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JUN 18 2010

PUBLIC SERVICE
COMMISSION

Mr. Jeff DeRouen
Executive Director
Kentucky Public Service Commission
211 Sower Boulevard
Frankfort, Kentucky 40601

Kentucky Utilities Company
State Regulation and Rates
220 West Main Street
PO Box 32010
Louisville, Kentucky 40232
www.eon-us.com

Rick E. Lovekamp
Manager, Regulatory Affairs
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June 18, 2010

**Re: 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**

Dear Mr. DeRouen:

Enclosed for filing please find the original and twelve copies of Kentucky Utilities Company's ("KU") Board of Directors resolution authorizing the transactions as described in the above referenced proceeding. The resolution is being filed in accordance with paragraph 36 of KU's Application.

KU also submits a revised Exhibit 4 and twelve copies that takes into account a 25 basis point letter of credit fronting fee on the average amount available for draw (currently \$198 million X .25%= \$495,000 annually). After the Application was filed, KU learned that the fee will likely be applicable because of current market conditions

Please confirm your receipt of this filing by placing the stamp of your office with the date received on the enclosed additional copy of this filing.

Should you have any questions regarding the enclosed, please contact me at your convenience.

Sincerely,

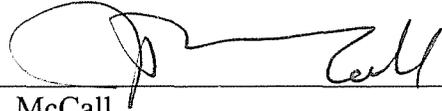
Rick E. Lovekamp

cc: Dennis Howard II, AG
Michael L. Kurtz, KIUC

SECRETARY'S CERTIFICATE

I, John R. McCall, do hereby certify that I am the duly qualified and acting Executive Vice President, General Counsel, Corporate Secretary and Chief Compliance Officer of Kentucky Utilities Company, a Kentucky and Virginia corporation, (the "Company"), and that as such officer, I have access to all original records of the Company and that I am authorized to make certified copies of Company records on its behalf. I further hereby certify that the attached resolutions are a true and correct copy of the resolutions of the Company adopted by unanimous written consent on June 14, 2010, and that the same have not been altered, amended or repealed.

IN WITNESS WHEREOF, I have executed this Certificate this th 11 day of June 2010.



John R. McCall
Executive Vice President, General Counsel,
Corporate Secretary and Chief Compliance Officer

**ACTION OF THE BOARD OF DIRECTORS
OF
KENTUCKY UTILITIES COMPANY
TAKEN BY WRITTEN CONSENT**

June 14, 2010

REFINANCING OF COMPANY DEBT

WHEREAS, the Company currently has outstanding \$1,331,000,000 in principal amount of unsecured promissory notes issued to Fidelia Corporation ("Fidelia"), an affiliate within the E.ON AG holding company system; and

WHEREAS, due to the proposed acquisition of E.ON U.S. LLC, the Company's parent, by PPL Corporation, the Company will be required to refinance the notes issued to Fidelia through the issuance of replacement notes to PPL Corporation or an affiliate of PPL Corporation on a temporary basis (such Fidelia notes and replacement notes are collectively referred to herein as the "Outstanding Long-Term Debt") and then refinance the Outstanding Long-Term Debt through the issuance of new long-term debt which, due to market conditions, including the increased spread between pricing for unsecured debt and secured debt, the Company may wish to issue as secured debt; and

WHEREAS, various counties and other municipal entities in the Commonwealth of Kentucky (the "Issuers") have previously issued and there are currently outstanding approximately \$351,000,000 in principal amount of the Company's Pollution Control Revenue Bonds (the "Existing Pollution Control Bonds"); and

WHEREAS, the proceeds of the Existing Pollution Control Bonds were borrowed by the Company pursuant to unsecured loan agreements with the Issuers and applied by the Company to the financing or refinancing of the acquisition and construction of certain pollution control facilities of the Company; and

WHEREAS, many of such loan agreements and related financing documents for the Existing Pollution Control Bonds contain a negative pledge pursuant to which the Company agreed not to issue secured debt unless it also secures such Existing Pollution Control Bonds; and

