

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

**APPLICATION OF KENTUCKY UTILITIES)
COMPANY FOR AN ORDER AMENDING AND) CASE NO. 2016-00360
EXTENDING EXISTING AUTHORITY WITH)
RESPECT TO REVOLVING LINE OF CREDIT)**

**VERIFIED APPLICATION FOR AMENDMENT AND EXTENSION OF AUTHORITY
WITH RESPECT TO REVOLVING CREDIT**

Kentucky Utilities Company (“KU”) hereby requests pursuant to KRS 278.300 and 807 KAR 5:001, Section 18 that the Commission amend and extend KU’s existing authority to allow for extending the term of its multi-year revolving credit line through January 31, 2022, and additional authority in 2017 and 2018 to extend the credit facility maturity date to up to five years from the effective date of the amendment. In support of this Application, KU states as follows:

1. KU’s full name is Kentucky Utilities Company. The post office address of KU is One Quality Street, Lexington, Kentucky 40507. KU was incorporated in Kentucky on August 17, 1912 and in Virginia on November 26, 1991. KU is currently in good standing in both Kentucky and Virginia. KU can be reached at the email addresses of the counsel listed below.

2. KU was first granted authority to enter into multi-year revolving credit facilities in Case No. 2007-00233¹ by Orders dated August 2 and 9, 2007. In Case No. 2007-00233, the Commission found that granting KU authority to enter into multi-year revolving credit facilities

¹ *In the Matter of: Application of Kentucky Utilities Company for an Order Authorizing the Issuance of Securities and Assumption of Obligations.*

under which KU could incur short-term debt from time to time would reduce the time and cost of negotiating and renewing short-term debt arrangements.²

3. By Order dated June 16, 2014, in Case No. 2014-00082,³ the Commission authorized KU to extend the term of its existing revolving credit line, which had a term ending November 6, 2017, through December 31, 2019.

4. In Case No. 2014-00082, KU stated that based upon its discussions with providers of credit facilities, KU believed that it was likely that in the future changing market conditions and interest rates would mean that revolving credit facilities would no longer be available on terms as favorable as found in KU's current facility. In part, this was due to the new Basel III regulations, which began to be phased in during 2013 and will be fully implemented in 2019. As KU explained, the Basel III regulations are intended to prevent another banking crisis and establish more stringent requirements for banks with respect to capitalization, leverage and liquidity. As a result, not only are revolving lines of credit likely to be less readily available, but the current historically low commitment fees and interest spreads on actual borrowings are likely to be higher in the future.

5. Most recently, by order dated July 2, 2015, in Case No. 2015-00137, the Commission authorized KU to extend the term of its existing revolving line of credit for a term

² *In the Matter of: Application of Kentucky Utilities Company for an Order Authorizing the Issuance of Securities and the Assumption of Obligations* (Ky. PSC Aug. 2, 2007).

³ *In the Matter of: Application of Kentucky Utilities Company for an Order Authorizing the Issuance of Securities and the Assumption of Obligations*. In addition KU's authority was previously extended by Order dated October 23, 2012, *In the Matter of: Application of Kentucky Utilities Company for an Order Amending and Extending Existing Authority With Respect to Revolving Line of Credit* (Case No. 2012-00409), which extended authority granted by Order dated October 10, 2011, *In the Matter of: Application of Kentucky Utilities Company for an Order Authorizing the Issuance of Securities and Assumption of Obligations* (Case No. 2011-00307), which extended authority granted by Order dated September 30, 2010, *In the Matter of: Application of Kentucky Utilities Company for an Order Authorizing the Restructure and Refinancing of Unsecured Debt and the Assumption of Obligations and for Amendment of Existing Authority* (Case No. 2010-00206). Also, by Order dated August 3, 2012, *In the Matter of: Application of Kentucky Utilities Company for an Order Authorizing the Issuance of Securities and the Assumption of Obligations* (Case No. 2012-00232), KU was authorized to increase the total aggregate amount of its revolving credit facilities to \$500 million.

through December 31, 2020.⁴ In that proceeding, KU explained that the same conditions and market expectations described in Case No. 2014-00082 remained in effect with respect to revolving lines of credit. Subsequently, KU entered into an Amended and Restated Revolving Credit Agreement, with a term that now ends December 31, 2020.

6. The outlook regarding the effect of the Basel III regulations on the costs and availability of revolving credit has not changed materially since Case No. 2015-00137. In order to optimize the cost of short-term debt, KU seeks authority to extend its current revolving lines of credit to January 31, 2022. This specific maturity date, which adds an additional month to the one-year extension, was selected to synchronize the maturity dates of the credit facilities with those of its affiliates, PPL Electric Utilities Corporation and PPL Capital Funding Inc. Extending the current revolving credit facilities will allow KU to continue to obtain favorable short-term debt costs while avoiding higher commitment fees and related transaction costs in the future.

7. Under the current agreements, KU must notify the revolving credit service providers of its intent to extend the current lines. KU is currently working with these providers to determine the optimal means of extending the credit facility. As such, KU requests authority to amend its existing Amended and Restated Revolving Credit Agreement to effectuate the extension, and also requests authority to amend and restate the Credit Agreement, if necessary.⁵ KU respectfully requests an order granting such authority within sixty (60) days so that KU can comply with the timelines in the Amended and Restated Revolving Credit Agreement.

⁴ *In the Matter of: Application of Kentucky Utilities Company for an Order Amending and Extending Existing Authority with Respect to Revolving Line of Credit* (Case No. 2015-00137) (Ky. PSC Jul. 2, 2015).

⁵ KU has entered into revolving credit facilities totaling \$400 million, but wishes to retain the previously authorized total aggregate authority for \$500 million.

8. Although KU expects that all of the credit service providers will agree to extend the credit facility at the current individual or aggregate participation levels, KU also requests alternative authority to enter into separate or individual revolving credit lines to replace any non-extended portion of the credit facility, up to the maximum total aggregate sizes, dates and terms described further herein.

9. Given that the Basel III regulations will be fully implemented in 2019, KU requests authority to extend the revolving credit facilities in 2017 and 2018, as well. With each extension the Company would extend the credit facility maturity date to up to five years from the effective date of the amendment. If the Commission grants this authority, KU will have the flexibility to further optimize its short-term debt costs for its customers. If the Commission grants the authority, KU will provide notice of each extension to the Commission within thirty days of execution.

10. Pursuant to 807 KAR 5:001, Section 18(1)(d) and (e), the extended credit facilities would be on the same terms as KU's existing revolving credit and would be available for the same purposes for which revolving credit is currently available. Loan proceeds could be used to provide short-term financing for KU's general financing needs, for example, general costs of operation or costs of KU's various construction programs or other obligations, until permanent or long-term financing can be arranged. In addition, the extended credit facilities could be used to provide liquidity or credit support for KU's other debt, for example, ensuring that KU has readily available funds with which to make payments with respect to variable rate bonds that could be tendered for purchase and not remarketed. However, KU does not assign specific financing to any particular capital project or operating or fiscal use and does not project

finance projects.⁶ Thus, these are general reasons that KU might need short-term financing, rather than uses to which such financing would be assigned.

11. Attached as Exhibits 1 and 2, respectively, are a Description of KU's Property and a Financial Exhibit pursuant to 807 KAR 5:001, Sections 18(1)(b) and 18(2)(a), and 807 KAR 5:001, Section 12.

12. Copies of KU's mortgages were filed with the Commission in Case No. 2015-00137.⁷ Attached as Exhibit 3 are two supplemental indentures that have been executed since the mortgages were filed with the Commission.

THEREFORE, Kentucky Utilities Company respectfully requests that the Commission enter an Order within sixty days authorizing KU to enter into such agreements and amendments as are necessary for KU to (1) extend its current multi-year revolving credit facilities, in the previously authorized total aggregate amount not to exceed \$500 million, for a term through January 31, 2022; (2) alternatively replace any credit facilities not extended with similar multi-year revolving credit facilities for the same term; and (3) exercise extensions in 2017 and 2018, respectively, to extend the facility maturity dates to five years from the date of the amendment.

