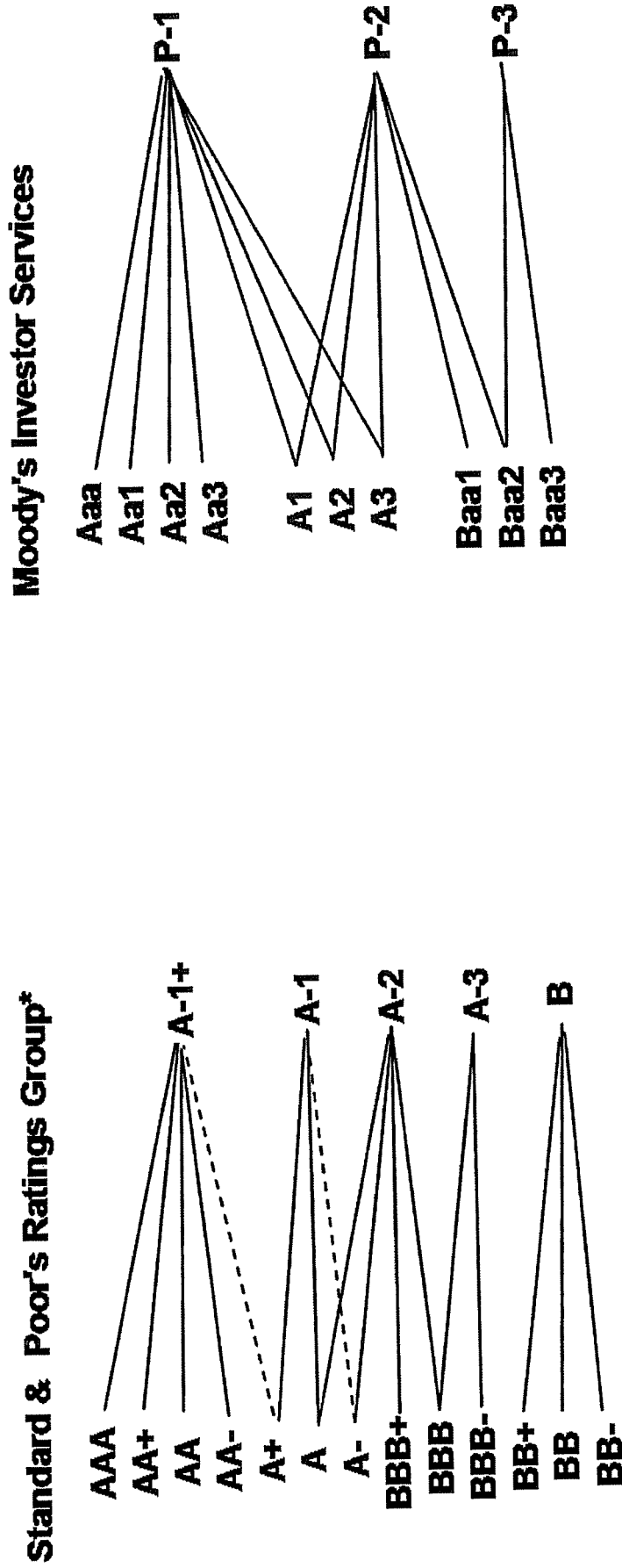
- Provides an extensive investor network with over 2,000 accounts, including relationships with Tier 2 and Tier 3 accounts typically not covered by the Street

Expertise

Dealer Role

- Manages and executes all aspects of the commercial paper program
- Prepares and distributes placement memorandum to potential investors
- Negotiates and manages all legal documentation
- Provides ongoing commercial paper market information
- Keeps in constant contact with investors

Long Term Credit Ratings Equivalents



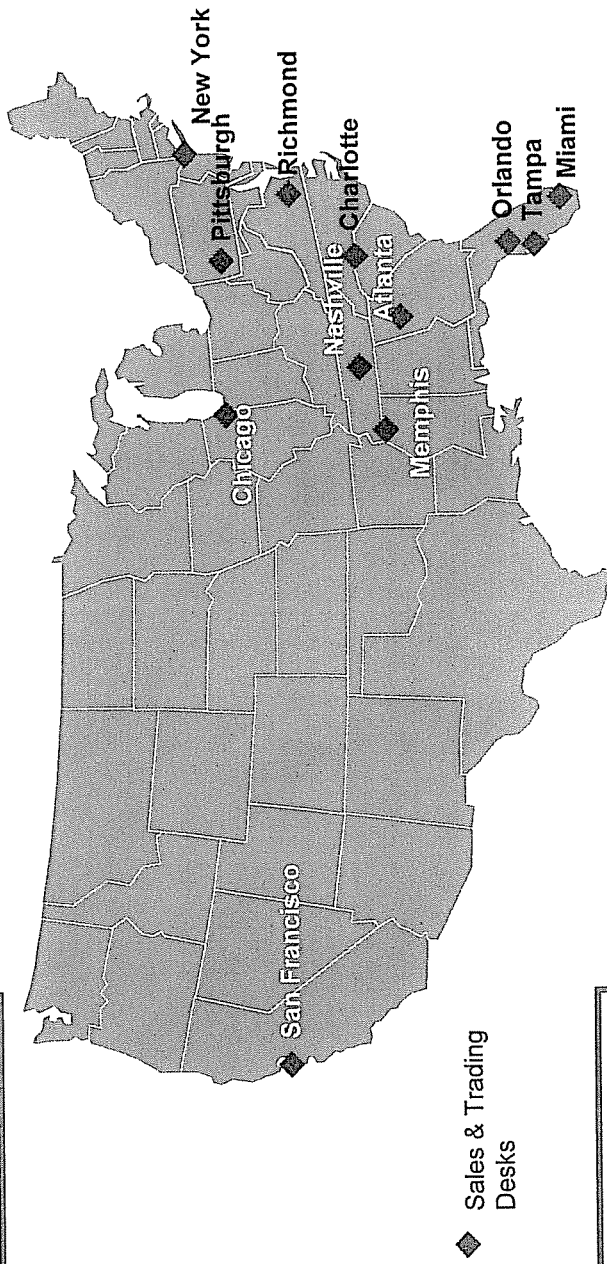
Tier 2 and Tier 3 Commercial Paper Market Rates

- Liquidity for A2/P2 CP has vastly improved from a two years ago.
- Outstandings in Tier 2 paper have gone down to \$47B from a historical average of \$65B.
- Spreads for A2/P2, A3/P2, A2/P3 and A3/P3 paper are very similar to where they were pre-crisis:

•A2/P2	0.23 – 0.35 for o/n	0.32 – 0.40 for term
•A2/P3,A3/P2	0.35 – 0.60 for o/n	0.40 – 0.80 for term
•A3/P3	0.45 – 0.75 for o/n	0.50 – 1.25 for term
- Rates are very name specific for issuers below A2/P2.
- Available liquidity for a low split program is now close to \$900Mln.

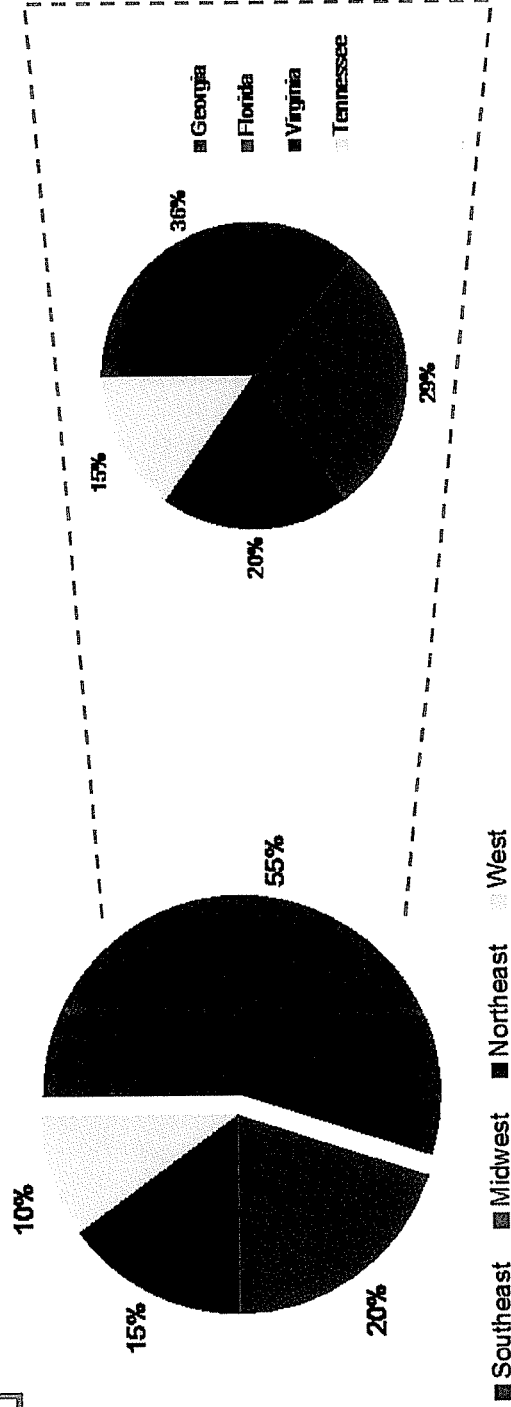
STRH's Sales & Trading Platform Covers a Geographically Diverse Investor Base