WHEREAS, the Company is borrower under a credit agreement, dated June 22, 2007, with U.S. Bank National Association (the "Existing Credit Agreement") pursuant to which the Company may borrow up to \$35,000,000; and

WHEREAS, in connection with letters of credit to provide liquidity support for certain of the Existing Pollution Control Bonds, the Company has entered into four reimbursement agreements with the letter of credit provider (the "Existing Reimbursement Agreements," together with the Existing Credit Agreement, the "Existing Bank Agreements"), with Commerzbank AG, New York Bank as issuing

bank under each Existing Reimbursement Agreement, with an aggregate principal component of approximately \$200,000,000; and

WHEREAS, due to the acquisition of E.ON U.S. LLC and the resulting change of control of the Company, each of the Existing Bank Agreements will need to be amended to permit such change of control or replaced with new bank agreements; and

WHEREAS, in connection with this refinancing of the Outstanding Long-Term Debt, the Board has determined that it is in the Company's best interests to authorize the issuance and sale in one or more series of up to \$1,556,000,000 principal amount of new notes to PPL Corporation or an affiliate of PPL Corporation (which includes \$1,331,000,000 to refinance the Outstanding Long-Term Debt and up to \$225,000,000 of previously authorized additional debt for other general corporate purposes) to replace the notes issued to Fidelia, which notes would then be replaced by secured debt, in the form of first mortgage bonds under a first mortgage indenture pursuant to which the Company would pledge substantially all of its property in Kentucky as security for the bonds issued thereunder; and

WHEREAS, due to the refinancing of the Outstanding Long-Term Debt and the issuance and sale of the first mortgage bonds, the Board has determined that it is in the Company's best interests to authorize the issuance of up to \$351,000,000 principal amount of first mortgage bonds to the trustees, bond insurers and/or credit facility providers for the Existing Pollution Control Bonds to secure the Company's obligations thereunder; and

WHEREAS, due to the proposed acquisition of E.ON US LLC and the resulting proposed change of control of the Company, the Board has determined that it is in the Company's best interests to authorize (i) amendments to the Existing Bank Agreements to permit the change of control and issuance of secured debt and (ii) replacement of Existing Bank Agreements with new bank agreements with an aggregate maximum amount of credit available under such new bank agreements not to exceed \$400,000,000.

NOW, THEREFORE, BE IT RESOLVED, by the Board as follows:

The Offering

- (a) That the Board authorizes and approves the issuance and sale by the Company of up to \$1,556,000,000 principal amount of new notes to PPL Corporation or an affiliate of PPL Corporation to replace the notes issued to Fidelia, which new notes would contain the same principal amounts, terms, conditions and interest rates as the notes issued to Fidelia, except that such new notes would not have "make whole" provisions and could be repaid at any time at par plus accrued interest.
- (b) That the Board authorizes and approves the issuance and sale by the Company from time to time, in one or more series, and in any combination, of up to \$1,556,000,000 aggregate principal amount of long-term debt in the form of first mortgage bonds (the "Debt Securities") in one or more underwritten public offerings, negotiated sales, or private placement transactions (such offerings, sales and transactions collectively referred to herein as the "Offering"), the proceeds of such Debt Securities to be used to for general corporate purposes, including the refinancing of the Outstanding Long-Term Debt, capital expenditures, repayment of short-term debt and refunding or refinancing of other long-term debt at maturity or otherwise.
- (c) That the Company be, and it hereby is, authorized to issue and offer for sale the Debt Securities through one or more underwriters, initial purchasers or selling or placement agents, pursuant to an underwriting, purchase or similar agreement, on and subject to such terms and conditions as may be approved by the Authorized Officers (as defined below), provided that the interest rate on such Debt Securities shall not exceed 6.5% per year.