⁶ Because KU does not assign specific financing to any particular capital project, as in prior cases, there are no maps, plans and detailed estimates to provide. 807 KAR 5:001, Section 18(2)(c). The deed of trust is not involved with these revolving credit facilities.

⁷ Copies were filed with the Commission on May 11, 2015.

Dated: October 14, 2016

Respectfully Submitted,

Monica H. Braun

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Counsel for Kentucky Utilities Company

CERTIFICATE OF SERVICE

In accordance with 807 KAR 5:001, Section 8, this is to certify that the foregoing electronically filed October 14, 2016 Verified Application is a true and accurate copy of the same document being filed in paper medium; that the electronic filing has been transmitted to the Commission on October 14, 2016; that there are currently no parties that the Commission has excused from participation by electronic means in this proceeding; and that an original in paper medium of the Verified Application is being mailed by first class U.S. Mail, postage prepaid, to the Commission October 14, 2016.

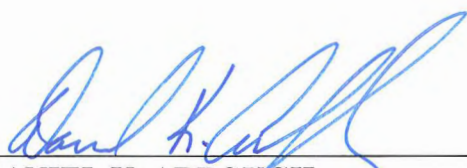
Marcia H. Braun

Counsel for Kentucky Utilities Company

VERIFICATION

COMMONWEALTH OF KENTUCKY)
) SS:
COUNTY OF JEFFERSON)

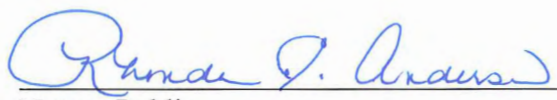
The undersigned, **Daniel K. Arbough**, being duly sworn, deposes and says he is Treasurer for Kentucky Utilities Company, that he has read the foregoing Application and knows the contents thereof, and that the same is true of his own knowledge, except as to matters which are therein stated on information or belief, and that as to these matters, he believes them to be true.



DANIEL K. ARBOUGH

Subscribed and sworn to before me, a Notary Public in and before said County and State, this 12th day of October, 2016.

(SEAL)



Notary Public

My Commission Expires:

August 31, 2019

Exhibit 1

Description of Property for Kentucky Utilities Company

KENTUCKY UTILITIES COMPANY
(807 KAR 5:001, SEC. 18(1)(b))

A DESCRIPTION OF APPLICANT'S PROPERTY, INCLUDING A
STATEMENT OF THE NET ORIGINAL COST OF THE PROPERTY
AND THE COST THEREOF TO APPLICANT

August 31, 2016

The applicant's generating, transmission and distribution systems described herein are calculated annually. As of December 31, 2015, the applicant had ownership in 10 and operated 7 coal fired steam electric generating units having a total capacity of 3,099 Mw; owned and operated a hydroelectric generating station having a total capacity of 32 Mw; and had ownership in 17 and operated 9 gas/oil peaking units having a total capacity of 1,947 Mw.

The applicant's owned electric transmission system included 138 substations (58 of which are shared with the distribution system) with a total capacity of 14 million kVA and 4,078 pole miles of lines. The electric distribution system included 479 substations (58 of which are shared with the transmission system) with a total capacity of 7 million kVA, 14,049 circuit miles of overhead lines, and 2,408 underground cable miles.

KU's service area includes an additional 11 miles of gas transmission pipeline providing gas supply to natural gas combustion turbine electricity generating units.

Other properties include office buildings, service centers, warehouses, garages and other structures and equipment.

The net original cost of the property and cost thereof to the applicant at August 31, 2016, was:

	<u>Utility Plant</u>
Original Cost	
Production Plant	\$ 6,133,488,335
Distribution Plant	1,707,460,371
Transmission Plant	840,422,673
General Plant	177,370,067
Intangible Plant	93,717,976
Construction Work in Progress	<u>282,962,925</u>
Total Plant at Original Cost	\$ 9,235,422,348
Less Reserve for Depreciation	<u>2,589,358,189</u> *
Net Original Cost	<u><u>\$ 6,646,064,159</u></u>

* Excludes \$391,396,279 related to cost of removal reserves that is not included in the reserve in the Financial Statements and Additional Information, but instead is included as a regulatory liability.

Exhibit 2

Financial Exhibit for Kentucky Utilities Company

Kentucky Utilities Company
Balance Sheet as of August 31, 2016

Assets		Liabilities and Proprietary Capital	
Utility Plant		Proprietary Capital	
Utility Plant at Original Cost.....	\$ 9,235,422,348.11	Common Stock.....	\$ 308,139,977.56
Less: Reserves for Depreciation and Amortization....	<u>2,980,088,654.41</u>	Less: Common Stock Expense.....	321,288.87
Total.....	<u>6,255,333,693.70</u>	Paid-In Capital.....	583,858,083.00
		Other Comprehensive Income.....	(1,795,297.72)
		Retained Earnings.....	<u>1,798,594,116.42</u>
		Total Proprietary Capital.....	<u>2,688,475,590.39</u>
Investments		Other Long-Term Debt.....	<u>2,341,490,682.64</u>
Electric Energy, Inc.....	-	Total Long-Term Debt.....	<u>2,341,490,682.64</u>
Ohio Valley Electric Company.....	250,000.00	Total Capitalization.....	<u>5,029,966,273.03</u>
Nonutility Property-Less Reserve.....	971,313.10		
Special Fund.....	<u>-</u>		
Total.....	<u>1,221,313.10</u>		
Current and Accrued Assets		Current and Accrued Liabilities	
Cash.....	8,711,701.09	ST Notes Payable to Associated Companies.....	-
Special Deposits.....	-	Notes Payable.....	-
Temporary Cash Investments.....	942,198.83	Accounts Payable.....	78,345,166.55
Accounts Receivable-Less Reserve.....	244,904,320.32	Accounts Payable to Associated Companies.....	43,216,664.22
Accounts Receivable from Associated Companies.....	208,640.74	Customer Deposits.....	28,000,984.02
Notes Receivable from Associated Companies.....	33,000,000.00	Taxes Accrued.....	59,382,341.43
Materials and Supplies-At Average Cost		Interest Accrued.....	30,139,072.19
Fuel.....	97,618,732.38	Dividends Declared.....	84,000,000.00
Plant Materials and Operating Supplies.....	44,476,438.62	Miscellaneous Current and Accrued Liabilities.....	<u>21,651,638.87</u>
Stores Expense.....	10,515,070.84	Total.....	<u>344,735,867.28</u>
Emission Allowances.....	136,559.78		
Prepayments.....	21,195,410.16	Deferred Credits and Other	
Miscellaneous Current and Accrued Assets.....	<u>-</u>	Accumulated Deferred Income Taxes.....	1,469,832,526.73
Total.....	<u>461,709,072.76</u>	Investment Tax Credit.....	95,788,137.57
Deferred Debits and Other		Regulatory Liabilities.....	157,330,338.78
Unamortized Debt Expense.....	19,770,745.89	Customer Advances for Construction.....	1,576,406.04
Unamortized Loss on Bonds.....	9,648,232.90	Asset Retirement Obligations.....	369,962,422.88
Accumulated Deferred Income Taxes.....	351,912,940.78	Other Deferred Credits.....	6,310,541.56
Deferred Regulatory Assets.....	406,740,879.04	Miscellaneous Long-Term Liabilities.....	2,343,039.61
Other Deferred Debits.....	<u>50,434,294.08</u>	Accum Provision for Pension & Postretirement Benefits...	<u>78,925,618.77</u>
Total.....	<u>838,507,092.69</u>	Total.....	<u>2,182,069,031.94</u>
Total Assets.....	<u>\$ 7,556,771,172.25</u>	Total Liabilities and Stockholders Equity.....	<u>\$ 7,556,771,172.25</u>

