COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF LOUISVILLE GAS AND ELECTRIC COMPANY FOR AN ORDER AUTHORIZING THE ISSUANCE OF SECURITIES AND THE ASSUMPTION OF OBLIGATIONS	**)))))**	**CASE NO. 2017-00081**

<u>VERIFIED APPLICATION</u>

Louisville Gas and Electric Company ("LG&E" or the "Company") hereby requests, pursuant to KRS 278.300, that the Commission authorize LG&E to incur debt in the form of First Mortgage Bonds in a principal amount not to exceed $300,000,000. LG&E further requests that the Commission authorize LG&E to issue up to $60,000,000 of debt obligations in connection with the refunding of the $60,000,000 County of Trimble 2007 Series A bonds ("2007 Trimble County Bonds") previously issued on LG&E's behalf. In support of its Application, LG&E states as follows:

1. LG&E's full name is Louisville Gas and Electric Company. The post office address of LG&E is 220 West Main Street, Louisville, Kentucky 40202. LG&E was incorporated in Kentucky on July 2, 1913 and LG&E is currently in good standing. LG&E can be reached at the email addresses of the counsel listed below.

2. LG&E is a utility as defined by KRS 278.010(3)(a) and (b) and as of December 31, 2016, provides retail electric service to approximately 407,000 customers in nine counties in Kentucky, and retail gas service to approximately 324,000 customers in seventeen counties in Kentucky. A description of LG&E's properties is set out in Exhibit 1 to this Application.

3. LG&E obtains financing through numerous sources of capital, including the forms of debt that are the subject of this Application. LG&E does not assign specific financing to any particular project or use, and does not project-finance capital projects. All components of LG&E's capital structure are used to fund capital expenditures. Thus, the uses cited below are general reasons for LG&E's need to incur first mortgage bond debt, rather than projects to which specific financing will be assigned.

FIRST MORTGAGE BOND DEBT

4. LG&E requests, pursuant to KRS 278.300, that the Commission authorize it to incur additional long-term debt in the form of First Mortgage Bonds in a principal amount not to exceed $300,000,000 (the "First Mortgage Bonds").

5. The First Mortgage Bonds will be used to pay down LG&E's short-term debt balance, and also to fund construction projects LG&E anticipates incurring. As LG&E explained in Case No. 2014-00089, the Company planned to spend approximately $1.3 billion in construction costs that were largely attributable to a new 640 MW combined cycle combustion turbine unit at the Cane Run Generating Station in Jefferson County and new pollution control equipment at the Mill Creek generating station in Jefferson County.[1] In that case, in which LG&E obtained approval to issue first mortgage bonds in a principal amount not to exceed $550,000,000,[2] the Company explained that these facilities were described in the Amended and Restated Engineering, Procurement and Construction Agreement between Louisville Gas and Electric Company and Zachry Industrial, Inc. ("Zachry" contract) and the Engineering, Procurement and Construction Agreement between Louisville Gas and Electric Company and

[1] *In the Matter of: Application of Louisville Gas and Electric Company for an Order Authorizing the Issuance of Securities and the Assumption of Obligations.*
[2] $250 million of the $550 million was used to repay a maturing bond.

Kentucky Utilities Company and PCL Industrial Construction Co., and Overland Construction, Inc. Those contracts were exhibits to LG&E's application in that case.

6. Since completing the financing authorized in Case No. 2014-00089, LG&E has incurred approximately $178 million under the Zachry contract that has principally been funded with short-term debt. LG&E incorporates the previously-filed Zachry contract as if set forth herein. Approximately $36 million of the remaining short-term debt balance is attributable to the costs incurred to construct coal combustion residuals treatment and transport facilities as described in the Trimble County Generating Station Coal Combustion Residuals Treatment Project Engineering, Procurement and Construction Agreement Between Louisville Gas and Electric Company, and Kentucky Utilities Company, and Illinois Municipal Electric Agency, collectively, as Owner and Amec Foster Wheeler Kamtech, Inc. as Contractor ("Amec" contract). A copy of the Amec contract is attached as Exhibit 2. By Petition accompanying this Application, LG&E requests confidential protection for portions of this contract. The Company seeks to pay down its short-term debt incurred to fund capital expenditures with the proceeds of the First Mortgage Bonds for which approval is being requested in this case.

