

a PPL company

Mr. Jeff DeRouen
Executive Director
Kentucky Public Service Commission
211 Sower Boulevard
P.O. Box 615
Frankfort, Kentucky 40602-0615

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

Rick E. Lovekamp
Manager - Regulatory Affairs
T 502-627-3780
F 502-627-3213
rick.lovekamp@lge-ku.com

November 18, 2011

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. 2011-00307)

Dear Mr. DeRouen:

Pursuant to authority granted by the Commission’s October 10, 2011 Order in the above referenced case, on October 19, 2011 Kentucky Utilities Company (“KU”) entered into an amendment (the “Amendment”) to its Revolving Credit Agreement, extending and amending authority previously approved in connection with KU’s multi-year revolving line of credit. To date, KU has incurred the following costs in connection with amending its multi-year revolving line of credit:

Upfront Fees to Lenders	\$619,000
Arrangement Fees to Joint Lead Arrangers	37,500
Legal Costs	15,260
TOTAL	\$671,760

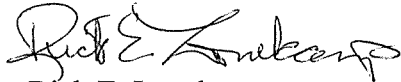
The additional information requested in Ordering Paragraph 4 of the October 10, 2011 Order is inapplicable because the financing involves a multi-year revolving credit facility between the company and unaffiliated financial institutions providing for individual issuances of short term debt.

RECEIVED
NOV 18 2011
PUBLIC SERVICE
COMMISSION

Mr. Jeff DeRouen
November 18, 2011

Enclosed for filing are four (4) copies of the Amendment. Please confirm your receipt of this information by placing the file stamp of your office on the enclosed additional copy and returning it to me in the envelope provided. Should you have any questions regarding this transaction or this information, please contact me or Don Harris at (502) 627-2021.

Sincerely,

A handwritten signature in black ink, appearing to read "Rick E. Lovekamp". The signature is written in a cursive, flowing style.

Rick E. Lovekamp

AMENDMENT NO. 2 TO CREDIT AGREEMENT

AMENDMENT dated as of October 19, 2011 (this “**Amendment**”) to the Revolving Credit Agreement dated as of November 1, 2010 (as amended, amended and restated or otherwise modified from time to time, the “**Credit Agreement**”) among KENTUCKY UTILITIES COMPANY (the “**Borrower**”), the LENDERS party thereto (the “**Lenders**”) and WELLS FARGO BANK, NATIONAL ASSOCIATION, as Administrative Agent, Issuing Lender and Swingline Lender (the “**Agent**”).

WITNESSETH:

WHEREAS, the parties hereto desire to amend the Credit Agreement to (i) extend the scheduled Termination Date from December 31, 2014 to October 19, 2016, (ii) modify the definition of “Applicable Percentage” and (iii) make certain other amendments as provided herein.

NOW, THEREFORE, the parties hereto agree as follows:

SECTION 1. *Defined Terms; References.* Unless otherwise specifically defined herein, each term used herein that is defined in the Credit Agreement has the meaning assigned to such term in the Credit Agreement. Each reference to “hereof”, “hereunder”, “herein” and “hereby” and each other similar reference and each reference to “this Agreement” and each other similar reference contained in the Credit Agreement shall, after this Amendment becomes effective, refer to the Credit Agreement as amended hereby.

SECTION 2. *Extension of Termination Date.* The definition of “Termination Date” in Section 1.01 of the Credit Agreement is amended by changing the date specified therein from “December 31, 2014” to “October 19, 2016.”

SECTION 3. *Reduction of Interest Rates.* The chart set forth in the definition of “Applicable Percentage” in Section 1.01 of the Credit Agreement (the “**Existing Pricing Schedule**”) is deleted and replaced by the chart set forth below (the “**New Pricing Schedule**”). The New Pricing Schedule shall apply to interest and fees accruing under the Credit Agreement on and after the date hereof. The Existing Pricing Schedule shall continue to apply to interest and fees accruing under the Credit Agreement prior to the date hereof.