Kentucky Utilities Company
Statement of Income
August 31, 2016

	Year Ended 8/31/2016
Electric Operating Revenues.....	\$ 1,719,846,885.66
Rate Refunds.....	76,686.46
	<hr/>
Total Operating Revenues.....	1,719,923,572.12
	<hr/>
Fuel for Electric Generation.....	486,802,442.82
Power Purchased.....	38,544,834.09
Other Operation Expenses.....	296,204,208.48
Maintenance.....	129,353,982.34
Depreciation.....	218,690,510.76
Amortization Expense.....	11,590,545.81
Regulatory Dedit.....	33,928.72
Regulatory Credits.....	-
Taxes	
Federal Income.....	(508,887.72)
State Income.....	2,592,363.03
Deferred Federal Income - Net.....	130,076,697.01
Deferred State Income - Net.....	19,614,396.47
Property and Other.....	40,041,267.00
Investment Tax Credit.....	4,000,000.00
Loss (Gain) from Disposition of Allowances.....	(91.81)
Accretion Expense.....	-
	<hr/>
Total Operating Expenses.....	1,377,036,197.00
	<hr/>
Net Operating Income.....	342,887,375.12
	<hr/>
Other Income Less Deductions	
Amortization of Investment Tax Credit.....	1,846,202.00
Other Income Less Deductions.....	(518,531.13)
AFUDC - Equity.....	620,010.69
	<hr/>
Total Other Income Less Deductions.....	1,947,681.56
	<hr/>
Income Before Interest Charges.....	344,835,056.68
	<hr/>
Interest on Long-Term Debt.....	88,340,333.52
Amortization of Debt Expense - Net.....	3,282,749.66
Other Interest Expenses.....	2,396,055.73
AFUDC - Borrowed Funds.....	(231,145.99)
	<hr/>
Total Interest Charges.....	93,787,992.92
	<hr/>
Net Income.....	\$ 251,047,063.76

Kentucky Utilities Company
Analysis of Retained Earnings
August 31, 2016

	<u>Year Ended 8/31/16</u>
Balance at Beginning of Period.....	\$ 1,791,547,052.66
Add:	
Net Income for Period.....	251,047,063.76
Deduct:	
Common Dividends	
Common Stock Without Par Value.....	244,000,000.00
Balance at End of Period.....	<u><u>\$ 1,798,594,116.42</u></u>

Exhibit 3

Supplemental Indentures for Kentucky Utilities Company

KENTUCKY UTILITIES COMPANY

TO

THE BANK OF NEW YORK MELLON,

Trustee

**Supplemental Indenture No. 4
dated as of September 1, 2015**

**Supplemental to the Indenture
dated as of October 1, 2010**

Establishing

**First Mortgage Bonds, 3.300% Series due 2025
First Mortgage Bonds, 4.375% Series due 2045**

SUPPLEMENTAL INDENTURE NO. 4

SUPPLEMENTAL INDENTURE No. 4, dated as of the first day of September, 2015, made and entered into by and between KENTUCKY UTILITIES COMPANY, a corporation duly organized and existing under the laws of the Commonwealths of Kentucky and Virginia, having its principal corporate offices at One Quality Street, Lexington, Kentucky 40507 (hereinafter sometimes called the "Company"), and THE BANK OF NEW YORK MELLON, a New York banking corporation, having its corporate trust office at 101 Barclay Street, 7th Floor, New York, New York 10286 and having its principal place of business at One Wall Street, New York, New York 10286 (hereinafter sometimes called the "Trustee"), as Trustee under the Indenture, dated as of October 1, 2010 (hereinafter called the "Original Indenture"), between the Company and said Trustee, as heretofore supplemented, this Supplemental Indenture No. 4 being supplemental thereto. The Original Indenture, as heretofore supplemented, and this Supplemental Indenture No. 4 are hereinafter sometimes, collectively, called the "Indenture."

Recitals of the Company

The Original Indenture was authorized, executed and delivered by the Company to provide for the issuance from time to time of its Securities (such term and all other capitalized terms used herein without definition having the meanings assigned to them in the Original Indenture), to be issued in one or more series as contemplated therein, and to provide security for the payment of the principal of and premium, if any, and interest, if any, on such Securities.

The Company has heretofore executed and delivered supplemental indentures for the purpose of creating series of Securities as set forth in Exhibit A hereto.

The Original Indenture and Supplemental Indentures No. 1 and No. 2, and financing statements in respect thereof, have been duly recorded and filed in the various official records in the Commonwealth of Kentucky as set forth in Supplemental Indenture No. 3.

Supplemental Indenture No. 3 has been duly recorded and filed in the various official records in the Commonwealth of Kentucky as set forth in Exhibit B hereto.

Pursuant to Article Three of the Original Indenture, the Company wishes to establish two series of Securities, such series of Securities to be hereinafter sometimes called "Securities of Series No. 6" and "Securities of Series No. 7", respectively, and, pursuant to Section 1401 of the Original Indenture, the Company wishes to correct errors in certain sections of the Original Indenture.

As contemplated in Section 301 of the Original Indenture, the Company further wishes to establish the designation and certain terms of the Securities of Series No. 6 and of the Securities of Series No. 7. The Company has duly authorized the execution and delivery of this Supplemental Indenture No. 4 to establish the designation and certain terms of such series of Securities and has duly authorized the issuance of such Securities; and all acts necessary to make this Supplemental Indenture No. 4 a valid agreement of the Company, and to make the Securities of Series No. 6 and the Securities of Series No. 7 valid obligations of the Company, have been performed.

NOW, THEREFORE, THIS SUPPLEMENTAL INDENTURE NO. 4 WITNESSETH, that, for and in consideration of the premises and of the purchase of the Securities by the Holders thereof and in order to secure the payment of the principal of and premium, if any, and interest, if any, on all Securities from time to time Outstanding and the performance of the covenants therein and in the Indenture contained, the Company hereby grants, bargains, sells, conveys, assigns, transfers, mortgages, pledges, sets over and confirms to the Trustee, and grants to the Trustee a security interest in and lien on, (a) the

real property specifically referred to in Exhibit C attached hereto and incorporated herein by reference and all right, title and interest of the Company in and to all property personal and mixed located thereon (other than Excepted Property) and (b) the Company's right, title and interest in the generating stations described in Exhibit D hereto, as and to the extent, and subject to the terms and conditions, set forth in the Original Indenture; and it is further mutually covenanted and agreed as follows:

ARTICLE ONE

SECURITIES OF SERIES NO. 6

SECTION 101. Creation of Series No. 6.

There is hereby created a series of Securities designated "First Mortgage Bonds, 3.300% Series due 2025", and the Securities of such series shall:

(a) be issued initially in the aggregate principal amount of \$250,000,000 and shall be limited to such aggregate principal amount (except as contemplated in Section 301(b) of the Original Indenture); provided, however, that, as contemplated in the last paragraph of Section 301 of the Original Indenture, additional Securities of such series may be subsequently issued from time to time, without any consent of Holders of the Securities of such series, if and to the extent that, prior to each such subsequent issuance, the aggregate principal amount of the additional Securities then to be issued shall have been set forth in a Supplemental Indenture, and, thereupon, the Securities of such series shall be limited to such aggregate principal amount as so increased (except as aforesaid and subject to further such increases);

(b) be dated September 28, 2015;

(c) have a Stated Maturity of October 1, 2025, subject to prior redemption or purchase by the Company;

(d) have such additional terms as are established in an Officer's Certificate as contemplated in Section 301 of the Original Indenture; and

(e) be in substantially the form or forms established therefor in an Officer's Certificate, as contemplated by Section 201 of the Original Indenture.

SECTION 102. Creation of Series No. 7.

