

EXHIBIT F-10 (BV)

FORM OF RETAINAGE LETTER OF CREDIT

BENEFICIARY: **Kentucky Utilities Company**, a Kentucky corporation
820 West Broadway, Louisville, Kentucky 40202
Telephone: (____) ____-____ • *Fax:* (____) ____-____ • *E-mail:* _____@lge-ku.com

Re: **Irrevocable Standby Letter of Credit No.** _____

Issue Date: _____, 20__

We, [Bank Name], hereby establish in favor of the above-named Beneficiary (the "**Beneficiary**") this Irrevocable Standby Letter of Credit No. _____ (this "**Letter of Credit**") at the request of and for the account of, a corporation, with its principal place of business at ("**EPC Contractor**"), effective immediately and expiring on the date set forth in numbered **Paragraphs 5 and 6** hereof.

This Letter of Credit, we are informed, is issued pursuant to the terms of the Engineering, Procurement and Construction Agreement, dated as of _____, by and between EPC Contractor and the Beneficiary, as the same may be amended from time to time (the "**Agreement**").

1. Stated Amount. The aggregate amount of funds available under this Letter of Credit shall be U.S. \$_____ (_____ United States Dollars), less the aggregate amount of all previous drawings under this Letter of Credit (the "**Stated Amount**"). The Stated Amount may be reduced at any time upon our receipt of a Reduction Certificate executed by the Beneficiary in the form of **Attachment E**.

2. Drawings. A drawing hereunder may be made by the Beneficiary on any Business Day on or prior to the date this Letter of Credit expires by delivering to [Bank Name], at any time during its business hours on such Business Day, at [_____] or at such other address as may be designated by written notice delivered to the Beneficiary as contemplated by numbered **Paragraph 9** hereof, an executed original (or, if applicable, a duplicate original issued in accordance with **Paragraph 14**) of this Letter of Credit together with (i) a draw certificate executed by an authorized officer of the Beneficiary in the form of **Attachment A** hereto (the "**Draw Certificate**"), completed and purportedly signed by such authorized officer and (ii) your draft in the form of **Attachment B** hereto (the "**Draft**"), completed and signed by such authorized officer. Partial drawings are permitted. Draw Certificates and Drafts under this Letter of Credit may be presented by you by means of the above documents sent by overnight delivery or courier to [Bank Name], at its address set forth above, Attention: [_____] (or at such other address as may be designated by written notice delivered to you as contemplated by numbered **Paragraph 9** hereof). Demand for payment hereunder may be made in the form of facsimile transmission of the document(s) hereunder to. You must confirm our receipt of each telecopied drawing by telephone to. The facsimile drawing must be received by us no later _____ on or before the expiration date of this Letter of Credit and must contain your certification that the original document(s) have been sent to us at the address stated above by overnight courier. We shall be entitled to conclusively rely for all purposes upon each demand for payment made by you hereunder by facsimile, notwithstanding any discrepancies between the demand for payment by facsimile and the documents subsequently received by us from you with respect to the demand for payment. The original documents are not required to be received by us on or before the expiration date.

3. Time and Method for Payment. We hereby agree to honor a drawing hereunder made in compliance with this Letter of Credit by transferring in immediately available funds the amount specified in

the Draft delivered to us in connection with such drawing to such account at such bank in the United States as you may specify in your Draw Certificate at the opening of business on the [REDACTED] Business Day succeeding the date of presentation of the conforming Draw Certificate. All amounts to be paid under this Letter of Credit shall be made without set-off or counterclaim by us of any kind.

4. Non-Conforming Demands. If a demand for payment made by you hereunder does not, in any instance, conform to the terms and conditions of this Letter of Credit, we shall give you prompt notice, no later than three (3) Business Days following our receipt, that the demand for payment was not effected in accordance with the terms and conditions of this Letter of Credit, stating the reasons therefore and that we will upon your instructions hold any documents at your disposal or return the same to you. Upon being notified that the demand for payment was not affected in conformity with this Letter of Credit, you may correct any such non-conforming demand prior to the date this Letter of Credit expires.

5. Expiration. This Letter of Credit shall automatically expire at the close of business on the earlier of one year from the Issue Date specified above (or such later date to which this Letter of Credit may be extended in accordance with the provisions of numbered **Paragraph 6** hereof), or the date on which we receive a Cancellation Certificate in the form of **Attachment C** hereto executed by an authorized officer of the Beneficiary upon receipt of which this Letter of Credit shall be cancelled.

