

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF KENTUCKY UTILITIES)	
COMPANY FOR AN ORDER AUTHORIZING THE)	CASE NO.
ISSUANCE OF SECURITIES AND THE)	2014-00082
ASSUMPTION OF OBLIGATIONS)	

COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION
TO KENTUCKY UTILITIES COMPANY

Kentucky Utilities Company ("KU"), pursuant to 807 KAR 5:001, is to file with the Commission the original in paper medium and an electronic copy, pursuant to 807 KAR 5:001, Section 8, of the following information, with a copy to all parties of record. The information requested herein is due within ten days of the date of this request. Responses to requests for information shall be appropriately bound, tabbed and indexed. Each response shall include the name of the witness responsible for responding to the questions related to the information provided.

Each response shall be answered under oath or, for representatives of a public or private corporation or a partnership or association or a governmental agency, be accompanied by a signed certification of the preparer or person supervising the preparation of the response on behalf of the entity that the response is true and accurate to the best of that person's knowledge, information, and belief formed after a reasonable inquiry.

KU shall make timely amendment to any prior response if it obtains information which indicates that the response was incorrect when made or, though correct when made, is now incorrect in any material respect. For any request to which KU fails or

refuses to furnish all or part of the requested information, KU shall provide a written explanation of the specific grounds for its failure to completely and precisely respond.

Careful attention should be given to copied material to ensure that it is legible. When the requested information has been previously provided in this proceeding in the requested format, reference may be made to the specific location of that information in responding to this request. When applicable, the requested information shall be separately provided for total company operations and jurisdictional operations.

1. Refer to pages 4-5 the application, paragraph 8. Describe KU's options for First Mortgage Bond prices, maturity dates, and fixed and variable interest rates under current market conditions.

2. Refer to page 5 of the application, paragraph 9, which states that "[b]ecause 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." Explain the preference for a variable rate over a fixed rate.

3. Refer to page 8 of the application, paragraph 17, which states that the extended credit facilities would be on "substantially" the same terms as the existing revolving credit. If KU is aware of any terms that would be different, provide the differences.

4. Refer to Exhibit 4 of the application, KU's Capital Budget.

a. In Exhibit 2 of the application in Case No. 2012-00232,¹ the estimated Total Construction Expenditures for 2016 were \$278 million. Explain the Projected increase in 2016 construction expenditures to \$548 million.²

b. The capital budget shows expenditures through 2018 of \$2.762 billion. Provide KU's plans to finance the amount that exceeds the level of financing requested in the application.



Jeff Derbuen
Executive Director
Public Service Commission
P.O. Box 615
Frankfort, KY 40602

DATED MAY 02 2014

cc: Parties of record

¹ Case No. 2012-00232, Application of Kentucky Utilities Company for an Order Authorizing the Issuance of Securities and Assumption of Obligations (Ky. PSC Aug. 3, 2012).

² Paragraph 4 of the applications in both Case No. 2012-00232 and the instant proceeding indicate that the estimated construction expenditures relate to the same projects.

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