There is hereby created a series of Securities designated "First Mortgage Bonds, 4.375% Series due 2045", and the Securities of such series shall:

(a) be issued initially in the aggregate principal amount of \$250,000,000 and shall be limited to such aggregate principal amount (except as contemplated in Section 301(b) of the Original Indenture); provided, however, that, as contemplated in the last paragraph of Section 301 of the Original Indenture, additional Securities of such series may be subsequently issued from time to time, without any consent of Holders of the Securities of such series, if and to the extent that, prior to each such subsequent issuance, the aggregate principal amount of the additional Securities then to be issued shall have been set forth in a Supplemental Indenture, and, thereupon, the Securities of such series shall be limited to such aggregate principal amount as so increased (except as aforesaid and subject to further such increases);

- (b) be dated September 28, 2015;
- (c) have a Stated Maturity of October 1, 2045, subject to prior redemption or purchase by the Company;
- (d) have such additional terms as are established in an Officer's Certificate as contemplated in Section 301 of the Original Indenture; and
- (e) be in substantially the form or forms established therefor in an Officer's Certificate, as contemplated by Section 201 of the Original Indenture.

ARTICLE TWO

COVENANT

SECTION 201. Satisfaction and Discharge.

The Company hereby agrees that, if the Company shall make any deposit of money and/or Eligible Obligations with respect to any Securities of Series No. 6 or any Securities of Series No. 7, or any portion of the principal amount thereof, as contemplated by Section 901 of the Indenture, the Company shall not deliver an Officer's Certificate described in clause (z) in the first paragraph of said Section 901 unless the Company shall also deliver to the Trustee, together with such Officer's Certificate, either:

(a) an instrument wherein the Company, notwithstanding the satisfaction and discharge of its indebtedness in respect of such Securities, or portions of the principal amount thereof, shall retain the obligation (which shall be absolute and unconditional) to irrevocably deposit with the Trustee or Paying Agent such additional sums of money, if any, or additional Eligible Obligations (meeting the requirements of Section 901), if any, or any combination thereof, at such time or times, as shall be necessary, together with the money and/or Eligible Obligations theretofore so deposited, to pay when due the principal of and premium, if any, and interest due and to become due on such Securities or portions thereof, all in accordance with and subject to the provisions of said Section 901; provided, however, that such instrument may state that the obligation of the Company to make additional deposits as aforesaid shall be subject to the delivery to the Company by the Trustee of a notice asserting the deficiency accompanied by an opinion of an independent public accountant of nationally recognized standing, selected by the Trustee, showing the calculation thereof (which opinion shall be obtained at the expense of the Company); or

(b) an Opinion of Counsel to the effect that the beneficial owners of such Securities, or portions of the principal amount thereof, will not recognize income, gain or loss for United States federal income tax purposes as a result of the satisfaction and discharge of the Company's indebtedness in respect thereof and will be subject to United States federal income tax on the same amounts, at the same times and in the same manner as if such satisfaction and discharge had not been effected.

ARTICLE THREE

CORRECTIONS

SECTION 301. Correction of Certain Sections of the Indenture.

In accordance with Section 1401(l) of the Original Indenture, the Original Indenture is hereby corrected as set forth in Exhibit E hereto.

ARTICLE FOUR

MISCELLANEOUS PROVISIONS

SECTION 401. Single Instrument.

This Supplemental Indenture No. 4 is an amendment and supplement to the Original Indenture as heretofore amended and supplemented. As amended and supplemented by this Supplemental Indenture No. 4, the Original Indenture, as heretofore supplemented, is in all respects ratified, approved and confirmed, and the Original Indenture, as heretofore supplemented, and this Supplemental Indenture No. 4 shall together constitute the Indenture.

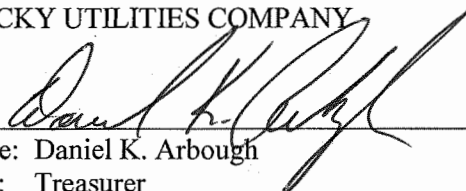
SECTION 402. Effect of Headings.

The Article and Section headings in this Supplemental Indenture No. 4 are for convenience only and shall not affect the construction hereof.

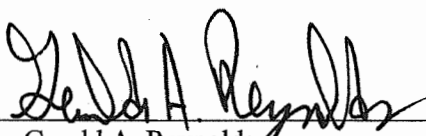
This instrument may be executed in any number of counterparts, each of which so executed shall be deemed to be an original, but all such counterparts shall together constitute but one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have caused this Supplemental Indenture No. 4 to be duly executed as of the day and year first written above.

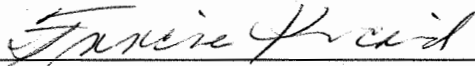
KENTUCKY UTILITIES COMPANY

By: 
Name: Daniel K. Arbough
Title: Treasurer

ATTEST:


Name: Gerald A. Reynolds
Title: General Counsel, Chief Compliance Officer and Corporate Secretary

THE BANK OF NEW YORK MELLON, as Trustee

By: 
Name: Francine Kincaid
Title: Vice President

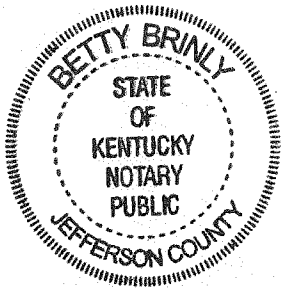
COMMONWEALTH OF KENTUCKY)
) ss.:
COUNTY OF JEFFERSON)

On this 17 day of September, 2015, before me, a notary public, the undersigned, personally appeared Daniel K. Arbough, who acknowledged himself to be the Treasurer of KENTUCKY UTILITIES COMPANY, a corporation of the Commonwealths of Kentucky and Virginia and that he, as such Treasurer, being authorized to do so, executed the foregoing instrument for the purposes therein contained, by signing the name of the corporation by himself as Treasurer.

In witness whereof, I hereunto set my hand and official seal.

Betty Brinly

Notary Public

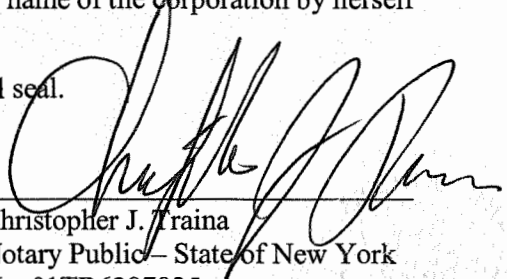


MY COMMISSION EXPIRES:
June 21, 2018

STATE OF NEW YORK)
) ss.:
COUNTY OF NEW YORK)

On this 17th day of September, 2015, before me, a notary public, the undersigned, personally appeared Francine Kincaid, who acknowledged herself to be a Vice President of THE BANK OF NEW YORK MELLON, a corporation and that she, as Vice President, being authorized to do so, executed the foregoing instrument for the purposes therein contained, by signing the name of the corporation by herself as Vice President.

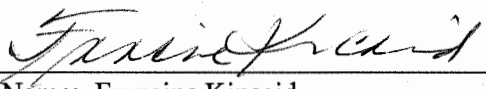
In witness whereof, I hereunto set my hand and official seal.

By: 
Christopher J. Traina
Notary Public – State of New York
No. 01TR6297825
Qualified in Queens County
My Commission Expires
March 03, 2018
Certified in New York County

The Bank of New York Mellon hereby certifies that its precise name and address as Trustee hereunder are:

The Bank of New York Mellon
101 Barclay Street, 7th Floor
New York, New York 10286
Attn: Corporate Trust Administration

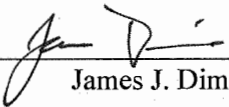
THE BANK OF NEW YORK MELLON, as Trustee

By: 
Name: Francine Kincaid
Title: Vice President

CERTIFICATE OF PREPARER

The foregoing instrument was prepared by:

James J. Dimas, Senior Corporate Attorney
Kentucky Utilities Company
220 West Main Street
Louisville, Kentucky 40202



James J. Dimas

EXHIBIT A

KENTUCKY UTILITIES COMPANY

**Bonds Issued and Outstanding
under the Indenture**

<u>Supplemental Indenture No.</u>	<u>Dated as of</u>	<u>Series No.</u>	<u>Series Designation</u>	<u>Date of Securities</u>	<u>Principal Amount Issued</u>	<u>Principal Amount Outstanding¹</u>
1	October 15, 2010	1	Collateral Series 2010	October 28, 2010	\$350,779,405	\$350,779,405
2	November 1, 2010	2	1.625% Series due 2015	November 16, 2010	\$250,000,000	\$250,000,000
		3	3.250% Series due 2020	November 16, 2010	\$500,000,000	\$500,000,000
		4	5.125% Series due 2040	November 16, 2010	\$750,000,000	\$750,000,000
3	November 1, 2013	5	4.65% Series due 2043	November 14, 2013	\$250,000,000	\$250,000,000

¹ As of September 1, 2015.