Bonds and Indenture

- (d) That the Chief Executive Officer, President, Chief Financial Officer, any Vice President, the Treasurer, and the Controller of the Company (each, an "Authorized Officer" and, collectively, the "Authorized Officers") be, and each of them hereby is, authorized by and on behalf of the Company, to negotiate, enter into, execute and deliver one or more indentures or similar agreements (collectively, the "Indenture") with a trustee or trustees to be selected by one or more Authorized Officers, as supplemented by one or more supplemental indentures thereto, to cause the Indenture to be filed and recorded as necessary and to take any other steps to make it binding upon and enforceable against the Company in accordance with its terms, and to issue from time to time the Debt Securities thereunder, together with any agreements, documents and instruments in connection therewith and any exhibits, annexes or attachments thereto and with such changes therein, additions thereto or omissions therefrom as such Authorized Officer deems necessary, advisable or appropriate and that the Company be, and it hereby is, authorized to pledge or otherwise encumber under the Indenture substantially all of the Company's property in Kentucky as security for the Company's obligations under the Debt Securities and debt securities to be issued thereunder from time to time in the future.
- (e) That the Authorized Officers shall be, and each of them hereby is, authorized, empowered and directed, in the name and on behalf of the Company, to execute, acknowledge and deliver new securities representing the Debt Securities in substantially such form and containing such terms and conditions as such Authorized Officer shall approve, with such changes therein, additions thereto or omissions therefrom as such

Authorized Officer executing, acknowledging or delivering the same shall approve, such Authorized Officer's execution, acknowledgment and delivery thereof to be conclusive evidence of such approval.

- (f) That the Authorized Officers be, and each of them hereby is, authorized, empowered and directed to fix and approve the terms and conditions on which the Debt Securities are to be issued and authenticated and the final terms of the Indenture, including, without limitation, the rights of the holders thereof, the maturity dates, the sinking fund provisions, the redemption price, the subordination provisions, the offering date and all other matters relating thereto, and to take all such other actions as the Authorized Officers deem necessary, advisable or appropriate to consummate the transactions contemplated by the Indenture.
- (g) That a facsimile of the corporate seal of the Company may be imprinted on the Debt Securities, which facsimile is hereby acknowledged to be the corporate seal of the Company for the purposes of sealing the Debt Securities.
- (h) That the Authorized Officers be, and each of them hereby is, authorized to execute and deliver on behalf of the Company, in the event that all or a portion of the Debt Securities bear a fixed or variable rate of interest: (i) one or more interest rate lock or swap agreements or similar agreements with one or more underwriters, banks or other financial institutions providing for the hedging of the interest rates on such securities, and (ii) any other agreement, document or instrument that may be necessary or appropriate in connection with any such transaction.

Offering Memorandum

- (i) That, in connection with the issuance and sale of the Debt Securities, each of the Authorized Officers shall be, and hereby is, authorized, empowered and directed, in the name and on behalf of the Company, (i) to prepare, or cause to be prepared, one or more offering memoranda or other appropriate disclosure document (including all exhibits, annexes and other documents relating thereto) in connection with such issuance and sale of the Debt Securities, including any supplement(s) or amendment(s) thereto (the "Offering Memorandum"), (ii) to execute, as such Authorized Officers or Authorized Officer deem(s) necessary, advisable or appropriate, any and all, agreements, documents and instruments in connection with such issuance and sale, and (iii) to take all such other actions as such Authorized Officers or Authorized Officer deem(s) necessary, advisable or appropriate in order to effect the issuance and sale of the Debt Securities, such Authorized Officer's authority and determination to execute such documents and instruments and to take such actions being conclusively evidenced by such execution or action, as the case may be.

Authorization of Purchase Agreement

- (j) That the Authorized Officers be, and hereby are, authorized and directed, for and on behalf of the Company, to fix and approve the terms of an underwriting, purchase or similar agreement relating to the issuance and sale of the Debt Securities to one or more underwriters, initial purchasers or selling or placement agents thereof (the "Purchase Agreement") to be entered into by and among the Company and such initial purchasers or underwriters as may agree to become parties thereto, and the Authorized Officers be, and each of them hereby is, authorized to execute and deliver the same, in such form or

with such changes therein, additions thereto or omissions therefrom as such Authorized Officers may approve, such execution and delivery by any such Authorized Officer to be conclusive evidence of such authorization and approval.