National Distribution Map



SunTrust Robinson Humphrey has a network of sales representatives in 12 offices with dedicated traders in the Atlanta and Memphis offices

Geographical Analysis



SUNTRUST
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In Addition to Geographic Diversification, We Offer a Variety of Investor Types

Our unique investor base is broken down into two groups:

National Institutional Investors – Money Market Funds, Mutual Funds, Large Bank Trust Departments, Large Insurance Companies, and Investment Advisors

Regional Institutional Investors – Corporations, State Treasurers, Municipalities, Regional Bank Trust Departments, and Regional Insurance Companies

Targeting These Different Groups of Investors

National Institutional Investors

Key Concerns

- Ratings Stability
- Yield Sensitivity
- Equity and Term Market Performance
- Dealer Support in Form of Secondary Market
- Company and Industry Fundamentals
- Amount of Paper Outstanding
- 2a-7 restrictions

Regional Institutional Investors

Key Concerns

- Ratings Stability
- Name Recognition
- Issuer Strength within Industry
- Date Specific
- Depth and Breadth of Dealer Relationship

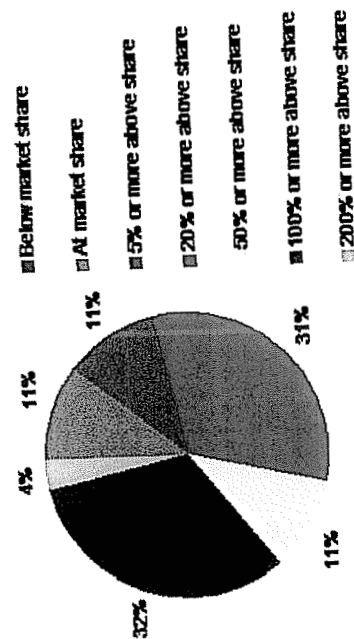
STRH Outperforming Its Peers In Distribution During Crisis

SunTrust Robinson Humphrey continuously demonstrates its solid ability to distribute commercial paper, as shown by the amount of paper STRH distributes versus its fair share in programs

SunTrust Robinson Humphrey's commercial paper desk consistently distributes more than its fair share of paper, resulting in stronger execution and tighter pricing for the issuer.

There is not a single client in the portfolio with which STRH distributes less than its fair share and 36% of the portfolio where STRH distributes over 100% of its fair share. The table to the right highlights some of the issuers with which STRH successfully places over 100% of its fair share.

As a dealer, STRH would work to achieve the best pricing and execution possible.



Issuer	Outstanding (000s)	Dealers	STRH Fair Share (MM)	STRH Distribution	Percent	% Above Fair Share
Pepco Holdings	\$57,253	4	\$14,313	\$43,300	76%	203%
Atlantic City Electric	\$55,918	4	\$13,980	\$40,299	72%	188%
Leggett & Platt	\$40,600	4	\$10,150	\$28,000	69%	176%
Delmarva Power	\$10,214	4	\$2,554	\$7,042	69%	176%
Aimos	\$52,903	3	\$17,634	\$46,201	87%	162%
AutoZone	\$221,000	4	\$55,250	\$136,782	62%	148%
Ryder	\$206,608	4	\$51,652	\$126,951	61%	146%
AGL Resources	\$301,101	4	\$75,275	\$150,964	50%	101%
Dairy Farmers of America	\$63,125	2	\$31,563	\$63,125	100%	100%
Explorer Pipeline	\$2,000	2	\$1,000	\$2,000	100%	100%
Three Pillars	\$1,452,000	4	\$363,000	\$633,185	44%	74%
Sherwin Williams	\$158,000	4	\$39,500	\$65,250	41%	65%
Northern Illinois Gas	\$344,000	4	\$86,000	\$141,000	41%	64%
Georgia Transmission	\$146,099	2	\$73,050	\$108,769	74%	49%
Harris	\$75,200	4	\$18,800	\$27,200	36%	45%
Kansas City P&L	\$249,215	3	\$63,072	\$119,200	48%	43%
MidAmerican Energy	\$296,000	7	\$42,286	\$55,457	19%	31%
Heinz	\$1,269,000	4	\$317,250	\$394,700	31%	24%
Florida Power & Light	\$303,800	4	\$75,950	\$94,179	31%	24%
Kellogg	\$930,000	7	\$132,857	\$164,300	18%	24%
Ogelthorpe Power	\$109,119	3	\$36,373	\$43,872	40%	21%
McCormick	\$91,381	6	\$15,230	\$18,300	20%	20%
Equifax	\$251,000	2	\$125,500	\$142,000	57%	13%
Florida Power Corp (Progress)	\$77,187	3	\$25,729	\$27,824	36%	8%
Wellpoint	\$683,566	4	\$170,892	\$184,355	27%	8%
Excel Paralubes	\$58,351	2	\$29,176	\$29,941	51%	3%
Torchmark	\$180,232	6	\$30,039	\$30,372	17%	1%
CVS	\$1,635,000	4	\$408,750	\$412,525	25%	1%



U.S. Commercial Paper Market Update

Weekly Update

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May 17, 2011

Total commercial paper outstandings grew by 1.20% or \$13.6Bln to \$1.150Tln last week. Total outstandings are now higher by 9.51% YTD. Financial cp outstandings increased by 2.04% or \$11.80Bln to \$589.3Bln. Corporate issuance increased by 1.48% or \$2.6Bln to \$177.9Bln. Asset Backed cp outstandings decreased by 0.23% or \$0.9Bln to \$382.4Bln. According to iMoneyNet, as of Tuesday April 26th, Money Market Mutual Funds total assets under management gained by \$8.04Bln to \$2.704Tln. The average seven day yield on taxable money market funds held firm at it's new historical low of 0.02% for a fourth consecutive week in a row.

The A1+/P1 and A1/P1 commercial paper market found the Fed funds and general repo collateral markets come closer together last week resulting in slightly wider front-end rates. Money market mutual fund managers looked to the long end of the market to pick up yield as, according to the Federal Reserve statistics, over 15.85% of AA/Aa Financial paper was placed three months and beyond. This compares to the same date range in March at just over 7.5% placement. In addition, MMMF managers continue to find various forms of CD's and MTN's. European risk remains attractive for Spanish and Italian names in light of growing speak surrounding Greek default and possible ECB responses. The S&P negative outlook for the U.S. did not affect the short end of the market since the uncertainty surrounding the debt of the U.S. is already priced into market rates. The longer end of the money market curve saw lower rates yesterday when Bernanke gave no hint of the Fed dropping the "extended period" language. Rates for December Fed funds futures have gone back to levels seen in October of last year which indicates the market's view that the Fed will be on hold for the remainder of 2011.

The A2/P2 market declined by 5.43% or \$2.7Bln to \$47.0Bln total outstanding this week. The demand for Tier 2 paper remains high and rates remain tight with the rest of the market to be in the 1ml +8bps to +13bps area. Issuers typically remain in the 45 day and shorter range. As month-end approaches, investors are looking for wider levels than last month. The lower split A2/P3 and A3/P2 markets had stable rates from last week for issuers with a good investor base. Some recognizable A2/P3 paper found placement this week at L+35 to 40 for short maturities. Term placement beyond a few weeks for issuers is available on a case by case basis depending on issuer depth.

Overnight LIBOR is currently trading at 0.134% vs. 0.135% last week while 3-month LIBOR is at 0.2730% this week vs. 0.2737% last week. The 3 month LIBOR/OIS rate increased to 15.45bps from 15.38bps last week. The forward market (FRA/OIS) speculates the LIBOR/OIS spread will be 15bps in June and 16bps by September 2011. In addition, Fed funds futures are priced for a 25bp Fed tightening by February 2012. In Europe, the EONIA is currently trading at 1.286% vs 1.434%, down from a new two year high set last week. Three month Euribor increased for the week to 1.375% vs 1.356% indicating that more ECB rate hikes are on the way. The Euribor-OIS spread decreased to 17.2bps from 18.7bps.