EXHIBIT B

KENTUCKY UTILITIES COMPANY

**Filing and Recording
of
Supplemental Indenture No. 3, dated as of November 1, 2013,
to
Indenture, dated as of October 1, 2010**

COUNTY NAME	BOOK & PAGE NUMBER
Adair	MB 325, Pg 73-104
Anderson	MB 513, Pg 525-556
Ballard	MB 69, Pg 99-130
Barren	MB 518, Pg 383
Bath	MB 208, Pg 718
Bell	MB 318, Pg 607-638
Bourbon	MB 562, Pg 355
Boyle	MB 655, Pg 496-527
Bracken	MB 276, Pg 461
Bullitt	MB 1522, Pg 250
Caldwell	MB 293, Pg 374
Carroll	MB 220, Pg 142-173
Casey	MB 231, Pg 760
Christian	MB 1353, Pg 55
Clark	MB 776, Pg 447
Clay	MB 210, Pg 402-433
Crittenden	MB 204, Pg 74
Estill	MB V9, Pg 646
Fayette	MB 7955, Pg 684
Fleming	MB 312, Pg 215
Franklin	MB 1300, Pg 358-389
Fulton	MB 177, Pg 1-32
Gallatin	MB 210, Pg 59-90
Garrard	MB 328, Pg 175
Grayson	MB 20-Y, Pg 524
Green	MB 285, Pg 381
Hardin	MB 2084, Pg 620
Harlan	MB 421, Pg 725
Harrison	MB 368, Pg 555
Hart	MB 344, Pg 116
Henry	MB 319, Pg 819
Hickman	MB 107, Pg 274

Hopkins	MB 1090, Pg 714
Jessamine	MB 1164, Pg 410
Knox	MB 408, Pg 685
Larue	MB 327, Pg 90
Laurel	MB 1057, Pg 70
Lee	MB 108, Pg 288
Lincoln	MB 411, Pg 439-470
Livingston	MB 288, Pg 105
Lyon	MB 222, Pg 470
Madison	MB 1549, Pg 383
Marion	MB 378, Pg 740
Mason	MB 410, Pg 281
McCracken	MB 1416, Pg 430
McLean	MB 183, Pg 1
Mercer	MB 589, Pg 414
Montgomery	MB 493, Pg 755
Muhlenberg	MB 647, Pg 458
Nelson	MB 1022, Pg 821
Nicholas	MB 145-392
Ohio	MB 487, Pg 376
Oldham	MB 2100, Pg 575-606
Owen	MB 249, Pg 79-110
Pendleton	MB 322, Pg 624-655
Pulaski	MB 1388, Pg 22
Robertson	MB 60, Pg 531
Rockcastle	MB 47, Pg 413-444
Rowan	MB A343-151
Russell	MB 361, Pg 375
Scott	MB 1166, Pg 772
Shelby	MB 933, Pg 45-76
Taylor	MB 521, Pg 724
Trimble	MB 197, Pg 23-54
Union	MB 405, Pg 405
Washington	MB 0339, Pg 0056
Webster	MB 314, Pg 391
Whitley	MB 574, Pg 374-405
Woodford	MB 717, Pg 543

EXHIBIT C

KENTUCKY UTILITIES COMPANY

Real Property

Schedule of real property owned in fee located in the Commonwealth of Kentucky

Hardin County, Kentucky:

Being Lot 2A Junior Welding Subdivision, Lots 1 and 2 as Amended, to Hardin County, Kentucky, per plat of said subdivision of record in Plat Cabinet 1, Sheet 5753, in the Hardin County Clerk's Office.

Being the same property conveyed to Kentucky Utilities Company by Deed dated September 11, 2015, of record in Deed Book 1414, Page 383 in the Office of the Clerk of Hardin County, Kentucky.

Livingston County, Kentucky:

This being all of Tract 3 of that property acquired by Kentucky Alltel, Inc., by deed from Verizon South, Inc., dated the 26th day of July, 2002, and of record in Deed Book 207, page 389, in the Livingston County Court Clerk's Office and being more particularly described as follows:

BEGINNING at an iron pin set (5/8" x 18" rebar with aluminum cap bearing PLS-3916, as will typical for all set corner monuments), located on the west edge of right-of-way of US Hwy 60 (D.B. 62, Pg. 512), said pin being 55' west from the centerline of US Hwy 60 and also being approximately 1.52 miles south of the intersection of centerlines of KY Hwy 452 and US Hwy 60 in the town of Smithland, said pin being on the northern boundary line of Jim Smith Contracting Co., Inc. (Tract 1, D.B. 176, Pg. 18), said pin lying near the community of Smithland, Livingston County, Kentucky and having Kentucky State Plane South Zone Coordinates (NAD83) of N=1937130.807 E=867123.897 and being the POINT OF BEGINNING for this description;

Thence leaving the line of Jim Smith Contracting Co., Inc. and with the western edge of right-of-way of US Hwy 60, with a CURVE to the LEFT having a RADIUS of 2,809.90 feet and a chord bearing & distance of N08°49'13"E – 199.11 feet to a point, said point being on the southern boundary line of Jim Smith Contracting Co., Inc. (Parcel 1 – Tract 1, D.B. 136, Pg. 293) and being on the western right-of-way of US Hwy 60;

Thence leaving the right-of-way of US Hwy 60 and with the line of Jim Smith Contracting Co., Inc. (Parcel 1 – Tract 1, D.B. 136, Pg. 293), S87°05'53"W – 174.46 feet to a 1" Iron Pipe Found and S70°49'42"W – 98.29 feet to an 1" Iron Pipe Found, said pipe being on the southern boundary line of Jim Smith Contracting Co., Inc. (Parcel 1 – Tract 1, D.B. 136, Pg. 293) and being the on the western boundary line of Jim Smith Contracting Co., Inc. (Tract 1, D.B. 176, Pg. 18);

Thence leaving the line of Jim Smith Contracting Co., Inc. (Parcel 1 – Tract 1, D.B. 136, Pg. 293) and with the line of Jim Smith Contracting Co., Inc. (Tract 1, D.B. 176, Pg. 18) the following three (3) courses: S20°17'54"E – 120.77 feet to an iron pin set, S70°26'19"E – 113.37 feet to an iron pin set, and S87°07'05"E – 87.93 feet to the Point of Beginning and containing 0.915 acres by survey.

All bearings are referenced to grid north of the Kentucky State Plane Coordinate System – South Zone (NAD83).

The above legal description was created per the physical survey by David L. King II, AGE Engineering Services, Inc., Ky. R.L.S. #3916, dated July 31, 2014.

BEING the same property conveyed to Kentucky Utilities Company by Deed dated October 20, 2014, of record in Deed Book 248, Page 165 in the Office of the Clerk of Livingston County, Kentucky.