- (k) That, if the Offering is conducted as a private placement, the Company is hereby authorized to offer and sell the Debt Securities to the initial purchasers in a private placement offering pursuant to Section 4(2) of the Securities Act of 1933 or any other exemption from registration thereunder on the terms and subject to the conditions set forth in the Purchase Agreement.
- (l) That, if the Offering is conducted as a private placement, the Company is hereby authorized to execute and deliver one or more registration rights agreements, or similar agreements, pursuant to which the Company would agree to file one or more registration statements with the Securities and Exchange Commission under the Securities Act of 1933, including pursuant to a registered exchange offer whereby the Company would exchange the first mortgage bonds issued in the private placement with an equal aggregate principal amount of first mortgage bonds that have been registered.

Collateralization for Existing Pollution Control Bonds

- (m) That the Company is authorized to issue up to \$351,000,000 aggregate principal amount of first mortgage bonds (the "Collateral First Mortgage Bonds") to the trustees, bond insurers and/or credit facility providers for the Existing Pollution Control Bonds to serve as collateral for the Company's obligations under the respective loan agreements, bond insurance agreements and/or reimbursement agreements. The principal amount of, and interest on, the Collateral First Mortgage Bonds will not be payable except upon a default under the related Existing Pollution Control Bonds.
- (n) That the Authorized Officers be, and each of them hereby is, authorized and directed to cause the preparation of, to approve, or consent to, and execute and deliver the following documents or instruments in connection with the collateralization of the Existing Pollution Control Bonds: (i) amendments to the loan agreements between the Company and the respective Issuers to reflect such collateralization, (ii) amendments to the trust indentures with the respective Issuers to reflect such collateralization, (iii) supplements, stickers or similar amendments to the official statements that will describe the Collateral First Mortgage Bonds and the collateralization, (iv) the Collateral First Mortgage Bonds, (v) one or more supplemental indentures and/or supplemental trust indentures pursuant to which the Company may issue its Collateral First Mortgage Bonds, and (vi) such other related documents, forms, certificates or agreements as shall be necessary or appropriate to effectuate such collateralization.

Bank Agreements

- (o) That the Authorized Officers be, and each of them hereby is, authorized and empowered to (i) negotiate and execute, on behalf of the Company, such amendments or supplements to the Existing Bank Agreements as such Authorized Officers deem necessary to permit the change of control and to permit the Company to pledge or otherwise encumber under the Indenture substantially all of the Company's property in Kentucky as security for the Company's obligations under the Debt Securities and/or (ii) to enter into credit facilities and to negotiate, execute and deliver one or more revolving credit agreements and/or other similar borrowing

arrangements, including any extension or amendment of any existing credit facility ("New Bank Agreements") with an aggregate maximum amount of credit available under such New Bank Agreements not to exceed \$400,000,000 on such terms (including letter of credit provisions and an expiration period, without consideration of extensions, renewals or term-out periods, of up to five years) and conditions as the officer executing such documents deems appropriate, with such officer's execution of a definitive agreement to conclusively evidence such officer's approval and the approval of this Board of Directors.

- (p) That the Authorized Officers be, and each of them hereby is, authorized by and on behalf of the Company, (i) to request advances (including issuances of letters of credit) under each of the New Bank Agreements, (ii) to delegate to any other officers or employees of the Company, either acting individually or jointly, authority to request advances (including issuances of letters of credit) under any of the New Bank Agreements and (iii) to execute and deliver any other agreements and documents and to take any and all other action as contemplated by the New Bank Agreements or as such officer may deem necessary or desirable in connection with the making of advances (including issuances of letters of credit) on account of the Company pursuant to the New Bank Agreements.
- (q) That the Authorized Officers be, and each of them hereby is, authorized and directed to cause the preparation of, to approve, or consent to, and execute and deliver the necessary documents, instruments or certificates necessary to effect such amendments to the Existing Bank Agreements or the entering into of the new Bank Agreements.