6. Rollover. This Letter of Credit shall be deemed automatically extended without amendment for additional periods of one (1) year each from the present or any future expiration date, unless at least thirty (30) days prior to any such expiration date we notify you by registered mail or overnight courier at the above address (or such other address as may be designated by you as contemplated by numbered **Paragraph 9** hereof and as amended accordingly) that we elect not to consider this Letter of Credit extended for any such additional one (1) year period. In the event that thereafter a letter of credit in replacement of this Letter of Credit and satisfactory to you shall not have been delivered to you by the date that is thirty (30) days prior to the expiration date of this Letter of Credit, you may draw upon this Letter of Credit pursuant to numbered **Paragraph 2** hereof in the full amount then available for drawing hereunder. In no event shall this Letter of Credit be automatically extended beyond _____, 20__ (the "**Outside Expiration Date**"); **provided**, that, if EPC Contractor's letter of credit obligations shall remain in effect under the Agreement as of the Outside Expiration Date and you shall not have received by the date that is thirty (30) days prior to the Outside Expiration Date a letter of credit in replacement of this Letter of Credit satisfactory to you, you may draw upon this Letter of Credit pursuant to numbered **Paragraph 2** hereof in the full amount then available for drawing hereunder.

7. Business Day. As used herein, "**Business Day**" shall mean any day on which commercial banks are not authorized or required to close in the [state of bank that issues the LOC].

8. Governing Law. Except as otherwise expressly stated herein, this Letter of Credit shall be governed by the International Standby Practices, International Chamber of Commerce Publication No. 590 ("**ISP 98**") and any amendments or revisions thereto. As to matters not addressed by ISP 98, this Letter of Credit shall be governed by and construed in accordance with the laws of the State of New York, without giving effect to any choice of law rules which may direct the application of the laws of another jurisdiction.

9. Notices. All communications to you in respect of this Letter of Credit shall be in writing and shall be delivered to the address (or, as applicable, the fax number) shown for you herein or such other address (or applicable fax number) as may from time to time be designated by you in a written notice to us and as amended accordingly. All documents to be presented to us hereunder and all other communications to us in respect of this Letter of Credit, which other communications shall be in writing, shall be delivered to the address (or, as applicable, fax number) for us indicated on the signature page hereof, or such other address (or applicable fax number) as may from time to time be designated by us in a written notice to you.

10. Irrevocability. This Letter of Credit is irrevocable.

11. Transferability. This Letter of Credit is transferable in its entirety, but not in part and may be successively transferred. Only the issuing bank is authorized to act as the transferring bank with respect to the Letter of Credit represented hereby. We shall not recognize any transfer of this Letter of Credit until this original Letter of Credit (or, if applicable, any duplicate original issued pursuant to **Paragraph 14** below), together with any amendment(s) and an appropriately completed and executed Transfer Certificate in the form of **Attachment D** hereto, is received by us and our transfer fee of [REDACTED] of the amount transferred is paid to us. The correctness of the signature and title of the person signing the transfer form must be certified by a duly-authorized officer acting in the name and on behalf of the Beneficiary or otherwise be authenticated by your bank. Upon and after any such transfer under this Letter of Credit, all Drafts and related documentation deliverable hereunder must be executed by the transferee as the Beneficiary hereof. This Letter of Credit may not be transferred to any person with which U.S. persons are prohibited from doing business under U.S. foreign assets control regulations or other applicable U.S. laws and regulations.

12. Fees. All fees associated with this Letter of Credit are for account of EPC Contractor with the exception of any transfer fees which are for the account of the beneficiary.

13. Complete Agreement. This Letter of Credit sets forth in full our undertaking, and such undertaking shall not in any way be modified, amended, amplified or limited by reference to any document, instrument or agreement referred to herein, except as provided in numbered **Paragraph 8** hereof, **Attachments A, B, C, D and E** hereto and the notices referred to herein and any such reference shall not be deemed to incorporate herein by reference any document, instrument or agreement except as set forth above. No amendment or modification of this Letter of Credit may be made without the prior written consent of the Beneficiary and the EPC Contractor except when the amount of this Letter of Credit is increased.

14. Replacement Instrument. If the original of this Letter of Credit has been lost, stolen, mutilated or destroyed, we will promptly issue to the Beneficiary a duplicate original of this Letter of Credit upon our receipt of our acceptable indemnity letter signed by the Beneficiary.

Sincerely,

/BANK NAME/

(Bank Address)

(City, State, Zip Code)

(Telephone number)

(Authorized Name and Title)

(Authorized Signature)

ATTACHMENT A

FORM OF DRAW CERTIFICATE

The undersigned hereby certifies to [Bank Name] (the "**Issuer**"), with reference to Letter of Credit No. _____ (the "**Letter of Credit**") issued by Issuer in favor of the Beneficiary (capitalized terms used and not defined herein shall have the respective meanings set forth in the Letter of Credit), as follows:

- (1) The undersigned is the _____ of Kentucky Utilities Company (Beneficiary) and is duly authorized by the Beneficiary to execute and deliver this Certificate on behalf of the Beneficiary;
- (2) Beneficiary hereby makes demand against the Letter of Credit by presentation of the Draft accompanying this Draw Certificate, for payment of (U.S.\$_____), such amount not being in excess of the Stated Amount;
- (3) Beneficiary is entitled to draw the amount set forth in clause (2) hereof because the conditions for a drawing pursuant to the Agreement or numbered **Paragraph 6** of the **Letter of Credit** have been met; and
- (4) You are hereby directed to make payment of the requested drawing to:

[Insert Wire Instructions]

KENTUCKY UTILITIES COMPANY

By: _____

Name: _____

Title: _____

Address: _____

ATTACHMENT B

DRAWING UNDER THE LETTER OF CREDIT NO. -----

Date:

ON: The first Business Day immediately succeeding the date of presentation

PAY TO: [Beneficiary's Name]

\$ _____ U.S.