7. The First Mortgage Bonds proceeds will also be used to pay down short-term debt that will accumulate through the remainder of 2017 arising from construction costs for projects approved in Case No. 2016-00027. In Case No. 2016-00027,[3] the Commission granted certificates of public convenience and necessity for the closure of five surface impoundments and the construction of a process-water system at the Mill Creek Generating Station, and the closure of two surface impoundments and the construction of a process-water system at the Trimble County Generating Station. The total capital cost of these new pollution-control

[3] *In the Matter of: Application of Louisville Gas and Electric Company for Certificates of Public Convenience and Necessity and Approval of its 2016 Compliance Plan for Recovery by Environmental Surcharge*.

projects is estimated to be approximately $315.9 million.[4] The costs of these projects are reflected in LG&E's capital budget that is attached as Exhibit 3. No construction contracts have yet been signed for this work.[5]

8. The Company's Mortgage Indenture (the "Indenture") authorizes it to issue, from time to time, first mortgage bonds of one or more series, with each series having such date, maturity date(s), interest rate(s), and other terms as may be established by a supplemental indenture executed by the Company in connection with such series. All bonds issued under the Indenture would be equally and ratably secured by a first mortgage lien, subject to permitted encumbrances and exclusions, on substantially all of the Company's permanently fixed properties in Kentucky. A copy of the form of the Indenture has been previously filed with the Commission in Case No. 2015-00138.[6]

9. The First Mortgage Bonds may be sold at various times through the remainder of 2017 in one or more underwritten public offerings, negotiated sales, or private placement transactions utilizing the proper documentation. The Company is currently considering issuing a new bond in an amount of up to $300 million of bonds authorized in Case Nos. 2012-00233 and 2014-00089 in smaller amounts that could aggregate to up to $300 million.

10. The First Mortgage Bonds of each series would be issued and secured by the Indenture as to be further supplemented and amended by a supplemental indenture creating the bonds of such series. Such supplemental indenture would set forth the terms and provisions of such series, including without limitation, the maturity date(s), interest rate(s), redemption

[4] *See* the Commission's August 8, 2016 Order in Case No. 2016-00027.

[5] Regarding 807 KAR 5:001, Section 18(2)(c), no property is being acquired, but maps, plans, and detailed estimates of the anticipated construction were provided in Case No. 2016-00027 and are incorporated as if set forth herein if necessary to the Commission's consideration of this Application.

[6] Supplemental Indentures executed on September 1, 2015 and September 1, 2016 were filed with the Commission in Case No. 2016-00131.

provisions and other applicable terms. The price, maturity date(s), interest rate(s), and the redemption provisions, and other terms and provisions of each series of First Mortgage Bonds (including, if all or a portion of the First Mortgage Bonds bear a variable rate of interest, the method for determining the interest rates), would be determined on the basis of negotiations among LG&E and the underwriters, agents, or other purchasers of such First Mortgage Bonds. The amount of compensation to be paid to underwriters or agents for their services would not exceed one percent (1 %) of the principal amount of the First Mortgage Bonds of the series to be sold. Based upon past experience with similar financings, LG&E estimates that issuance costs, excluding underwriting fees, would be approximately $400,000.

11. Because of the historical spread between long-term fixed interest rates and short-term rates, all or a portion of the bonds could be issued with an interest rate that fluctuates on a quarterly or semi-annual basis.