Indenture Committee

- (r) That a committee of the Board consisting of John R. McCall and S. Bradford Rives (the "Indenture Committee") shall be, and hereby is, authorized, for and on behalf of the Company, to exercise all of the powers of the Board in connection with the Indenture, the Debt Securities, the Collateral First Mortgage Bonds, the New Bank Agreements, the Offering and all matters incident thereto, including, without limitation, the adoption of any resolutions required by the Indenture or deemed necessary or advisable in connection therewith and to take all such other actions as the Indenture Committee deems necessary, advisable or appropriate to consummate the transactions contemplated hereby.
- (s) That, in the event of the absence or disqualification of any member of the Indenture Committee, the members of the Indenture Committee present at any meeting of the Indenture Committee and not disqualified from voting thereat, whether or not they constitute a quorum, may unanimously appoint another member of the Board to act at such meeting of the Indenture Committee in the place of any such absent or disqualified member.

Regulatory Approval

- (t) That the Authorized Officers of the Company be, and each of them hereby is, authorized and empowered to execute and file, or cause to be filed, on behalf of the Company such applications or petitions (including amendments or supplements thereto) with the Public Service Commission of the Commonwealth of Kentucky, the

Virginia State Corporation Commission and the Tennessee Regulatory Authority and any other federal, state, or local commission, court, agency or body having jurisdiction as may be required to obtain any approvals, consents, orders or rulings as such officers or counsel for the Company may deem to be necessary or desirable in connection with the transactions contemplated hereby, as may be required by law or as may be deemed to be proper or appropriate in their judgment or in the judgment of counsel for the Company in connection with the foregoing.

General

- (u) That the officers of the Company be, and each of them hereby is, authorized in the name and on behalf of the Company and under its corporate seal or otherwise, to take or cause to be taken all such further actions and to execute and deliver or cause to be executed and delivered all such further documents, agreements, certificates and agreements (including without limitation, instruments authorizing or consenting to amendment, modifications or waivers to any of the agreements or disclosure documents relating to the Existing Pollution Control Bonds) in connection with the Offering as such persons may deem necessary, advisable or appropriate in connection with the transactions contemplated thereby and hereby, and to incur all such fees and expenses as shall be necessary, advisable or appropriate in their judgment in order to carry into effect the purpose and intent of any and all of the foregoing resolutions.
- (v) That any acts of the officers of this Company, which acts would have been authorized by the foregoing resolutions except that such acts were taken prior to the adoption of such resolutions, are hereby severally ratified, confirmed, approved and adopted as acts in the name of and on behalf of this Company.
- (w) That the Board does hereby adopt, as if fully set out herein, the form of any resolutions with respect to the Offering as may be required by financial institutions and any other entities requiring such resolutions to effect the intent of these resolutions.
- (x) That each of the Authorized Officers be, and hereby is, authorized and directed to take any and all further action to see that the intent of the above resolutions are carried forth.