FOR VALUE RECEIVED AND CHARGED TO THE ACCOUNT OF LETTER OF CREDIT NO. ____

KENTUCKY UTILITIES COMPANY

By: _____

Name: _____

Title: _____

Address: _____

ATTACHMENT C
CANCELLATION CERTIFICATE

Letter of Credit No. _____

The undersigned hereby certifies to [Bank Name] ("**Issuer**"), with reference to Letter of Credit No. _____ issued by Issuer to Kentucky Utilities Company (Beneficiary) (the "**Letter of Credit**") that either (i) the terms of the Agreement require the return of this Letter of Credit or (ii) the Agreement has been terminated and EPC Contractor has satisfied all of its outstanding obligations and paid all amounts remaining due under the Agreement following such termination. Pursuant to numbered **Paragraph 5** thereof, the Letter of Credit shall expire upon Issuer's receipt of this certificate. Attached hereto is the Letter of Credit marked "Canceled". Capitalized terms used and not defined herein shall have the respective meanings set forth in the Letter of Credit.

KENTUCKY UTILITIES COMPANY

By: _____

Name: _____

Title: _____

Address: _____

ATTACHMENT D

(Language will be specific to issuing bank)

[NOTE: BV to submit specific language from its Issuing Bank ASAP for review.]

TRANSFER CERTIFICATE

_____, 20-__

[BANK NAME
AND ADDRESS]

Re: Letter of Credit No. -----

We request you to transfer all of our rights as Beneficiary under the Letter of Credit referenced above to the Transferee(s), named below:

Name of Transferee(s)

Address(es)

By this transfer, all our rights as the transferor, including all rights to make drawings under the Letter of Credit, go to the Transferee(s). The Transferee(s) shall have sole rights as beneficiary(ies), whether existing now or in the future, including sole rights to agree to any amendments, including increases or extensions or other changes and all references to "Beneficiary" in the Letter of Credit, any drawing certificate in the form of **Attachment A** or the other Attachments to the Letter of Credit shall be deemed to mean the Transferee(s). All amendments will be sent directly to the Transferee(s) without the necessity of consent by or notice to us. Capitalized terms used and not defined herein shall have the respective meanings set forth in the Letter of Credit.

We enclose the original Letter of Credit and any amendments. Please indicate your acceptance of our request for the transfer by endorsing the Letter of Credit and sending it to the Transferee(s) with your customary notice of transfer.

For your transfer fee of \$_____.

* Enclosed is our check for \$_____

* You may debit my/our Account No. _____

NAME OF TRANSFEROR

NAME OF AUTHORIZED SIGNER AND TITLE

AUTHORIZED SIGNATURE

The signature and title above conform with those shown in our files as authorized to sign for the Beneficiary. Policies governing signature authorization as required for withdrawals from customer accounts shall also be applied to the authorization of signatures on this form. The authorization of the Beneficiary's signature and title on this form also acts to certify that the authorizing financial institution (i) is regulated by a U.S. federal banking agency; (ii) has implemented anti-money laundering policies and procedures that comply with applicable requirements of law, including a Customer Identification Program (CIP) in accordance with Section 326 of the USA PATRIOT Act; (iii) has approved the Beneficiary under its anti-money laundering compliance program; and (iv) acknowledges that *[Bank Name]* is relying on the foregoing certifications pursuant to 31 C.F.R. Section 103.121 (b)(6).

NAME OF BANK

AUTHORIZED SIGNATURE AND TITLE

PHONE NUMBER

ATTACHMENT E
REDUCTION CERTIFICATE

[Bank Name]
[Address 1]
[Address 2]
Attention: _____

Irrevocable Standby Letter of Credit No. _____

The undersigned hereby certifies to [Bank name] ("**Issuer**"), with reference to the above-specified Irrevocable Standby Letter of Credit issued by Issuer to Beneficiary (the "**Letter of Credit**"), that, as of and from the reduction date specified below, the Stated Amount is hereby reduced as set forth below:

Reduction Date	Reduction Amount	Revised Stated Amount
xx-xxx-xx	\$xx,xxx.xx	\$xx,xxx,xxx.xx

KENTUCKY UTILITIES COMPANY

By: _____
Name: _____
Title: _____

Address: _____