12. In connection with the issuance of First Mortgage Bonds, LG&E may enter into one or more interest rate hedging agreements (including an interest rate cap, swap, collar, or similar agreement, collectively, the "Hedging Facility") through an affiliate company, or directly with a bank or financial institution (the "Counterparty"). If LG&E elects to issue variable rate bonds, the Hedging Facility would be an interest rate agreement designed to allow LG&E to actively manage and limit its exposure to changes in interest rates. If a fixed rate bond is issued, the Hedging Facility would be designed to lower LG&E's exposure to changes in long term rates between the date of the Hedging Facility and the bond issuance date or to lower the volatility in the value of the bond if the Hedging Facility is entered into after the bond is issued. LG&E may establish regulatory assets or liabilities for the losses and gains arising from a Hedging Facility and amortize the gains and losses over the remaining life of the First Mortgage Bonds.

13. The estimated cost of the financing does not include the costs of any Hedging Facility which would be determined at the time of the hedge. However, based on current market conditions, the cost to fix the interest rate of a variable rate bond for three years would be approximately 70 basis points (.70%). The Hedging Facility could also be used to lock in interest rates in advance of a debt issuance. Thus, LG&E anticipates that it could enter into one or more of the preceding Hedging Facilities prior to issuance of some or all of the First Mortgage Bonds for which approval is being sought. Based on current market conditions, the Company could lock in 10 year rates for six months for a cost of approximately 11 basis points (.11%).

14. The terms of each Hedging Facility will be negotiated by LG&E with the respective Counterparty and would be the most favorable terms that can be negotiated by the Company.

REFINANCING THE 2007 TRIMBLE COUNTY BONDS

15. LG&E's obligations in connection with the Trimble County, Kentucky Pollution Control Revenue Bonds, 2007 Series A ("2007 Trimble County Bonds," as set forth above) were authorized by the Commission in Case No. 2006-00445.[7] Proceeds were used to replace $60 million in Trimble County, Kentucky Pollution Control Revenue Bonds that were secured by LG&E's First Mortgage Bonds[8] that were authorized by the Commission in Case No. 92-250.[9]

16. The following table shows (i) the initial public offering price, (ii) proceeds to LG&E from the sale, and (iii) LG&E's expenses associated with the sale of the 2007 Trimble County Bonds:

Public Offering Price	Proceeds	Expenses

[7] *In the Matter of: The Application of Louisville Gas and Electric Company for an Order Authorizing the Issuance of Securities and the Assumption of Obligations* (Ky. PSC Jan. 31, 2007).
[8] The 2007 Trimble County Bonds were not initially secured by first mortgage bonds, but this was later added in connection with the PPL merger.
[9] *In the Matter of: Application of Louisville Gas and Electric Company for an Order Authorizing the Issuance of Securities and the Assumption of Obligations* (Ky. PSC Aug. 11, 1992).

$60,000,000	$60,000,000	$1,240,000

17. The Company requests authority to assume certain obligations under various agreements in principal amounts not to exceed $60 million, which may be refunded, in connection with the proposed issuance of one or more new series of Trimble County, Kentucky Pollution Control Refunding Revenue Bonds (the "Trimble County Refunding Bonds"), to be appropriately designated. Trimble County has authority to issue the Trimble County Refunding Bonds and to carry out the transactions contemplated herein pursuant to the provisions of the Industrial Building Revenue Code Act, Sections 103.200 to 103.285, inclusive of the Kentucky Revised Statutes. The proceeds of the Trimble County Refunding Bonds would be loaned to LG&E by Trimble County in one or more transactions to provide funds to repurchase, redeem, and discharge a corresponding amount of the 2007 Trimble County Bonds, within ninety (90) days of issuance of the corresponding Trimble County Refunding Bonds.

18. LG&E anticipates that it will be required to issue its LG&E's First Mortgage Bonds, (as hereinafter defined and limited to this section of the Application) to secure its obligations with respect to the Trimble County Refunding Bonds. The structure and documentation for the issuance of LG&E's First Mortgage Bonds and related agreements would be similar to the structure and documentation of other pollution control financings of LG&E approved by this Commission involving LG&E's First Mortgage Bonds, including the 2007 Trimble County Bonds. LG&E's First Mortgage Bonds would be issued in like principal amount to the Trimble County Refunding Bonds and will be used to secure its payment obligations with respect to the Loan Agreements, as defined below. LG&E therefore requests authority to issue one or more series of its First Mortgage Bonds, Pollution Control Series (collectively, the "First

Mortgage Bonds") in an aggregate principal amount not to exceed the principal amount of the Trimble County Refunding Bonds.