U.S. Commercial Paper Market Update

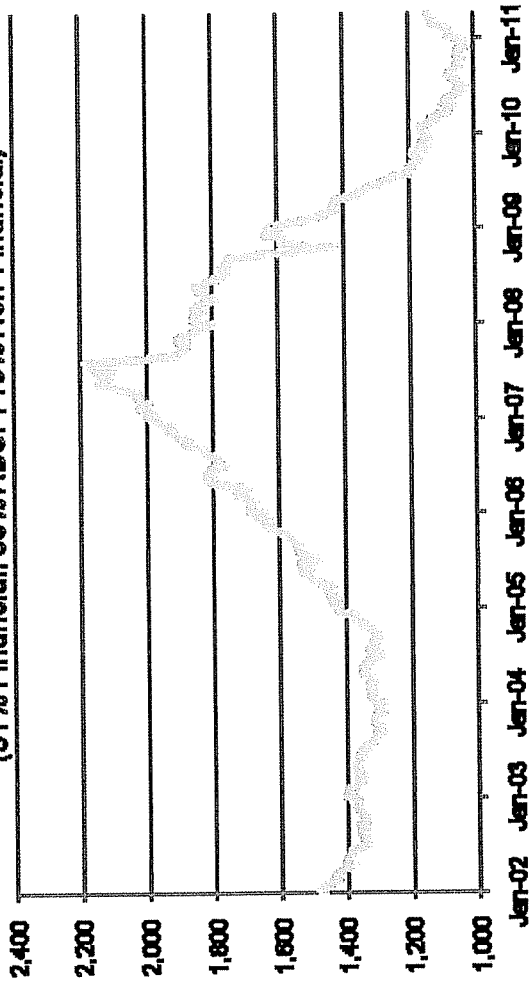
May 17, 2011

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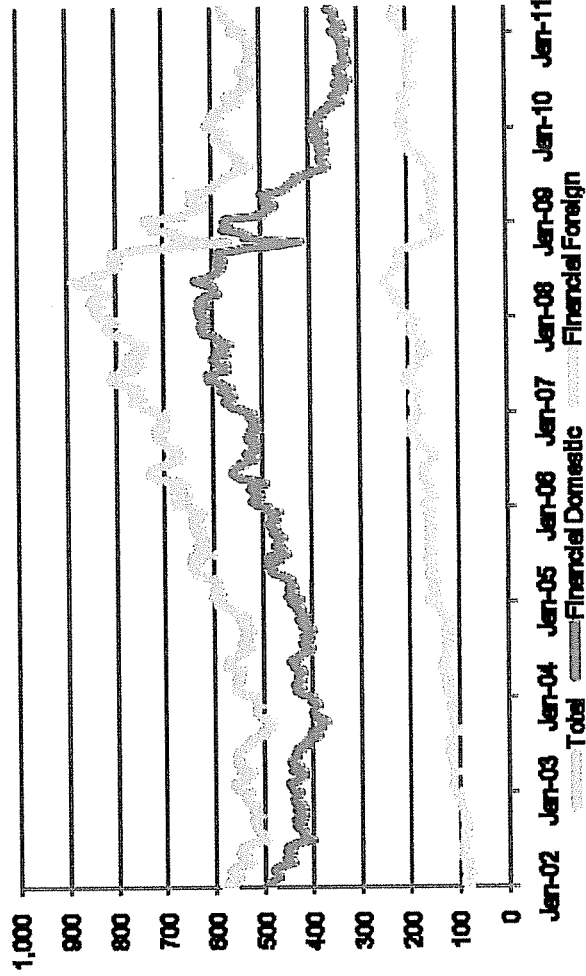


Total CP Outstanding (\$Bn)

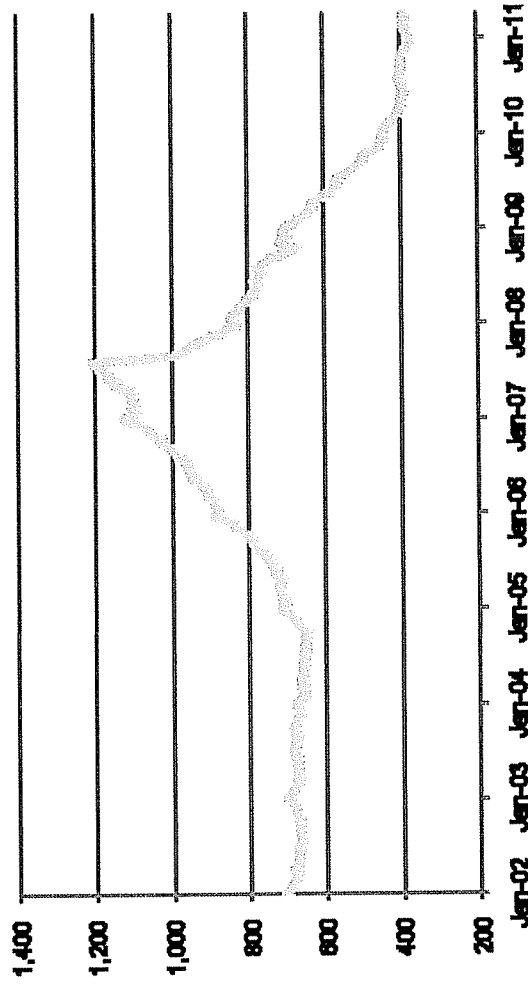
(51% Financial, 36% ABCP, 13% Non-Financial)



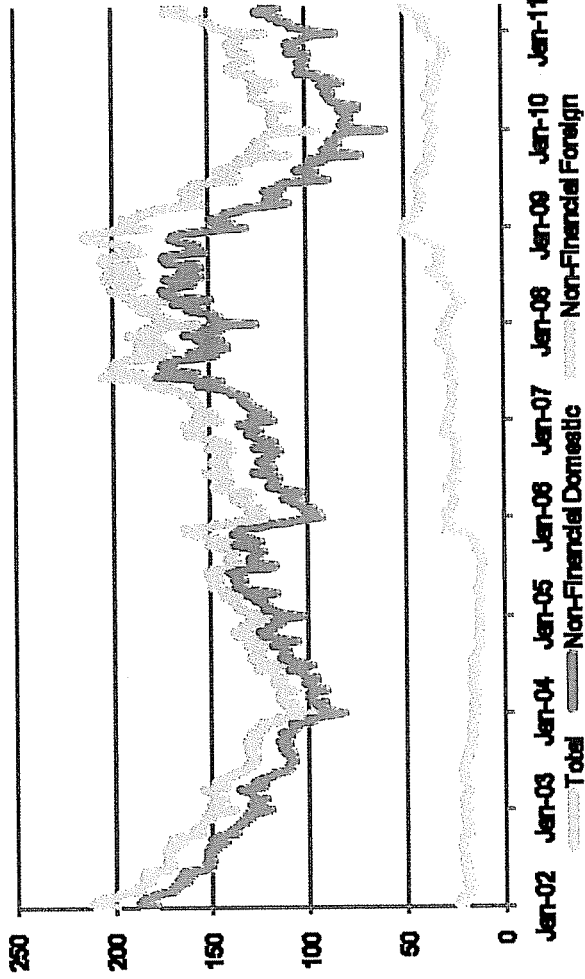
Financial CP Outstanding (\$Bn)



ABCP Outstanding (\$Bn)

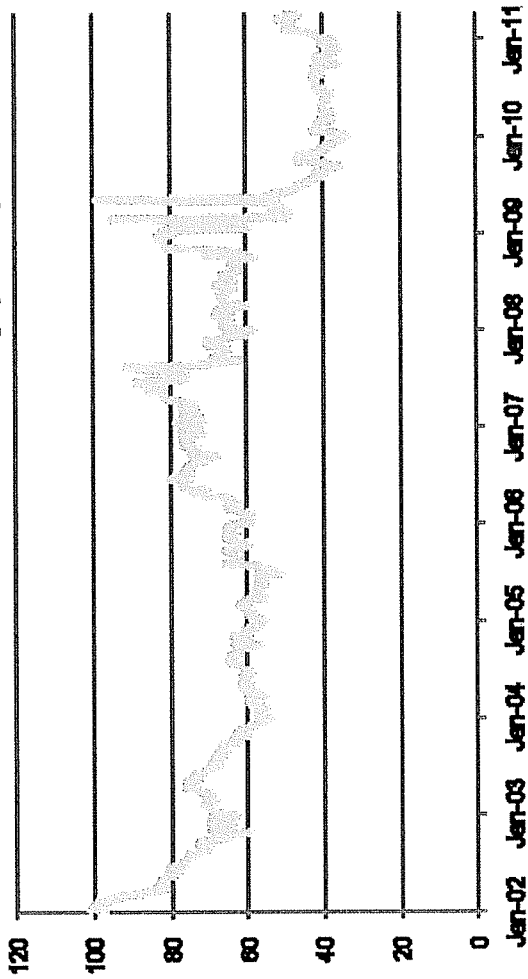


Non-Financial CP Outstanding (\$Bn)