Mercer County, Kentucky:

BEGINNING at an iron pin found (PLS# 3118) on the eastern edge of right-of-way of the Norfolk Southern Railway Company (D.B. 104, Pg. 280), said pin was set during the survey the Kentucky Utilities Company (D.B. 328, Pg. 007) property in 2011, said pin also being 100' east of the Railroad centerline and being the Southwest Corner of Kentucky Utilities Company (D.B. 328, Pg. 007), said pin having Kentucky State Plane Coordinate System – South Zone Coordinates of N=2166662.24, E=1936109.81 lying in Mercer County, Kentucky, said point also being S05°28'37"W – 3162.76 feet from the Southeast corner of the Curdsville Bridge Abutment over the Norfolk Southern Railway Company and being the Point of Beginning for this description;

Thence leaving the corner of Norfolk Southern Railway Company and with the line of Kentucky Utilities Company (D.B. 328, Pg. 007), for the following six courses: N87°38'08"E – passing an iron found (PLS#3816) at 2.82 feet and continuing an additional 1449.80 feet for a total distance of 1452.62 feet to an iron pin found PLS #3816, S38°06'58"E – 98.94 feet to an iron pin found PLS #3816, S48°20'38"E – 124.02 feet to an iron pin found PLS #3816, S16°11'02"E – 120.12 feet to an iron pin found (cap unreadable), S30°57'02"E – 250.95 feet to an iron pin found PLS #3816 and S67°55'13"E – 61.50 feet to an iron pin found PLS #3816 at the 760' elevation of Herrington Lake, said pin being a corner of Kentucky Utilities Company (D.B. 328, Pg. 007), and being a corner of Kentucky Utilities Company (D.B. 101, Pg. 491 and D.B. 106, Pg. 270);

Thence leaving the corner of Kentucky Utilities Company (D.B. 328, Pg. 007) and with the line of Kentucky Utilities Company (D.B. 101, Pg. 491 and D.B. 106, Pg. 270) and with the 760 Elevation along Herrington Lake for the following sixteen courses: S56°43'25"E - 118.72 to an iron pin set (5/8" x 18" rebar with a 2" aluminum cap bearing PLS-3118- as will be typical for all set corner monuments), S78°31'57"E -157.28 feet to an iron pin set, S72°58'39"E - 141.20 feet to an iron pin set, S78°36'02"E - 241.55 feet to an iron pin set, S84°51'06"E - 248.49 feet to an iron pin set, S73°20'54"E - 136.13 feet to an iron pin set, N87°20'26"E - 201.56 to an iron pin set, S05°21'17"E - 22.50 feet to an iron pin set, S29°05'28"W - 280.31 feet to a point, S20°50'34"W - 178.62 feet to an iron pin set, S09°10'37"W - 79.31 feet to an iron pin set, S05°25'11"E - 171.59 feet to a point, S03°43'30"E - 348.86 feet to a point, S02°55'52"E - 110.50 feet to a point, S59°19'08"W - 186.13 feet to a point, and S57°19'33"W 209.69 feet to a point, said point being on the 760 elevation of Herrington Lake, a corner of Kentucky Utilities Company (D.B. 101, Pg. 491 and D.B. 106 Pg. 270) and being the eastern most corner of Andrea Perkins (D.B. 301, Pg. 593 Tract 8-1 Plat Book 5, Page 38);

Thence leaving the 760 elevation and Kentucky Utilities Company (D.B. 101, Pg. 491 and D.B. 106, Pg. 270) and with the line of Andrea Perkins (D.B. 301 Pg. 593 Tract 8-1 Plat Book 5, Page 38), N55°42'48"W - passing an iron witness pin set on line at 9.34 feet and then continuing an additional 79.52 feet for a total distance of 88.86 feet to an iron pin found PLS #1880, and N54°53'03"W 65.41 feet to an iron pin set;

Thence continuing first with the property line of Andrea Perkins (D.B. 301, Pg. 593 Tract 8-1 Plat Book 5, Page 38), and second with the property line of Billy Neeley (D.B. 293, Pg. 537 Tract 7 Plat Cab. A, Slide 429), and with or near a woven wire fence N51°43'10"W - 1338.59 feet to an iron pin set at a corner post, said corner post being a corner of Billy Neeley (D.B. 293, Pg. 537 Tract 7 Plat Cab. A, Slide 429);

Thence first with the property line of Billy Neeley (D.B. 293, Pg. 537 Tract 7 Plat Cab. A, Slide 429), and second with the property line of Walter Gross (D.B. 330, Pg. 671 Tract 3, 4, 5 and 6 Plat Cab. A, Slide 429), S79°33'37"W - 533.19 feet to an iron pin set at a found 24" Hackberry tree, being a corner of Walter Gross;

Thence continuing with the line of Walter Gross, S30°30'15"W - 166.64 feet to a 1/2" iron rebar found at a corner post, said pin being a western corner of Walter Gross;

Thence continuing on first with the property line of Walter Gross (D.B. 330, Pg. 671 Tract 3, 4, 5, and 6 Plat Cab. A, Slide 429) and secondly with the property line of Warren Davis (D.B. 225, Pg. 243, Tract 1 and 2 Plat Cab. A, Slide 429) and thirdly with the line of Peter Motto (D.B. 278, Pg. 320 Tract 2-A Plat Cab. A, Slide 366) S25°20'09"W - 1607.57 feet to a 1/4" iron pin found on the Northeast edge of right-of-way of Mallard Cove (Plat Book 5, Pg. 38 & 40), being 24.25 feet north of the centerline of said road;

Thence leaving the line of Peter Motto and with the north edge of right-of-way of Mallard Cove, N21°13'11"W - 564.80 feet to an iron pin set, being 27.26 feet Northeast of Centerline, N36°28'11"W - 609.40 feet to an iron pin set, being 28.33 feet Northeast of Centerline, N34°29'16"W - 87.37 feet to a point, N29°17'47"W - 362.91 feet to an iron pin set being 41.69 feet Northeast of Centerline and N71°20'24"W - 75.07 feet a point, said point on the north edge of right-of-way of Mallard Cove and being the Southeast corner of Sam Sadler (D.B. 230, Pg. 246);

Thence leaving the right-of-way of Mallard Cove and with the line of Sam Sadler, N02°25'15"W - passing an iron pin found (PLS # 1880) at 2.67 feet and continuing an additional 115.46 feet for a total distance of 118.13 feet to an iron pin found (PLS# 1880), N00°19'07"W - 123.50 feet to an iron pin found (PLS# 1880), N00°18'13"W - 29.44 feet to an iron pin set and N32°45'30"E - 282.42 feet to an iron pin found (PLS# 1880) and N58°25'08"W - 239.67 feet to an iron pin found (PLS# 1880) at a corner post being on the southeast edge of right-of-way of the Norfolk Southern Railway Company (D.B. 104, Pg. 280);

Thence leaving the corner of Sadler and with the line of the Norfolk Southern Railway, N19°42'48"W - 22.39 feet to an iron pin set, said pin being 100' southeast of the centerline of Rail Road and with a curve to the Left having a Radius of 2010.1 feet, a Chord Bearing and Distance of N50°06'23"E - 1143.75 feet to the Point of Beginning and containing 124.140 acres by survey.

The above legal description was created per the physical survey and Minor Plat prepared by Douglas G. Gooch, AGE Engineering Services, Inc., Ky. R.L.S. #3118, dated the 20th day of November, 2014, which is of record in Plat Cabinet D, Page 94, in the Office of the Clerk of Mercer County, Kentucky.

BEING the same property conveyed to Kentucky Utilities Company by Deed dated December 8, 2014, of record in Deed Book 342, Page 189 in the Office of the Clerk of Mercer County, Kentucky.

Muhlenberg County, Kentucky:

This being all of that remaining property acquired by Ray C. Dunlap by deed from Doyle Blankenship, dated the 9th day of November, 2000, and of record in Deed Book 481, page 380, in the Muhlenberg County Court Clerk's Office.