First Mortgage Bond Analysis

Kentucky Utilities First Mortgage Bond Analysis

Impact on Cash Flow

EXISTING CAPITALIZATION							PROPOSED REFUNDING										PRESENT VALUE ANALYSIS			
Fidelia Loans and Existing Bank Facilities							FMB and New Bank Facilities					First Mortgage Bonds								
Date	Interest	Credit Facility Fees	L/C Fees	Credit Facility Amortization	Taxes	Total Cash Outlay	Interest	Debt Expense Amortization (1)	Make Whole Premium	Credit Facility Fees	L/C Fees	Adm./Acc. Costs	Annual Issue Exp	Credit Facility Issuance	Issue Expenses	Taxes (2)	Total Cash Outlay	Periodic (Cost) or SAVINGS from Refunding	Present Value Factor	Present Value SAVINGS
12/31/2010														4,000,000	11,644,275	\$ -	\$15,644,275	\$ (15,644,275)	1.0000	(\$15,644,275)
2011	\$ 71,758,950	\$ 24,500	\$ 1,386,000	0	\$ (28,462,916)	\$ 44,706,534	\$ 65,702,860	\$ 1,786,102	\$ 1,000,000	\$ 4,455,000		299,685	0			\$ (28,491,779)	\$42,965,767	\$ 1,740,767	0.9700	\$1,688,544
2012	\$ 70,661,450	\$ 12,250	\$ 693,000	0	\$ (27,761,646)	\$43,605,054	\$ 64,546,110	\$ 1,796,652	\$ 500,000	\$ 2,227,500		310,951	316,500			\$ (26,989,292)	\$40,911,769	\$ 2,693,285	0.9408	\$2,533,854
2013	\$ 67,288,950			0	\$ (26,175,402)	\$41,113,548	\$ 61,075,860	\$ 1,796,652				319,979				\$ (24,581,879)	\$36,813,960	\$ 4,299,588	0.9094	\$3,910,124
2014	\$ 61,031,450			0	\$ (23,741,234)	\$37,290,216	\$ 55,292,110	\$ 1,807,202				331,779	316,500			\$ (22,340,694)	\$33,599,695	\$ 3,690,521	0.8781	\$3,240,755
2015	\$ 55,581,450			0	\$ (21,621,184)	\$33,960,266	\$ 50,665,110	\$ 807,202				341,357				\$ (20,155,517)	\$30,850,950	\$ 3,109,316	0.8461	\$2,630,653
2016	\$ 49,193,950			0	\$ (19,136,447)	\$30,057,503	\$ 44,881,360	\$ 817,752				353,723	316,500			\$ (17,914,553)	\$27,637,030	\$ 2,420,473	0.8215	\$1,988,341
2017	\$ 43,541,450			0	\$ (16,937,624)	\$26,603,826	\$ 40,254,360	\$ 817,752				363,884				\$ (16,118,602)	\$24,499,642	\$ 2,104,184	0.7973	\$1,677,761
2018	\$ 40,726,450			0	\$ (15,842,589)	\$24,883,861	\$ 37,940,860	\$ 828,302				376,851	316,500			\$ (15,227,799)	\$23,406,412	\$ 1,477,449	0.7422	\$1,096,548
2019	\$ 29,547,700			0	\$ (11,494,055)	\$18,053,645	\$ 29,071,110	\$ 828,302				387,632				\$ (11,781,660)	\$17,677,082	\$ 376,563	0.6992	\$263,304
2020	\$ 20,923,200			0	\$ (8,139,125)	\$12,784,075	\$ 19,969,210	\$ 838,852				401,235	316,500			\$ (8,250,417)	\$12,436,529	\$ 347,546	0.7119	\$247,422
2021	\$ 20,923,200			0	\$ (8,139,125)	\$12,784,075	\$ 19,969,210	\$ 241,913				412,673				\$ (8,022,656)	\$12,359,226	\$ 424,849	0.6881	\$292,350
2022	\$ 19,415,350			0	\$ (7,552,571)	\$11,862,779	\$ 18,470,105	\$ 252,463				426,953	316,500			\$ (7,449,164)	\$11,764,394	\$ 98,385	0.6651	\$65,439
2023	\$ 15,713,750			0	\$ (6,112,649)	\$9,601,101	\$ 14,849,625	\$ 252,463				439,086				\$ (6,045,517)	\$9,243,195	\$ 357,907	0.6429	\$230,103