19. The First Mortgage Bonds would be delivered to the trustee or trustees under one or more indentures of trust ("County Indenture") between Trimble County and such trustee (each a "Trustee") in connection with the reissuance and sale by Trimble County of the Trimble County Refunding Bonds. The First Mortgage Bonds would be held by the Trustee(s) to secure the payment of the Trimble County Refunding Bonds and payment by LG&E of all sums payable by LG&E as discussed below. The First Mortgage Bonds would be issued pursuant to one or more supplemental indentures, each of which would be a supplement to the Indenture, dated as of October 1, 2010 between LG&E and The Bank of New York Mellon as Trustee, as heretofore amended and supplemented. The First Mortgage Bonds would have a maturity date corresponding to the Trimble County Refunding Bonds, not to exceed 30 years from date of issuance.

20. In connection with the Trimble County Refunding Bonds, LG&E would assume certain obligations under one or more loan agreements with Trimble County and may enter into one or more guaranty agreements, or similar undertakings guaranteeing repayment of all or any part of the obligations under one or more series of the Trimble County Refunding Bonds for the benefit of the holders of such bonds.

21. The proceeds from the sale of the Trimble County Refunding Bonds would be loaned to LG&E pursuant to one or more loan agreements between LG&E and Trimble County (the "Loan Agreements"). The payments to be made by LG&E under the Loan Agreements for one or more series of Trimble County Refunding Bonds, together with other funds available for the purpose, would be required to be sufficient to pay the principal and interest on such Trimble

County Refunding Bonds. The Loan Agreement(s) and the payments to be made by LG&E pursuant thereto will be assigned to the Trustee(s) to secure the payment of the principal and interest on the related Trimble County Refunding Bonds. Upon issuance of a series of Trimble County Refunding Bonds, LG&E may issue one or more guarantees (collectively, the "Guarantees"), in favor of the Trustee(s) guaranteeing repayment of all or any part of the obligations under such Trimble County Refunding Bonds for the benefit of the holders of such Trimble County Refunding Bonds.

22. The Trimble County Refunding Bonds would be sold in one or more underwritten public offerings, negotiated sales, or private placement transactions utilizing the proper documentation. The price, maturity date(s), interest rate(s), and the redemption provisions and other terms and provisions of each series of Trimble County Refunding Bonds (including, in the event all or a portion of the Trimble County Refunding Bonds initially bear a variable rate of interest, the method for determining the interest rate) would be determined on the basis of negotiations between LG&E and Trimble County, and the purchasers of such bonds. However, the amount of compensation to be paid to underwriters for their services would not exceed three-quarters of one percent (.75%) of the principal amount of the Trimble County Refunding Bonds of each series to be sold. Based upon past experience with similar financings, LG&E estimates that issuance costs, excluding underwriting fees, would be approximately $240,000.

23. All or a portion of the Trimble County Refunding Bonds may be issued initially with an interest rate that fluctuates on a weekly, monthly or other basis, as determined from time to time by LG&E. LG&E would reserve the option to convert from time to time any variable rate Trimble County Refunding Bonds at a later date to other interest rate modes, including a fixed rate of interest. Trimble County Refunding Bonds that bear interest at a variable rate (the

"Variable Rate Pollution Control Refunding Bonds") also may be issued subject to tender by the holders thereof for redemption or purchase. In order to provide funds to pay the purchase price of such tendered Variable Rate Pollution Control Refunding Bonds, LG&E would enter into one or more Remarketing Agreements with one or more remarketing agents whereby the remarketing agent would use its best efforts to remarket such tendered Variable Rate Pollution Control Refunding Bonds to other purchasers at a price equal to the purchase price of such Variable Rate Pollution Control Refunding Bonds, which will be 100% of the par amount of such Variable Rate Pollution Control Refunding Bonds. Thus, to the extent Variable Rate Pollution Control Refunding Bonds are issued, the documentation will be similar to previous bonds that were issued with a variable interest rate, except that based on market developments, LG&E does not currently anticipate that auction mode bonds would be issued. However, subject to market conditions LG&E may utilize new variable interest rate modes not previously used for its bonds, but which are not uncommon in industry practice, such as those based on Securities Industry and Financial Markets Association ("SIFMA") rates plus a credit spread, or a percentage of the London Interbank Offered Rate ("LIBOR") plus a credit spread, could be used.