BEGINNING at an iron pin set (5/8" x 18" rebar with aluminum cap bearing PLS-3916, as will be typical for all set corner monuments), on the east edge of right-of-way being 35' from the centerline of US Hwy 431 (D.B. 134, PG. 407) of US Hwy 431, said pin having KY South Zone (NAD 83) Coordinates of N=2016398.88 E=1238112.26, being approximately 0.47 miles south from the intersection of centerlines of the Green River Power Plant Road and US Hwy 431, said point also being witnessed by a existing wood fence corner post being S52°32'03"E – 13.22 feet from said pin and said pin also being referenced by a 38" Oak Tree located on the east side of US Hwy 431 and being S07°42'07"E – 29.17 feet from said pin set and said pin also being referenced by a 29" Oak Tree (with wire through the middle) located on the west side of US Hwy 431, said tree being N59°26'42"W – 71.93 feet from said pin, said pin also being the Northwest Corner of Clarence J. Turner, Jr (D.B. 377, Pg. 601- Tract 2) and being the POINT OF BEGINNING for this description; Thence leaving the corner of Turner and with the eastern right-of-way of US Hwy 431 (D.B. 134, Pg. 407), N22°16'18"E - 268.24 to an iron pin set 34.05 feet from centerline, a said pin being a corner of right-of-way of the Commonwealth of KY (D.B. 134, Pg. 407 and D.B. 506, Pg. 201- Tract A);

Thence leaving the right-of-way dedicated in D.B. 134, Pg. 407 and with the right-of-way dedicated in D.B. 506, Pg. 201 –Tract A the following four (4) courses: N42°48'35"E - 159.92 feet to an iron pin set 89.53 feet from centerline, N22°31'16"E - 50.00 feet to an iron pin set 89.59 feet from centerline, N19°27'07"E - 186.77 feet to an iron pin set 80.14 feet from centerline, with a curve to the LEFT having a RADIUS of 1989.86 feet and a CHORD BEARING and DISTANCE of N16°18'50"E - 430.31 feet to an iron pin set 80.20 feet from centerline, said pin being a corner of right-of-way of the Commonwealth of KY (D.B. 134, Pg. 407 and D.B. 506, Pg. 201- Tract A);

Thence leaving the right-of-way dedicated in D.B. 506, Pg. 201 –Tract A and with the right-of-way dedicated in D.B. 134, Pg. 407 the following seven (7) courses: N22°21'53"E - 57.99 feet to a point and with a curve to the LEFT having a RADIUS of 990.40 feet and a CHORD BEARING and DISTANCE of N13°07'57" E - 317.80 feet to an iron pin set, said pin being 143.57 feet from centerline, S86°06'00"E - 5.00 feet to a pin, said pin being 148.57 feet from centerline, with a curve to the LEFT having a RADIUS of 995.40 feet and a CHORD BEARING and DISTANCE of N00°44'52" W - 161.31 feet to an iron pin set 153.47 feet from centerline, S84°36'16"W - 5.00 feet to an iron pin set 148.47 feet from centerline, with a curve to the LEFT having a RADIUS of 990.40 feet and a CHORD BEARING and DISTANCE N18°14'25"W - 440.35 feet to a point and N31°05'07"W - 13.34 feet to an iron pin set 90.48 feet from centerline, said pin being a corner of right-of-way of the Commonwealth of KY (D.B. 134, Pg. 407 and D.B. 506, Pg. 201- Tract B);

Thence leaving the right-of-way dedicated in D.B. 134, Pg. 407 and with the right-of-way dedicated in D.B. 506, Pg. 201 –Tract B with a curve to the LEFT having a RADIUS of 1999.86 feet and a CHORD BEARING and DISTANCE of N20°58'47"W - 237.10 feet to an iron pin set 90.00 feet from centerline, said pin being the South West corner of Kentucky Utilities Company (D.B. 162, Pg. 552);

Thence leaving the right-of-way of US Hwy 431 and with the line of Kentucky Utilities Company, S75°28'49"E – passing an iron witness pin set at 3078.83 feet, said pin set at the base of a 28" Sycamore Tree Found and continuing at the same bearing an additional 2.72 feet for a total distance of 3081.55 feet to the center of a 28" Sycamore Tree Found on western bank of the Green River, said tree being the southeast corner of Kentucky Utilities Company (D.B. 162, Pg. 552);

Thence leaving the line of Kentucky Utilities Company and with western bank of the Green River the following five (5) courses: S43°40'46"W – 320.70 feet to a point, S40°44'15"W – 302.68 feet to a point, S40°06'26"W – 211.40 feet to a point, S32°41'04"W – 37.35 feet to a point and S18°05'27"W – 17.02 feet to an iron pin set on the western bank of the Green River, said pin being approximately 19' Northeast from the northern bank of a Manmade Diversion Ditch and being on the line of Clarence J. Turner, Jr. (D.B. 377, Pg. 601 – Tract 2);

Thence leaving the western bank of the Green River and with the line of Clarence J. Turner, Jr, N58°52'23"W – 330.00 feet to an iron pin set on the side a hill, said corner being referenced by a 40" Oak Tree being S51°30'30"E – 122.64 feet from said corner; Thence continuing with the line of Clarence J. Turner, Jr., S41°07'37"W – 2178.00 feet to an iron pin set at the Top of Bank of a Manmade Diversion Ditch; Thence continuing with the line of Turner, N52°32'03"W – passing the center of a 30" Oak Tree with old wire grown through the middle at 11.95 feet and continuing at the same bearing an additional 1200.80 feet for total distance of 1212.75 feet to the POINT OF BEGINNING and containing 104.629 acres by survey.

All bearings are referenced to grid north of the Kentucky State Plane Coordinate System – South Zone (NAD83).

The above legal description was created per the physical survey by David L. King II, AGE Engineering Services, Inc., Ky. R.L.S. #3916, dated June 18, 2014.

BEING the same property conveyed to Kentucky Utilities Company by Deed dated July 15, 2014, of record in Deed Book 569, Page 849 in the Office of the Clerk of Muhlenberg County, Kentucky.

EXHIBIT D

KENTUCKY UTILITIES COMPANY

Generating Facilities

Schedule of additional generating stations located in the Commonwealth of Kentucky

1. An undivided 78% interest in Unit 7 of the Cane Run Generating Station, located in Jefferson County, Kentucky, the remaining undivided 22% interest in Unit 7 being owned by Louisville Gas and Electric Company.
2. An undivided 62% interest in each of Unit 6 and Unit 7 of E.W. Brown Generating Station, located in Mercer County, Kentucky, the remaining 38% undivided interest in such Units being owned by Louisville Gas and Electric Company.

EXHIBIT E

KENTUCKY UTILITIES COMPANY

Corrections to Original Indenture

1. Clause (d) of the exceptions to the granting clauses under "EXCEPTED PROPERTY" in the Original Indenture is hereby corrected by inserting "(b)," immediately following the words "referred to in clause".
2. Clause (p) in the third paragraph of Section 301 of the Original Indenture is hereby corrected by deleting the word "Eight" in each instance and replacing such word with the word "Nine" in each instance.
3. Clause (e) in the first paragraph of Section 806 of the Original Indenture is hereby corrected by deleting the word "Eight" and replacing such word with the word "Nine".
4. The fourth paragraph of Section 1107 of the Original Indenture is hereby corrected by deleting the word "Eight" and replacing such word with the word "Nine".

KENTUCKY UTILITIES COMPANY

TO

THE BANK OF NEW YORK MELLON,

Trustee

**Supplemental Indenture No. 5
dated as of August 1, 2016**

**Supplemental to the Indenture
dated as of October 1, 2010**

Establishing

First Mortgage Bonds, Collateral Series 2016CCA

SUPPLEMENTAL INDENTURE NO. 5

SUPPLEMENTAL INDENTURE No. 5, dated as of the 1st day of August, 2016, made and entered into by and between KENTUCKY UTILITIES COMPANY, a corporation duly organized and existing under the laws of the Commonwealths of Kentucky and Virginia, having its principal corporate offices at One Quality Street, Lexington, Kentucky 40507 (hereinafter sometimes called the "Company"), and THE BANK OF NEW YORK MELLON, a New York banking corporation, having its corporate trust office at 500 Ross Street, 12th Floor, Pittsburgh, Pennsylvania 15262 and having its principal place of business at 225 Liberty Street, New York, New York 10281 (hereinafter sometimes called the "Trustee"), as Trustee under the Indenture, dated as of October 1, 2010 (hereinafter called the "Original Indenture"), between the Company and said Trustee, as heretofore supplemented, this Supplemental Indenture No. 5 being supplemental thereto. The Original Indenture, as heretofore supplemented, and this Supplemental Indenture No. 5 are hereinafter sometimes, collectively, called the "Indenture."