2024	\$ 13,520,000			0	\$ (5,259,280)	\$8,260,720	\$ 12,728,250	\$ 263,013				454,084	316,500			\$ (5,230,240)	\$8,268,594	\$ (7,874)	0.6214	(\$4,893)
2025	\$ 13,520,000			0	\$ (5,259,280)	\$8,260,720	\$ 12,728,250	\$ 263,013				466,956				\$ (5,235,247)	\$7,959,959	\$ 300,761	0.6007	\$180,659
2026	\$ 13,520,000			0	\$ (5,259,280)	\$8,260,720	\$ 12,728,250	\$ 273,563				482,715	316,500			\$ (5,245,481)	\$8,281,984	\$ (21,264)	0.5806	(\$12,346)
2027	\$ 13,520,000			0	\$ (5,259,280)	\$8,260,720	\$ 12,728,250	\$ 273,563				496,372				\$ (5,250,794)	\$7,973,828	\$ 286,892	0.5612	\$161,006
2028	\$ 13,520,000			0	\$ (5,259,280)	\$8,260,720	\$ 12,728,250	\$ 284,113				512,938	316,500			\$ (5,261,342)	\$8,296,346	\$ (35,626)	0.4572	(\$16,288)
2029	\$ 7,560,000			0	\$ (2,940,840)	\$4,619,160	\$ 7,071,250	\$ 284,113				527,426				\$ (3,066,405)	\$4,532,271	\$ 86,889	0.5243	\$45,559
2030	\$ 7,560,000			0	\$ (2,940,840)	\$4,619,160	\$ 7,071,250	\$ 294,663				544,849	316,500			\$ (3,077,286)	\$4,855,312	\$ (236,152)	0.5068	(\$119,686)
2031	\$ 7,560,000			0	\$ (2,940,840)	\$4,619,160	\$ 7,071,250	\$ 294,663				560,219				\$ (3,083,265)	\$4,548,204	\$ 70,956	0.4899	\$34,760
2032	\$ 7,560,000			0	\$ (2,940,840)	\$4,619,160	\$ 7,071,250	\$ 305,213				578,551	316,500			\$ (3,094,500)	\$4,871,800	\$ (252,640)	0.4735	(\$119,629)
2033	\$ 7,560,000			0	\$ (2,940,840)	\$4,619,160	\$ 7,071,250	\$ 305,213				594,857				\$ (3,100,844)	\$4,565,264	\$ 53,896	0.4577	\$24,668
2034	\$ 7,560,000			0	\$ (2,940,840)	\$4,619,160	\$ 7,071,250	\$ 315,763				614,153	316,500			\$ (3,112,453)	\$4,889,449	\$ (270,289)	0.4424	(\$119,578)
2035	\$ 7,560,000			0	\$ (2,940,840)	\$4,619,160	\$ 7,071,250	\$ 315,763				631,452				\$ (3,119,183)	\$4,583,519	\$ 35,641	0.4276	\$15,241
2036	\$ 5,977,500			0	\$ (2,325,248)	\$3,652,253	\$ 5,657,000	\$ 326,313				651,771	316,500			\$ (2,581,048)	\$4,044,223	\$ (391,971)	0.4133	(\$162,017)
2037	\$ 2,197,500			0	\$ (854,828)	\$1,342,673	\$ 2,121,375	\$ 326,313				670,124				\$ (1,212,829)	\$1,578,670	\$ (235,998)	0.3995	(\$94,288)
TOTAL	\$695,002,300			\$0	(\$271,178,921)	\$425,939,129	\$643,606,265	\$16,996,886	\$0						\$11,644,275	(\$265,040,445)	\$419,059,349	\$6,879,779		\$4,034,091

(1) Debt Amortization Expense includes issuing costs of new series
 (2) Tax calculation based on interest expense and the amortization of new issue debt expense

Assumptions

Kentucky Utilities First Mortgage Bond Analysis

PROPOSED REFUNDING

5.051%

MISCELLANEOUS

Tax rate	38.900%
Inflation rate	3.00%
Discount rate	3.09%

	Debt Issuance Cost	Annual Amortization	Additional Annual Amortization
10-Year	\$ 2,116,944	\$ 211,694	
10-Year	\$ 3,852,444	\$ 385,244	
30-Year	\$ 4,141,194	\$ 138,040	\$ 10,550
30-Year	\$ 1,533,694	\$ 51,123	(Assumes 30yr Issuance)

Weighted Average Cost of Debt			
Loan #1	\$ 258,000,000	19.384%	4.627%
Loan #2	\$ 525,000,000	39.444%	4.627%
Loan #3	\$ 423,000,000	31.781%	5.657%
Loan #4	\$ 125,000,000	9.391%	5.657%
	\$ 1,331,000,000	80.616%	5.051%