24. Also, in the event that Variable Rate Pollution Control Refunding Bonds are issued, LG&E may enter into one or more facilities (the "Initial Facility") with a banks or credit providers to be selected by LG&E (the "Bank"). The Initial Facility may be in the nature of a letter of credit, revolving credit agreement, standby credit agreement, bond purchase agreement, or other similar arrangement designed to provide liquidity and/or credit support. No such facility presently exists with respect to the 2007 Trimble County Bonds. The Initial Facility would be a credit agreement designed to provide LG&E the ability to borrow funds with which to make payments with respect to any Variable Rate Pollution Control Refunding Bonds that have been

tendered for purchase and are not remarketed. LG&E would be obligated to repay any amounts borrowed under the Initial Facility. The Initial Facility may be pledged for the payment of the Variable Rate Pollution Control Refunding Bonds or to constitute security thereof. Pursuant to the Initial Facility, LG&E may be required to execute and deliver to the Bank a creditor reimbursement agreement or note (the "Initial Facility Note") evidencing LG&E's obligation to repay any borrowings owed to the Bank under the Initial Facility.

25. In order to obtain terms and conditions more favorable to LG&E than those provided in the Initial Facility or to provide for additional liquidity or credit support to enhance the marketability of the Variable Rate Pollution Control Refunding Bonds, LG&E desires to be able to replace the Initial Facility with one or more substitute liquidity support and/or credit support facilities (the instruments providing the liquidity support and/or credit support and any subsequent replacement support facility thereof, are hereinafter referred to as a "Facility") with one or more banks, or other financial institutions to be selected by LG&E from time to time (each such financial institution hereinafter referred to as a "Facility Provider"). A Facility may be in the nature of a letter of credit, revolving credit agreement, standby credit agreement, bond purchase agreement, or other similar arrangement designed to provide liquidity and/or credit support for the Variable Rate Pollution Control Refunding Bonds. If the Variable Rate Pollution Control Refunding Bonds are converted to bear interest at a fixed rate to maturity, the Initial Facility (if not already replaced or terminated) or, if applicable, the Facility (unless earlier terminated) may be terminated in whole or in part following the date of conversion of such series of Variable Rate Pollution Control Refunding Bonds. The estimated cost of the financing shown in paragraph 23 does not include expenses incurred for entering into any Facility; however,

LG&E estimates that the impact on the overall cost of the financing would be approximately 100 basis points.

26. In connection with any Facility, LG&E may enter into one or more credit or similar agreements ("Credit Agreements") with the Facility Provider or providers of such Facility, which would document the obligation of LG&E to reimburse or repay the subject Facility Providers for amounts advanced by the Facility Providers under the particular Facility. Depending on the exact nature of a Facility, LG&E may be required to execute and deliver to the subject Facility Provider a promissory note (each such note hereinafter referred to as a "Facility Note") evidencing LG&E's repayment obligations to the Facility Provider under the related Credit Agreement; and the Trustee under the County Indenture for the Variable Rate Pollution Control Refunding Bonds may be authorized, upon the terms set forth in such County Indenture and any Credit Agreement, to draw upon the Facility for the purpose of paying the purchase price of Variable Rate Pollution Control Refunding Bonds tendered or required to be tendered for purchase in accordance with the terms of the County Indenture which are not remarketed by the remarketing agent as provided in the remarketing agreement and/or for the purpose of paying accrued interest on the Variable Rate Pollution Control Refunding Bonds when due and paying principal, whether at maturity, on redemption, acceleration or otherwise.