Recitals of the Company

The Original Indenture was authorized, executed and delivered by the Company to provide for the issuance from time to time of its Securities (such term and all other capitalized terms used herein without definition having the meanings assigned to them in the Original Indenture), to be issued in one or more series as contemplated therein, and to provide security for the payment of the principal of and premium, if any, and interest, if any, on such Securities.

The Company has heretofore executed and delivered supplemental indentures for the purpose of creating series of Securities as set forth in Exhibit A hereto.

The Original Indenture and Supplemental Indentures No. 1, No. 2 and No. 3, and financing statements in respect thereof, have been duly recorded and filed in the various official records in the Commonwealth of Kentucky as set forth in Supplemental Indenture No. 4.

Supplemental Indenture No. 4 has been duly recorded and filed in the various official records in the Commonwealth of Kentucky as set forth in Exhibit B hereto.

Pursuant to Article Three of the Original Indenture, the Company wishes to establish a series of Securities, such series of Securities to be hereinafter sometimes called "Securities of Series No. 8".

As contemplated in Section 301 of the Original Indenture, the Company further wishes to establish the designation and certain terms of the Securities of Series No. 8. The Company has duly authorized the execution and delivery of this Supplemental Indenture No. 5 to establish the designation and certain terms of such series of Securities and has duly authorized the issuance of such Securities; and all acts necessary to make this Supplemental Indenture No. 5 a valid agreement of the Company, and to make the Securities of Series No. 8 valid obligations of the Company, have been performed.

NOW, THEREFORE, THIS SUPPLEMENTAL INDENTURE NO. 5 WITNESSETH, that, for and in consideration of the premises and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and in order to secure the payment of the principal of and premium, if any, and interest, if any, on all Securities from time to time Outstanding and the performance of the covenants therein and in the Indenture contained, the Company hereby grants, bargains, sells, conveys, assigns, transfers, mortgages, pledges, sets over and confirms to the Trustee, and grants to the Trustee a security interest in and lien on, the real property specifically referred to in Exhibit C attached hereto and incorporated herein by reference and all right, title and interest of the Company in and to all property personal and mixed located thereon (other than Excepted Property), as and to the extent, and

subject to the terms and conditions, set forth in the Original Indenture, as heretofore amended; and it is further mutually covenanted and agreed, for the benefit of the Holders of the Securities of Series No. 8, as follows:

ARTICLE ONE

SECURITIES OF SERIES NO. 8

SECTION 101. Creation of Series No. 8.

There is hereby created a series of Securities designated "First Mortgage Bonds, Collateral Series 2016CCA", and the Securities of such series shall:

- (a) be issued in the aggregate principal amount of \$96,000,000 and shall be limited to such aggregate principal amount (except as contemplated in Section 301(b) of the Original Indenture);
- (b) be dated August 25, 2016;
- (c) have a Stated Maturity of September 1, 2042, subject to prior redemption by the Company;
- (d) have such additional terms as are established in an Officer's Certificate as contemplated in Section 301 of the Original Indenture; and
- (e) be in substantially the form or forms established therefor in an Officer's Certificate, as contemplated by Section 201 of the Original Indenture.

ARTICLE TWO

MISCELLANEOUS PROVISIONS

SECTION 201. Single Instrument.

This Supplemental Indenture No. 5 is an amendment and supplement to the Original Indenture as heretofore amended and supplemented. As amended and supplemented by this Supplemental Indenture No. 5, the Original Indenture, as heretofore supplemented, is in all respects ratified, approved and confirmed, and the Original Indenture, as heretofore supplemented, and this Supplemental Indenture No. 5 shall together constitute the Indenture.

SECTION 202. Trustee.

The Trustee accepts the amendment of the Original Indenture effected by this Supplemental Indenture No. 5 upon the terms and conditions set forth in the Original Indenture, as heretofore amended and supplemented, including the terms and provisions defining and limiting the liabilities and responsibilities of the Trustee, which terms and provisions shall in like manner define and limit its liabilities and responsibilities in the performance of the trust created by the Original Indenture, as heretofore amended and supplemented, and as hereby amended. The Recitals of the Company contained in this Supplemental Indenture No. 5 shall be taken as the statements of the Company, and the Trustee assumes no responsibility for their correctness and makes no representations as to the validity or sufficiency of this Supplemental Indenture No. 5.

SECTION 203. Effect of Headings.

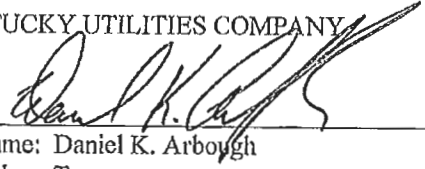
The Article and Section headings in this Supplemental Indenture No. 5 are for convenience only and shall not affect the construction hereof.

This instrument may be executed in any number of counterparts, each of which so executed shall be deemed to be an original, but all such counterparts shall together constitute but one and the same instrument.

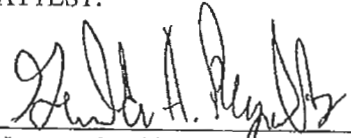
IN WITNESS WHEREOF, the parties hereto have caused this Supplemental Indenture No. 5 to be duly executed as of the day and year first written above.

KENTUCKY UTILITIES COMPANY

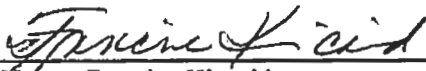
By: _____


Name: Daniel K. Arbough
Title: Treasurer

ATTEST:


Name: Gerald A. Reynolds
Title: General Counsel, Chief Compliance
Officer and Corporate Secretary

THE BANK OF NEW YORK MELLON, as Trustee

By: 
Name: Francine Kincaid
Title: Vice President

COMMONWEALTH OF KENTUCKY)
) ss.:
COUNTY OF JEFFERSON)

On this // day of August, 2016, before me, a notary public, the undersigned, personally appeared Daniel K. Arbough, who acknowledged himself to be the Treasurer of KENTUCKY UTILITIES COMPANY, a corporation of the Commonwealths of Kentucky and Virginia and that he, as such Treasurer, being authorized to do so, executed the foregoing instrument for the purposes therein contained, by signing the name of the corporation by himself as Treasurer.

In witness whereof, I hereunto set my hand and official seal.



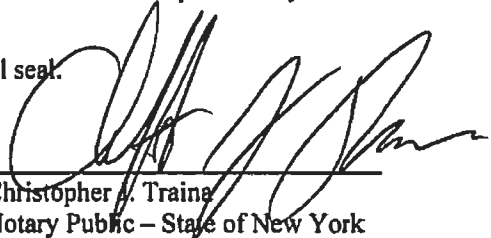
Betty Brinly
Notary Public

MY COMMISSION EXPIRES:
June 21, 2018

STATE OF NEW YORK)
) ss.:
COUNTY OF NEW YORK)

On this 9th day of August, 2016, before me, a notary public, the undersigned, personally appeared Francine Kincaid, who acknowledged herself to be a Vice President of THE BANK OF NEW YORK MELLON, a corporation and that she, as Vice President, being authorized to do so, executed the foregoing instrument for the purposes therein contained, by signing the name of the corporation by herself as Vice President.

In witness whereof, I hereunto set my hand and official seal.

By: 
Christopher A. Traina
Notary Public – State of New York
No. 01TR6297825
Qualified in Queens County
Certified in New York County
My Commission Expires
March 03, 2018

The Bank of New York Mellon hereby certifies that its precise name and address as Trustee hereunder are:

The Bank of New York Mellon
500 Ross Street, 12th Floor
Pittsburgh, Pennsylvania 15262
Attn: Corporate Trust Administration

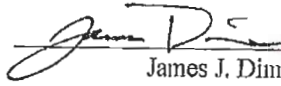
THE BANK OF NEW YORK MELLON, as Trustee

By: 
Name: Francine Kincaid
Title: Vice President

CERTIFICATE OF PREPARER

The foregoing instrument was prepared by:

James J. Dimas, Senior Corporate Attorney
Kentucky Utilities Company
220 West Main Street
Louisville, Kentucky 40202


James J. Dimas