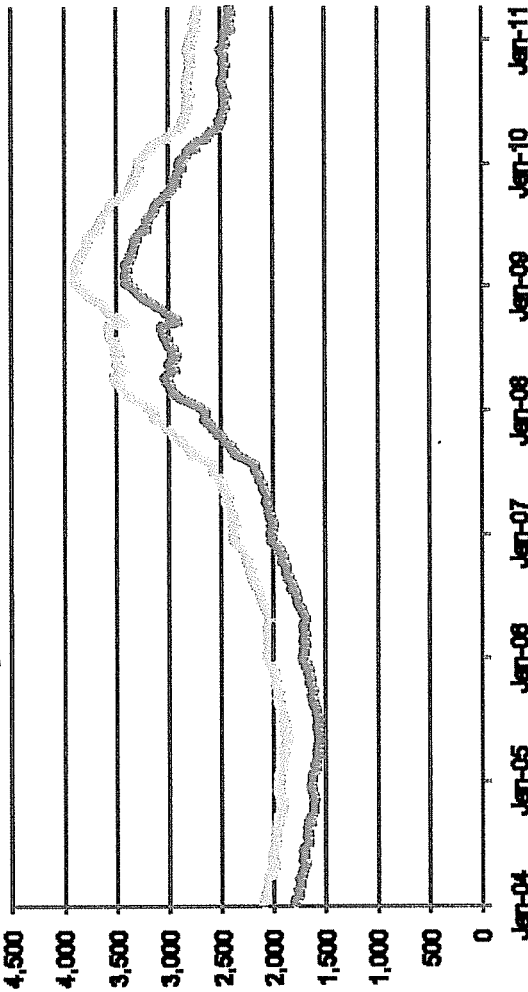




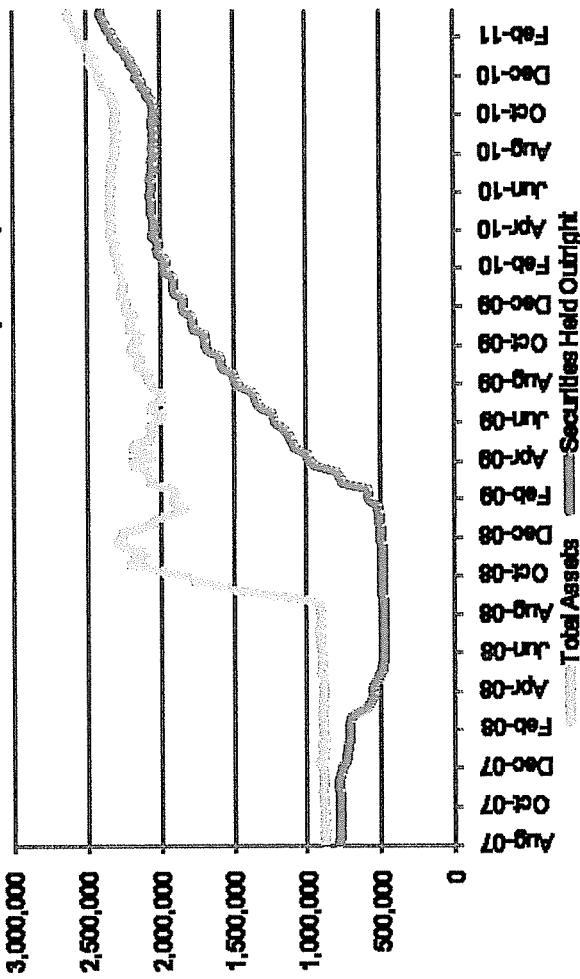
Tier 2 CP Outstanding (\$Bln)



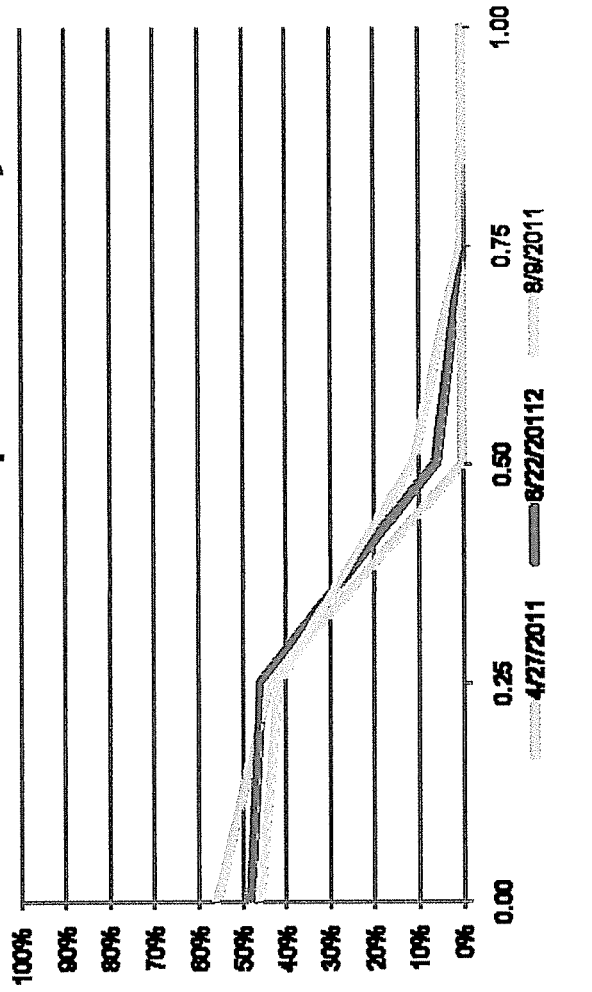
Money Market Fund Assets (\$Bln)



Fed Balance Sheet (\$Bln)