27. In connection with the issuance of the Trimble County Refunding Bonds, LG&E may enter into one or more interest rate hedging agreements (including an interest rate cap, swap, collar or similar agreement, collectively the "Hedging Facility") with a bank or financial institution or an affiliate thereof (the "Counterparty"). The Hedging Facility would be an interest rate agreement designed to allow LG&E to actively manage and limit its exposure to variable interest rates or to lower its overall borrowing costs with respect to any fixed rate Trimble

County Refunding Bonds. LG&E may establish regulatory assets or liabilities for the losses and gains arising from a Hedging Facility and amortize the losses and gains over the remaining life of the Trimble County Refunding Bonds.

28. The Hedging Facility will set forth the specific terms for which LG&E will agree to pay the Counterparty payments and/or fees for limiting its exposure to interest rates or lowering its fixed rate borrowing costs, and the other terms and conditions of any rights or obligations thereunder. The estimated cost of the financing does not include the costs of any Hedging Facility which would be determined at the time of the hedge. However, based on current market conditions, the cost to fix the interest rate of a variable rate bond for three years would be approximately 51 basis points (.51%).

29. The terms of each Facility, each Credit Agreement, each Facility Note and each Hedging Facility would be negotiated by LG&E with the respective Bank, Facility Provider or Counterparty, and would be subject to market conditions. The aggregate outstanding principal amount of the obligations of LG&E at any time under the Loan Agreements, and the Credit Facilities and related notes set forth in the immediately preceding sentence will not exceed the original aggregate principal amount of the Variable Rate Pollution Control Refunding Bonds that are refunded plus accrued but unpaid interest, and in the case of a letter of credit facility, interest at the maximum rate for an additional 45 days, and premium, if any, on such bonds.

30. No contracts have been made for the disposition of any of the securities which LG&E proposes to issue, or for the proceeds of such sale.

31. Attached as Exhibit 4 to this Application is a description of the copies of the pertinent sections of the official statements describing the redemption provisions for the 2007 Trimble County Bonds.

32. LG&E shall, as soon as reasonably practicable after the issuance of any Trimble County Refunding Bonds referred to herein, file with the Commission a statement setting forth the date or dates of issuance of the securities, the price paid therefore, the interest rate(s) (and, if applicable, their method of determination), and all fees and expenses, including underwriting discounts or commissions or other compensation, involved in the issuance and distribution.

33. Exhibit 5 to this Application consists of net present value analyses of the proposed refinancing, based on current market conditions.

INFORMATION PERTINENT TO BOTH FIRST MORTGAGE BOND DEBT AND REDEEMING AND REPLACING THE 2007 TRIMBLE COUNTY BONDS

34. Exhibit 6 to this Application contains the financial exhibit required by 807 KAR 5:001, Section 18(2)(a), as described by 807 KAR 5:001, Section 12. It also contains information required by 807 KAR 5:001, Section 18(2)(b).

35. A certified copy of LG&E's Board of Directors resolutions authorizing the assumption of obligations and all transactions related thereto as discussed in this Application will be filed as a supplement to this Application.

36. Other requirements of the Commission's regulation regarding this Application, 807 KAR 5:001, Section 18, including (1)(c) regarding the amount and kind of notes, etc., (1)(d) regarding the use to be made of the proceeds, (1)(e) regarding the intended construction use of the proceeds, and (1)(f) regarding the obligations being refunded have been supplied in the extensive discussion in the preceding paragraphs of this Application.