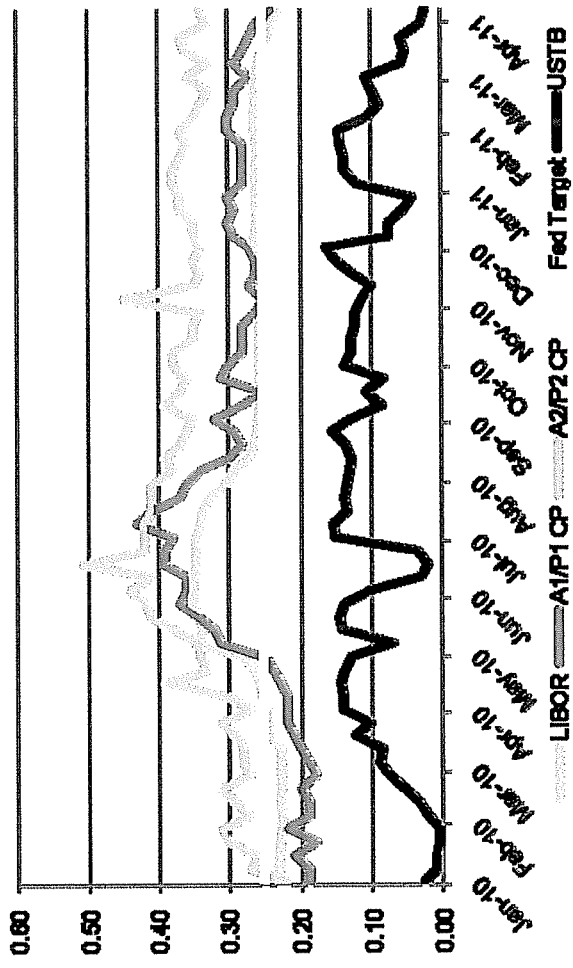


Fed Funds Implied Probability

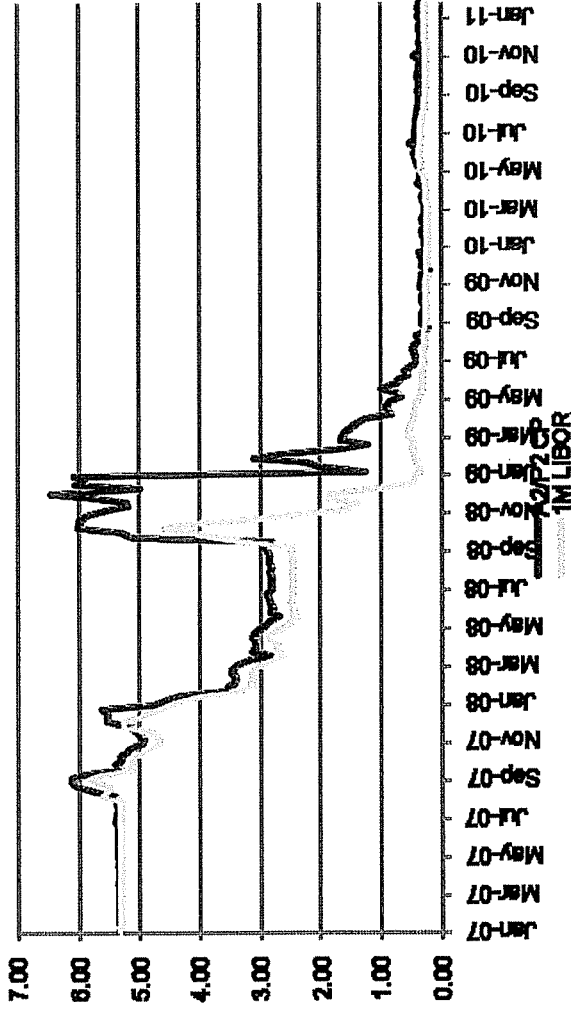




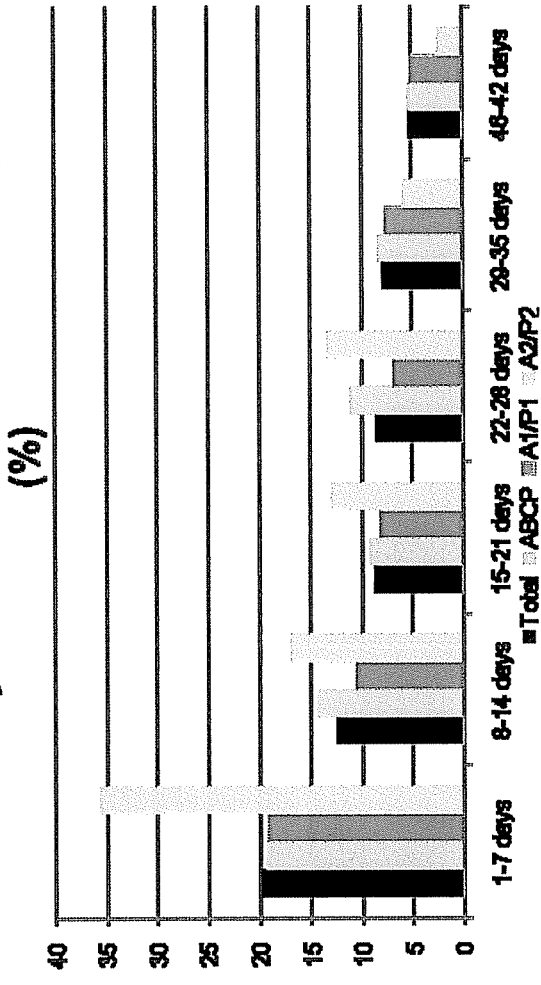
1 month Rates



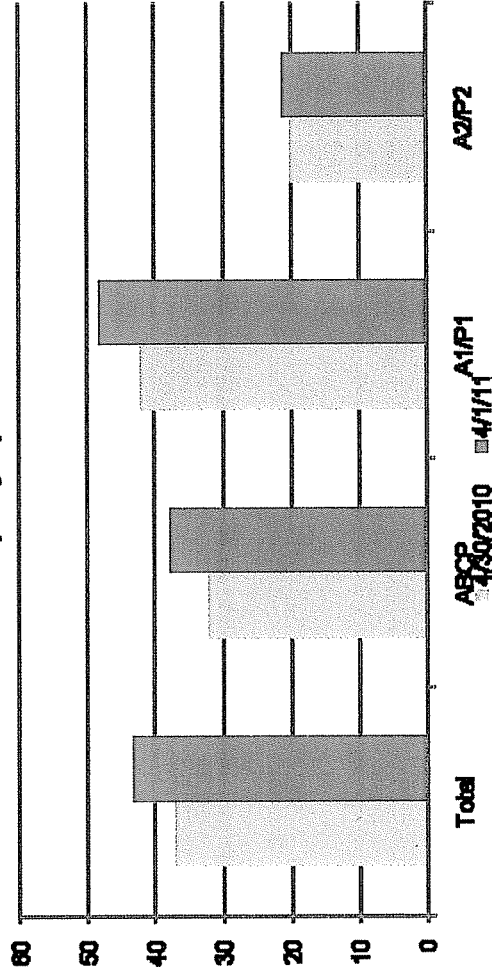
A2/P2 CP vs 1 mo LIBOR



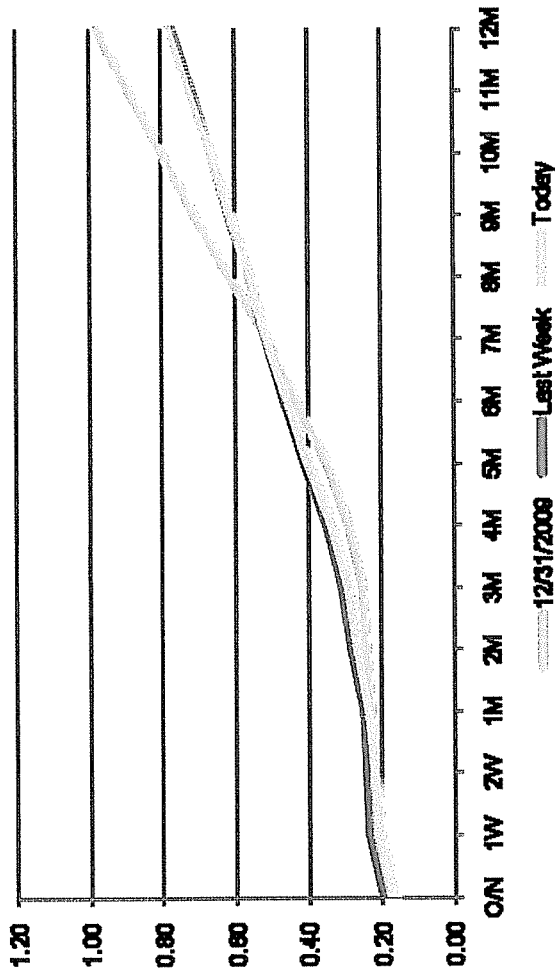
Maturity Distribution of Outstanding CP (%)



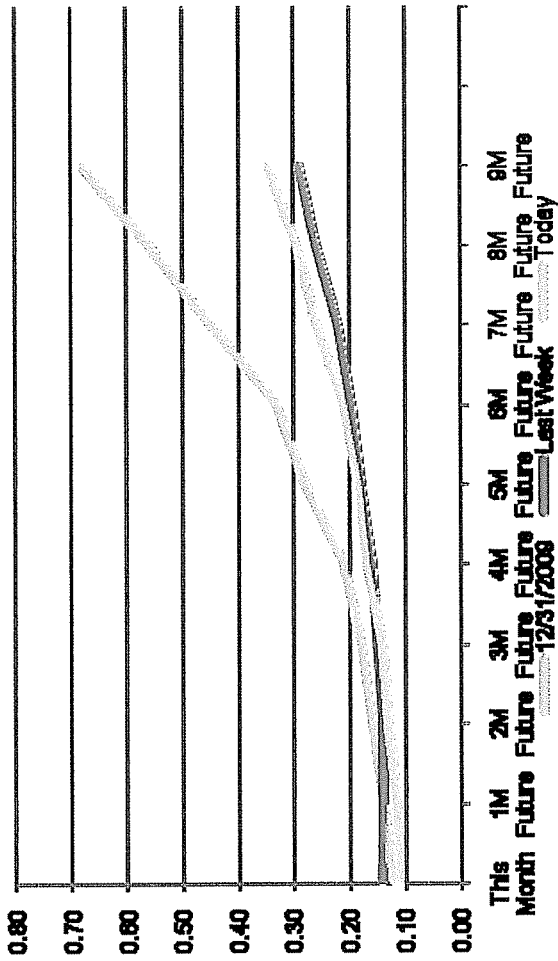
Average Maturity of CP Outstanding (days)



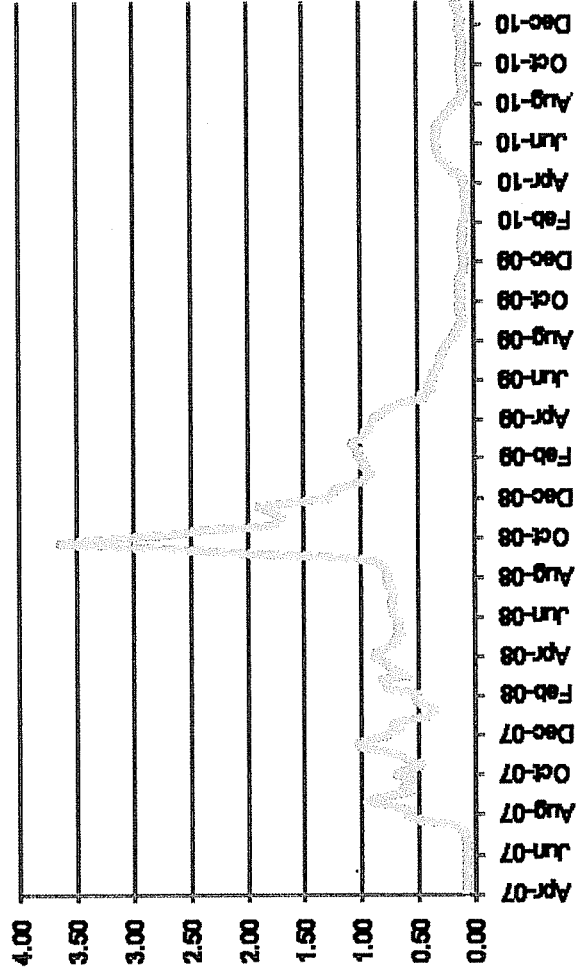
LIBOR Curve



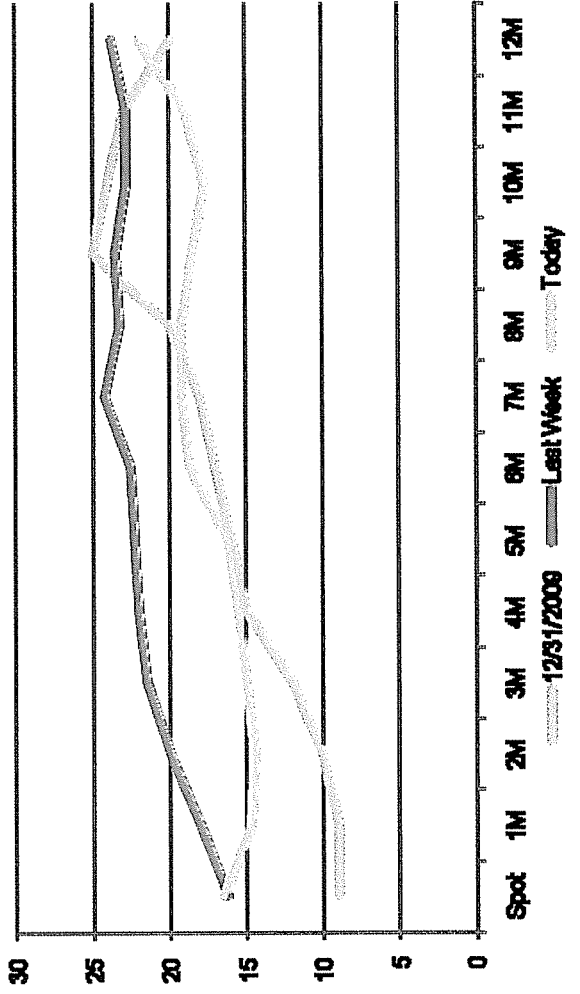
Fed Funds Futures Curve



3M LIBOR vs 3M OIS



Forward 3M LIBOR/OIS Curve (bps)