WHEREFORE, Louisville Gas and Electric Company respectfully requests that the Commission enter an Order (1) authorizing LG&E to issue securities in the form of First Mortgage Bonds in a total principal amount not to exceed $300,000,000, and (2) authority to issue securities and to execute, deliver and perform the obligations of Louisville Gas and Electric

Company under the Loan Agreements, and any Remarketing Agreements, and Credit Agreements and the various Initial Facility or others, and Facility in connection with the refunding of up to the $60,000,000 principal amount of the 2007 Trimble County Bonds and other documents and related guarantees or notes and (3) Hedging Facility arrangements set forth in this application. Louisville Gas and Electric Company further requests that the Order of the Commission specifically include provisions stating:

1. LG&E is authorized to issue long-term debt in the form of First Mortgage Bonds in one or more series at one or more times during the remainder of 2017, in an aggregate principal amount not to exceed $300,000,000 in the manner set forth in its Application, including the establishment of regulatory assets or liabilities for the losses and gains arising from a Hedging Facility and amortize the losses and gains over the remaining life of the First Mortgage Bonds, all as described in this Application.

2. LG&E is also authorized to issue its First Mortgage Bonds in one or more series and at one or more times and to execute, deliver and perform its obligations under the Loan Agreements with Trimble County, Kentucky and under any notes, guarantees, remarketing agreements, hedging agreements, credit agreements and such other agreements and documents as set forth in its application, and to perform the transactions contemplated by all such agreements, including, but not limited to, borrowings or advances, and the related repayment or reimbursement obligations, under the Loan Agreements, Current Facilities and Facilities and Credit Facilities, Hedging Facilities, and the establishment of regulatory assets or liabilities for the losses and gains arising from a Hedging Facility and amortize the losses and gains over the remaining life of the First Mortgage Bonds, all as described in this Application.

3. LG&E is authorized to execute, deliver and perform the obligations of LG&E under all such agreements and documents as set out in its Application, and to perform the transactions contemplated by such agreements.

4. The proceeds from the transactions authorized herein shall be used only for the lawful purposes set out in the application.

5. LG&E shall agree only to such terms and prices that are consistent with the parameters set out in its application.

6. LG&E shall, within 30 days from the date of issuance, file with the Commission a statement setting forth the date or dates of issuance of the securities authorized herein, the price paid, the interest rate or rates, and all fees and expenses, including underwriting discounts or commissions, or other compensation, involved in the issuance and distribution thereof.

Respectfully submitted,

Monica H. Braun

Kendrick R. Riggs
Stoll Keenon Ogden PLLC
2000 PNC Plaza
500 West Jefferson Street
Louisville, Kentucky 40202
(502) 333-6000
Kendrick.Riggs@skofirm.com

Monica H. Braun
Stoll Keenon Ogden PLLC
300 West Vine Street, Suite 2100
Lexington, Kentucky 40507
(859) 231-3903
Fax: (859) 259-3503
Monica.Braun@skofirm.com

Allyson K. Sturgeon
Kentucky Utilities Company
220 West Main Street
Louisville, KY 40202
(502) 627-2088

Allyson.Sturgeon@lge-ku.com

Counsel for Louisville Gas and Electric Company

CERTIFICATE OF COMPLIANCE

This is to certify that Louisville Gas and Electric Company's February 24, 2017 electronic filing of this Application is a true and accurate copy of the same document being filed in paper medium except for the portions for which confidential protection is requested; that the electronic filing has been transmitted to the Commission on February 24, 2017; that there are currently no parties the Commission has excused from participation by electronic means in this proceeding and that an original paper medium of the Application is being mailed, by first class United States mail, postage prepaid, to the Commission on February 24, 2017.

Monica H. Braun

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Counsel for Louisville Gas and Electric Company

VERIFICATION

COMMONWEALTH OF KENTUCKY)
) SS:
COUNTY OF JEFFERSON)

The undersigned, **Daniel K. Arbough**, being duly sworn, deposes and says that he is the Treasurer for Louisville Gas and Electric Company and an employee of LG&E and KU Services Company, that he has personal knowledge of the matters set forth in the foregoing Application and that the material contained therein is true and correct to the best of his information, knowledge, and belief.

Daniel K. Arbough

DANIEL K. ARBOUGH

Subscribed and sworn to before me, a Notary Public in and before said County and State, this 24th day of February, 2017.

Susan M. Watkins

Notary Public

My Commission Expires:

SUSAN M. WATKINS
Notary Public, State at Large, KY
My Commission Expires Mar. 19, 2017
Notary ID # 485723