U.S. Commercial Paper Market Update

May 17, 2011

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Outings Category	Issuer Description	Other Dealers	Ticker	Size \$MM	SEC reg	S&P	Moody's	File
1P TIER:					Type	Short Long	Short Long	Short Long
	Brown-Forman Bev Eur Ltd	JPM,MS,BCLY,WFC	BFBEVE	225	4(2)	A-1	P-1	NR
	Brown-Forman Corp.	JPM,MS,BCLY,WFC	BFPP	1,000	4(2)	A-1	A2	NR
	Colonial Pipeline Co.	BAS,BCLY,MS	COLPP	375	4(2)	A-1	A2	NR
	Lowe's Companies	BAS,BCLY	LOW	1,750	3(a)3	A-1	A1	F1
	McDonald's Corp.	BAS,CITI,MS	MCDPP	2,000	4(2)	A-1	A2	F1
	Northern Illinois Gas	BAS,CITI,CSFB,GS,JPM	NIGAS	700	3(a)3	A-1+	A2	F1
	C.R. Bard, Inc.	JPM	BCR	300	4(2)	A-1	A3	NR
	Florida Power & Light Company	CITI, BAS	FPL	2,500	3(a)3	A-2	A3	AA-
	Georgia Transmission Corp.	BAS	GTRCP	200	4(2)	A-1+	Baa1	AA-
	LOCAP LLC	CSFB	LOCAP	50	4(2)	A-1	NR	F1
	MidAmerican Energy Company	CSFB, JPM, BCLY, GS	MEC	700	3(a)3	A-2	A2	A+
	McCormick & Company	BAS,CSFB,GS,CITI	MKCPP	1,000	4(2)	A-2	A2	NR
	Nicor Inc	BAS,CSFB,JPM,WFC	GAS	1,000	3(a)3	A-1+	NR	A
	Oglethorpe Power Corp.	BAS,WFC	OTPCPP	355	4(2)	A-1	Baa1	F1
	Precision Cast Corp.	BAS,PJC	PRECAS	1,000	4(2)	A-1	A3	NR
	Questar Corp	BAS,CSFB,GS	STR	500	4(2)	A-1	NR	NR
	Shenwin-Williams Co	CITI, BAS	SHW	910	4(2)	A-1	A3	F1
	St. Jude Medical, Inc.	BAS,JPM	STJ	1,000	4(2)	A-1	NR	F1
	TJX Companies, Inc.	JPM,BAS	TJXPP	1,000	4(2)	A-1	NR	NR
	Torchmark Corp.	JPM,MS,BAS	TMKPP	600	4(2)	A-1	A3	NR
	AGL Capital Corp.	MS,BAS,WFC	AGLCP	1,140	4(2)	A-2	NR	A-
	Atlantic City Electric	CSFB,JPM,BAS	ATE	250	3(a)3	A-2	A3	A-
	Atmos Energy Corp	BAS,JPM,WFC	ATO	600	4(2)	A-2	3aa2*	F2
	AutoZone, Inc.	BAS,WFC	AZO	1,300	4(2)	A-2	Baa2	F2
	Block Financial LLC	BAS,GS,MS	BFCPP	2,000	4(2)	A-2	Baa2	NR
	CVS Corporation	BAS,CSFB,WFC,BCLY	CVS	3,325	4(2)	A-2	Baa2	F2
	Dairy Farmers of America	BAS	DFAINC	400	4(2)	A-2	Baa2	NR
	Darden Restaurants	MS,GS	DRI	750	3(a)3	A-2	Baa2	F2
	DCP Midstream,LLC	BCLY,GS,BAS	DCPMID	800	4(2)	A-2	Baa2	F2
	Delmarva Power & Light	CSFB,JPM,BAS	DEW	500	3(a)3	A-2	A3	F2
	Equifax Inc.	BAS	EFX	500	4(2)	A-2	Baa1	NR
	Explorer Pipeline Company	BCLY	EXPIP	100	4(2)	A-2	NR	NR
	FedEx Corp.	BAS,GS,JPM,MS	FDXPP	3,000	4(2)	A-2	Baa2	F2
	Florida Power Corp.	JPM,BAS	FPC	400	3(a)3	A-2*	A1*	F2
	Harris Corp.	BAS,CITI,MS	HRS	750	3(a)3	A-2	Baa1	NR
	HJ Heinz Finance Co.	BAS,GS,JPM,BCLY	HNZFPP	2,000	4(2)	A-2	Baa2	F2
	Kansas City Power & Light	JPM,BAS	KSPOLI	600	4(2)	A-2	A3	NR
	Kellogg Company	BAS,BCLY,DB,GS,JPM	KELLOG	2,500	4(2)	A-2	Baa2	F2
	Kinder Morgan Energy, LP	BAS,BCLY,CITI,GS,JPM	KMP	1,785	4(2)	A-2	Baa1	NR
	Leggett & Platt, Inc.	GS,JPM,WFC	LEGGP	600	4(2)	A-2	Baa2	NR
	ONEOK, Inc.	BAS,CITI	ONEOK	1,600	4(2)	A-2	Baa2	NR
	ONEOK Partners, L.P.	BAS,CITI	OKSPP	1,000	4(2)	A-2	Baa1	NR
	Potomac Electric Power	CSFB,JPM,GS,BAS	POM	500	3(a)3	A-2	A3	F2
	Puget Sound Energy Inc	BAS,WFC,BCLY,PJC	PSD	800	3(a)3	A-2	Baa1	F2
	Ryder System, Inc.	JPM,MS,WFC	R	840	3(a)3	A-2	Baa1	F2
	SunTrust Banks, Inc.	None	STI	10,000	4(2)	NR	NR	NR
	Three Pillars Funding Corp.	C,GS,CSFB	THRPIL	2,500	4(2)	NR	NR	F1
	WeirPoint Inc.	BAS,CITI,JPM,WFC	WELLPT	2,500	4(2)	A-2	Baa1	F2
	Cardinal Health, Inc.	BAS,GS,JPM,WFC	CAH	1,500	4(2)	A-2	Baa3	F2
	CenterPoint Energy Resources Corp	BCLY	CTRES	950	4(2)	A-2	P-3*	F2
	Pecco Holdings, Inc.	CSFB,JPM,BAS	PEPCO	700	4(2)	A-2	Baa3	F2
	Weatherford International Inc.	JPM,BAS,MS	WFTCPP	2,500	4(2)	A-3	Baa2	NR
	Vulcan Materials Company	BAS,CITI,GS	VMCNEW	2,000	4(2)	B	P-3*	NR



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Commercial Paper Dealership Programs

SunTrust Robinson Humphrey Commercial Paper Dealership Programs

Issuer Description

Issuer Description	Other Dealers	Ticker	Size \$MM	SEC reg Type	S&P			Moody's			Fitch	
					Short	Long	Short	Long	Short	Long	Short	Long
AGL Capital Corp. AGL Capital Corp. is the financing subsidiary of AGL Resources Inc. which sells and distributes natural gas to customers primarily in Georgia and Southeastern Tennessee. The company also holds interest in other energy-related businesses, including natural gas and electricity marketing, wholesale and retail propane sales, gas supply services, and customer products.	MS, BAS, WFC	AGLCAP	1140	4(2)	A-2	BBB+ *	P-2	NR	F2	NR	F2	A-
Alfa Corporation Alfa Corporation, through its subsidiaries, is involved in insurance, consumer financing, leasing, real estate investments, residential and commercial construction, and real estate sales. The Company's insurance subsidiaries write life insurance and property and casualty insurance in Alabama, Georgia, and Mississippi.	GS	ALFA	230	3(a)3	NR	NR	NR	NR	NR	NR	NR	NR
Atlantic City Electric Atlantic City Electric Company generates, transmits, distributes and sells electricity in southern New Jersey.	CSEB, JPM, BAS	ATE	250	3(a)3	A-2	A	P-2	A3	F2	A3	F2	A-
Amos Energy Corp Amos Energy Corporation distributes natural gas to utility customers in several states. The Company's non-utility operations span various states and provide natural gas marketing and procurement services to large customers. Amos Energy also manages company-owned natural gas storage and pipeline assets, including an interstate natural gas pipeline in Texas.	BAS, JPM, WFC	ATO	600	4(2)	A-2	BBB+	P-2	Baa2 **	F2	Baa2 **	F2	BBB+
AutoZone, Inc. AutoZone, Inc. is a specialty retailer of automotive parts, chemicals, and accessories targeting the do-it-yourself consumer. The Company offers a variety of products, including new and remanufactured automotive hard parts, maintenance items, and accessories.	BAS, WFC	AZO	1300	4(2)	A-2	BBB	P-2	Baa2	F2	Baa2	F2	BBB
Block Financial LLC Block Financial LLC offers investment services to the general public, and originates, purchases, services, and sells conforming and nonconforming residential mortgages.	BAS, GS, MS	BFCPP	2000	4(2)	A-2	BBB	P-2	Baa2	NR	Baa2	NR	NR
Brown-Forman Corp. Brown-Forman Corporation is a diversified producer and marketer of consumer products. The Company produces and markets a wide variety of wines and spirits. Brown-Forman also produces and markets tableware and giftware, as well as luggage.	JPM, MS, BCLY, WFC	BFPP	1000	4(2)	A-1	A	P-1	A2	NR	A2	NR	NR
Brown-Forman Bev Eur Ltd Brown-Forman Corporation is a diversified producer and marketer of consumer products. The Company produces and markets a wide variety of wines and spirits. Brown-Forman also produces and markets tableware and giftware, as well as luggage. Brown-Forman Beverages, Europe, Ltd is unconditionally guaranteed by Brown-Forman Corp.	JPM, MS, BCLY, WFC	BFBEVE	225	4(2)	A-1	NA	P-1	NR	NR	NR	NR	NR
Cardinal Health, Inc. Cardinal Health, Inc. provides complementary products and services to healthcare providers and manufacturers. The Company's services include pharmaceutical distribution, health-care product manufacturing, distribution and consulting services, drug delivery systems development, pharmaceutical packaging, automated dispensing systems manufacturing, and retail pharmacy franchising.	BAS, GS, JPM, WFC	CAH	1500	4(2)	A-2	BBB+	P-3	Baa3	F2	Baa3	F2	BBB+

SunTrust Robinson Humphrey Commercial Paper Dealership Programs

Issuer Description	Other Dealers	Ticker	Size \$MM	SEC reg	S&P		Moody's		Fitch	
					Short	long	Short	long	Short	long
<p>CenterPoint Energy Resources Corp CenterPoint Energy Resources Corporation is involved in the distribution and transmission of natural gas, including gathering, marketing, and storage. The Company's gas distribution business is conducted through Arkla, Entex, and Mimageasco, as well as their affiliates. CenterPoint serves customers in Minnesota, Texas, Arkansas, Louisiana, Oklahoma, and Mississippi.</p>	BCLY	CTRESC	960	4(2)	A-2	BBB	P-3	Baa3	F2	BBB
<p>Century Tel, Inc. CenturyTel, Inc., an integrated communications company, provides local exchange telephone services and wireless telephone services. The company also provides long distance, Internet access, and security monitoring services. CenturyTel operates in rural areas and small to mid-size cities in 26 states across the country.</p>	BAS, CTI	CTLPP	1500	4(2)	B	BB	P-3	Baa3	F3	BBB-
<p>Colonial Pipeline Co. Colonial Pipeline Co. is an interstate common carrier of petroleum products. The Company delivers gasoline, kerosenes, home heating oils, diesel fuels, and national defense fuels to shipper terminals in various states. Colonial's system transports these fuels from Texas, Louisiana, Mississippi, and Alabama to marketing terminals in the Southeast and Eastern Seaboard in the United States.</p>	BAS, BCLY, MS	COLPP	375	4(2)	A-1	A	P-1	A2	NR	NR
<p>CHS Inc. CHS Inc. is a diversified agricultural foods company that provides essential resources to customers around the world. The Company is owned by farmers, ranchers, and cooperatives, as well as preferred stockholders. CHS provides products and services ranging from grain marketing to food processing, operates petroleum refineries/pipelines, and markets Centex energy products.</p>	None	CHS	100	3(a)3	A-2	BBB+	P-2	Baa1	NR	NR
<p>C.R. Bard, Inc. C.R. Bard, Inc. designs, manufactures, packages, distributes, and sells medical, surgical, diagnostic, and patient care devices. The Company sells a broad range of products worldwide to hospitals, individual healthcare professionals, extended care facilities and alternate site facilities. Bard markets vascular, urological, oncological, and surgical specialties products.</p>	JPM	BCR	300	4(2)	A-1	A	P-2	A3	NR	NR
<p>CVS Corporation CVS Corporation, through its wholly-owned CVS Pharmacy and Revco subsidiaries, operates a drug store chain in the Northeast, Mid-Atlantic, Southeast and Mid-West areas of the United States.</p>	BAS, CSFB, WFC, BCLY	CVS	3325	4(2)	A-2	BBB+	P-2	Baa2	F2	BBB+
<p>Dairy Farmers of America Dairy Farmers of America, Inc. is the dominant dairy cooperative in the United State and the largest milk marketer in the world. DFA is the 3rd largest agricultural cooperative of any kind in the U.S.</p>	BAS	DFANC	400	4(2)	A-2	BBB+	P-2	Baa2	NR	NR
<p>Darden Restaurants Darden Restaurants, Inc. operates casual dining restaurants in North America. The Company owns and operates restaurants under the names Red Lobster, Bahama Breeze, and The Olive Garden.</p>	MS, GS	DRI	750	3(a)3	A-2	BBB	P-2	Baa2	F2	BBB
<p>DCP Midstream, LLC DCP Midstream LLC gathers, treats, compresses, processes, transports, markets and stores natural gas. The Company also produces, fractionates, transports, trades and markets natural gas liquids</p>	BCLY, GS, BAS	DCPMD	800	4(2)	A-2	BBB	P-2	Baa2	F2	BBB
<p>Delmarva Power & Light Delmarva Power & Light Company, a subsidiary of Connectiv, generates, purchases, delivers, and sells electricity. The Company also provides regulated gas service</p>	CSFB, JPM, BAS	DEW	500	3(a)3	A-2	A	P-2	A3	F2	A

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Issuer Description	Other Dealers	Ticker	Size \$MM	SEC reg Type	S&P		Moody's		Fitch	
					Short	long	Short	long	Short	long
Equifax Inc. Equifax Inc. brings buyers and sellers together through its information management, transaction processing, direct marketing, and customer relationship management businesses. The company serves the financial services, retail, credit card, telecommunications/utilities, transportation, information technology and healthcare industries and government.	BAS	EFX	500	4(2)	A-2	BBB+	P-2	Baa1	NR	NR
Explorer Pipeline Company Explorer Pipeline operates a nearly 1,900 mile pipeline system that transports gasoline, diesel fuel, and jet fuel from the Gulf Coast to the Midwest. They are based out of Tulsa, OK, and also serve Houston, Dallas, Ft. Worth, St. Louis, and Chicago.	BCLY	EXPIP	100	4(2)	A-2	NR	P-2	NR	NR	NR
FedEx Corp. FedEx Corp. is comprised of a family of companies, providing transportation, e-commerce, and supply chain management services for customers. The Company provides worldwide express delivery, ground small-parcel delivery, less-than-truckload freight delivery, supply chain management services, customs brokerage services, and trade facilitation and electronic commerce solutions.	BAS, GS, JPM, MS	FDXPP	3000	4(2)	A-2	BBB	P-2	Baa2	F2	BBB
Florida Power & Light Company Florida Power & Light Company generates, transmits, distributes, and sells electric energy in the state of Florida.	CTI, BAS	FPL	2500	3(a)3	A-2	A-	P-1	Aa3	F1	AA-
Florida Power Corp. Florida Power Corporation (doing business as Progress Energy Florida, Inc.) is an operating public utility engaged in the generation, purchase, transmission, distribution and sale of electricity in west	JPM, BAS	FPC	400	3(a)3	A-2	A	P-2	A1	F2	A
Georgia Transmission Corp. Georgia Transmission Corporation is a wholesale transmission company serving 39 of Georgia's 42 rural electric membership cooperatives (EMCs), which are also the owners of the Company. The members serve 1.3 million electric meters, which represent 3.1 million people throughout Georgia.	BAS	GTRCPP	200	4(2)	A-1+	AA-	P-2	Baa1	F1+	AA-
Harris Corp. Harris Corporation is an international communications equipment company focused on product, system and service solutions. The Company provides a range of products and services for commercial and government communications markets such as wireless, broadcast and network support.	BAS, CITI, MS	HRS	750	3(a)3	A-2	BBB+	P-2	Baa1	NR	NR
HJ Heinz Finance Co. HJ Heinz Finance is the majority owned finance arm of the HJ Heinz Company. It was established to borrow funds in the financial markets for general corporate purposes. HJ Heinz Company acts as sole guarantor for the HJ Heinz Finance program.	BAS, GS, JPM, BCLY	HNZFPP	2,000	4(2)	A-2	BBB	P-2	Baa2	F2	BBB
Kansas City Power & Light Kansas City Power & Light Co. is a wholly owned subsidiary of Great Plains Energy.	JPM, BAS	KSPOU	600	4(2)	A-2	BBB	P-2	A3	NR	NR
Kellogg Company Kellogg Company manufactures and markets ready-to-eat cereal and other grain-based food products, as well as soy protein-based meat alternatives. The Company's products are marketed under trademarks such as Kellogg's, Rice Krispies, Pop Tarts, Eggo, Keebler, and Waffleitos.	BAS, BCLY, DB, GS, JPM	KELLOG	2,500	4(2)	A-2	BBB+	P-2	A3	F2	A-

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					Short	long	Short	long	Short	long
Kinder Morgan Energy, LP Kinder Morgan Energy Partners, L.P. is a pipeline transportation and energy storage company. The company operates pipelines and terminals. The pipelines transport natural gas, gasoline, crude oil, carbon dioxide and other products; and its terminals store petroleum products and chemicals, and handle bulk materials like coal and petroleum coke.	BAS, BCLY, CTI, GS, JPM	KMP	1,786	4(2)	A-2	BBB	P-2	Baa2	F2	BBB
LOCAP LLC LOCAP LLC is a common carrier crude oil pipeline which provides a link between storage facilities of LOOP LLC and St. James, Louisiana for distribution of crude oil to nearby refineries and into the mid-continent of the United States. LOCAP is owned by Marathon Pipe LLC (49.90%) and Marathon Domestic LLC (8.62%), both indirect wholly-owned companies of Marathon Oil Corporation, and Shell Company (41.48%). Shell Pipeline Company LP is an indirect wholly owned subsidiary of Shell Oil Company.	CSFB	LOCAP	50	4(2)	A-1	NR	P-2	NR	F1	NR
Leggett & Platt, Inc. Leggett & Platt, Incorporated manufactures a wide range of engineered products. The Company's products include components for bedding, furniture, and other residential furnishings, as well as office and institutional furnishings components, retail store fixtures and displays. Leggett also manufactures die castings, custom tooling, drawn wire and other products.	GS, JPM, WFC	LEGGP	600	4(2)	A-2	BBB+	P-2	Baa1	NR	NR
Lowe's Companies Lowe's Companies, Inc. retail distributes building materials and supplies through stores in the United States. The Company's products include lumber, home decoration and lights, kitchen, bath, laundry items, yard tools, patio accessories, garden tools, and heating, cooling and water systems.	BAS, BCLY	LOW	1750	3(a)3	A-1	A	P-1	A1	F1	A
McCormick & Company McCormick & Company, Inc. manufactures, markets, and distributes spices, herbs, seasonings, flavorings, and other specialty food products to the entire food industry. The Company also, through subsidiaries, manufactures and markets specialty plastic bottles and tubes for food, personal care, and other industries.	BAS, CSFB, GS, CTI	MKCPP	1000	4(2)	A-2	A-	P-1	A2	NR	NR
McDonald's Corp. McDonald's Corporation operates and franchises fast-food restaurants worldwide. The Company's franchised and company operated fast food restaurants offer a variety of low price fast foods in locations around the world.	BAS, CTI, MS	MCDPP	2000	4(2)	A-1	A	P-1	A2	F1	A
MidAmerican Energy Company MidAmerican Energy Company is a full service utility company based in Iowa. The company serves electric customers and natural gas customer in Iowa, Illinois, and South Dakota.	CSFB, JPM, BCLY, GS	MEC	700	3(a)3	A-2	A-	P-1	A2	F1	A+
Nicor Inc Nicor Inc. is the holding company for Northern Illinois Gas Company and Tropical Shipping. Northern Illinois Gas distributes natural gas in the northern third of Illinois. Tropical Shipping transports containerized freight in the Caribbean.	BAS, CSFB, JPM, WFC	GAS	1000	3(a)3	A-1+	AA	P-2	NR	F1	A
Northern Illinois Gas Northern Illinois Gas Company delivers natural gas to customers, including transportation service, gas storage, and gas supply backup. The Company's service territory encompasses most of the northern third of Illinois, excluding the city of Chicago. Customers include residential, commercial, and industrial customers.	BAS, CTI, CSFB, GS, JPM	NI GAS	700	3(a)3	A-1+	AA	P-1	Aa3	F1	AA-

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					Short	Long	Short	Long	Short	Long
Oglethorpe Power Corp. Oglethorpe Power Corporation is in the business of providing wholesale electric service to its retail electric cooperative members. The members are local customer-owned cooperatives providing retail electric service on a non-profit basis.	BAS, WFC	OTPCPP	355	4(2)	A-1	A	P-2	Baa1	F1	NR
ONEOK, Inc. ONEOK, Inc. is a diversified energy company. The Company is involved in the natural gas and natural gas liquids business across the United States. The Company's headquarters are located in Tulsa, OKlat	BAS, CITI	ONEOK	1600	4(2)	A-2	BBB	P-2	Baa2	NR	NR
ONEOK Partners, L.P. ONEOK Partners, L.P., through a subsidiary limited partnership, owns a general partner interest in a master limited partnership. The partnership owns an interstate pipeline system that transports gas prime in the upper Midwest and Mid Continent regions of the United States.	BAS, CITI	OKSPP	1000	4(2)	A-2	BBB	P-2	Baa2	NR	NR
Pepco Holdings, Inc. Pepco Holdings, Inc. delivers electricity to customers located in New Jersey, Delaware, Maryland, Virginia, and the District of Columbia. The Company also sells natural gas, Internet, local and long distance telephone, cable television, and energy services to businesses and consumers.	CSFB, JPM, BAS	PEPCO	700	4(2)	A-2	BBB+	P-3	Baa3	F2	BBB
Potomac Electric Power Potomac Electric Power Company generates, transmits, distributes, and sells electric energy in the Washington, DC metropolitan area. The Company serves residential, commercial, and federal government customers. Potomac Electric, through its subsidiaries, also offers natural gas, Internet, local and long distance telephone, cable television, and energy services.	CSFB, JPM, GS, BAS	POM	500	3(a)3	A-2	A	P-2	Baa1	F2	A
Precision Cast Corp. Precision Castparts Corp. is a worldwide manufacturer of complex metal components and products. The Company manufactures large, complex structural investment castings and airfoil castings used in jet aircraft engines. Precision has also expanded into industrial gas turbine, industrial metal working tools and machines, and other metal products markets.	BAS, PJC	PRECAS	1000	4(2)	A-1	A-	P-2	A3	NR	NR
Puget Sound Energy Inc Puget Sound Energy, Inc. is an electric and natural gas transmission and distribution utility company. Puget Sound Energy, Inc. is a subsidiary of Puget Energy Inc.	BAS, WFC, BCLY, PJC	PSD	500	3(a)3	A-2	BBB	P-2	A3	NR	NR
Questar Corp Questar Corporation is a natural gas-focused energy company with lines of business such as gas and oil exploration and production, midstream field services, energy marketing, interstate gas transportation, and retail gas distribution.	BAS, CSFB, GS	STR	500	4(2)	A-1	A	P-2	NR	NR	NR
Ryder System, Inc. Ryder System, Inc. provides a continuum of logistics, supply chain, and transportation management solutions worldwide. The Company's offerings range from full-service leasing, commercial rental and maintenance of vehicles to integrated services. The Company also offers comprehensive supply chain solutions, logistics management services, and e-Commerce solutions.	JPM, MS, WFC	R	800	3(a)3	A-2	BBB+	P-2	Baa1	F2	A-
Sherwin-Williams Co The Sherwin-Williams Company manufactures, distributes, and sells paints, coatings, and related products. The Company's products are marketed under the Sherwin-Williams, Dutch Boy, Kern-Tone, and other brand names. Sherwin-Williams' products are sold to professional, industrial, commercial, and retail customers primarily in North and South America.	CITI, BAS	SHW	910	4(2)	A-1	A	P-2	A3	F1	A

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BAS, JPM	STU	1000	4(2)	A-1	A	P-2	NR	F1	A

St. Jude Medical, Inc. develops medical devices for the worldwide cardiovascular market. The Company serves patients and its health care customers with products and services including heart valves, cardiac rhythm management systems, specialty catheters, and other cardiovascular devices.

Sun Trust Banks, Inc.

Sun Trust Bank, Inc. is a super-regional bank holding company. The Company's subsidiary banks operate in Florida, Georgia, Alabama, Maryland, North Carolina, South Carolina, and the District of Columbia. Sun Trust provides a wide range of personal, corporate, and institutional financial services.

Three Pillars Funding Corp.

TPFC will purchase, and make loans secured by, interests in receivables, securities and other financial assets including loans, rights to future cash flows from contracts or operating assets and leases. Program credit enhancement will be provided by one of more letters of credit issued by SunTrust Bank. The required amount will initially be equal to the greater of (i) 10% of the aggregate commitments of the Issuer to purchase, or make loans secured by, receivables OR (ii) \$50,000,000.

TJX Companies, Inc.

The TJX Companies, Inc. retails off-price apparel and home fashions. The Company currently operates T.J. Maxx, Marshalls, HomeGoods, and A.J. Wright stores in the United States. TJX also operates Winners stores in Canada and T.K. Maxx stores in Europe.

Torchmark Corp.

Torchmark Corporation is an insurance and financial services holding company. The Company's subsidiaries offer life and health insurance, and annuities. Life products include traditional and interest sensitive whole life insurance as well as term life insurance. Health products include Medicare supplement, cancer, accident, long-term care, and limited hospital and surgical coverages.

Vulcan Materials Company

Vulcan Materials Company produces construction aggregates. The Company quarries crushed stone, sand, and gravel.

Weatherford International Inc.

Weatherford International Ltd. Provides equipment and services used for the drilling, completion, and production of oil and natural gas wells. The Company offers drilling and intervention services, completion systems, artificial lift systems, and compression services. Weatherford conducts operations in substantially all of the oil and natural gas producing regions in the world.

Wellpoint Inc.

Wellpoint Inc. is a health benefits company. The Company provides health benefits, dental and vision benefits, pharmacy benefits, life insurance, and life and disability insurance benefits. WellPoint operations include Blue Cross and Blue Shield plans.

* Credit Watch

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