	Borrower's Ratings (S&P / Moody's)	Applicable Percentage for Commitment Fees	Applicable Percentage for Base Rate Loans	Applicable Percentage for Euro-Dollar Loans and Letter of Credit Fees
Category A	≥ A from S&P / A2 from Moody's	0.100%	0.000%	1.000%
Category B	≥ A- from S&P / A3 from Moody's	0.125%	0.125%	1.125%
Category C	BBB+ from S&P / Baa1 from Moody's	0.175%	0.250%	1.250%
Category D	BBB from S&P / Baa2 from Moody's	0.200%	0.500%	1.500%
Category E	BBB- from S&P / Baa3 from Moody's	0.250%	0.625%	1.625%
Category F	≤BB+ from S&P / Ba1 from Moody's	0.350%	0.875%	1.875%

SECTION 4. *Administrative Agent's Fees.* Section 8.10 of the Credit Agreement is hereby amended to read in its entirety:

“The Borrower shall pay to the Administrative Agent for its own account fees in the amount and at the times agreed to and accepted by the Borrower, pursuant to that certain fee letter dated as of September 20, 2011 among the Borrower, the Administrative Agent, Bank of America, N.A., The Royal Bank of Scotland plc, Wells Fargo Securities, Merrill Lynch, Pierce, Fenner & Smith Incorporated and RBS Securities Inc.”

SECTION 5. *Changes in Commitments.* With effect from and including the Amendment Effective Date, (i) each Person listed on Schedule 1 hereto that is not a party to the Credit Agreement (each, a “**New Lender**” and, together with each Lender that is not an Exiting Lender, the “**Continuing Lenders**”) shall become a Lender party to the Credit Agreement, (ii) the Commitment of each Lender shall be the amount set forth opposite the name of such Lender on Schedule 1 and (iii) the Commitment Appendix set forth on Schedule 1 hereto shall replace the Commitment Appendix attached to the Credit Agreement. On the Amendment Effective Date, any Lender whose Commitment is changed to zero (each, an “**Exiting Lender**”) shall cease to be a Lender party to the Credit Agreement, and all accrued fees and other amounts payable under the Credit Agreement for the account of each Exiting Lender shall be due and payable on such date; provided that the provisions of Sections 2.12, 2.16, 2.17 and 9.03 of the Credit Agreement shall continue to inure to the benefit of each Exiting Lender after the Amendment Effective Date. On the Amendment Effective Date, the Commitment Ratio of the Continuing Lenders shall be redetermined giving effect to the adjustments to the

Commitments referred to in this Section 5, and the participations of the Continuing lenders in and the obligations of the Continuing Lenders in respect of any Letters of Credit outstanding on the Amendment Effective Date shall be reallocated to reflect such redetermined Commitment Ratio.

SECTION 6. *Letter of Credit Fees.* Section 2.07(b) of the Credit Agreement is amended by changing the rate specified therein from “0.25%” to “0.20%.”

SECTION 7. *Representations and Warranties.* The following sections of Article V of the Credit Agreement are amended as follows:

(a) The references to “December 31, 2009” in Section 5.04(a) and Section 5.04(c) of the Credit Agreement are changed to “December 31, 2010” and Section 5.04(b) of the Credit Agreement is hereby amended to read in its entirety:

“The unaudited consolidated balance sheet of the Borrower and its Consolidated Subsidiaries as of June 30, 2011 and the related unaudited consolidated statements of income and cash flows for the six months then ended fairly present, in conformity with GAAP applied on a basis consistent with the financial statements referred to in subsection (a) of this Section, the consolidated financial position of the Borrower and its Consolidated Subsidiaries as of such date and their consolidated results of operations and cash flows for such six-month period (subject to normal year-end audit adjustments).”

(b) Section 5.05 of the Credit Agreement is hereby amended to add the following clause immediately prior to the clause “or otherwise furnished in writing to the Administrative Agent and each Lender,”:

“or in any subsequent report of the Borrower filed with the SEC on Form 10-K, 10-Q or 8-K,”

(c) References in Section 5.08 of the Credit Agreement to the KPSC Order, TRA Order and VSCC Order shall be deemed to include any orders of the Kentucky Public Service Commission (“**KPSC**”), Tennessee Regulatory Authority (“**TRA**”) and Virginia State Corporation Commission (“**VSCC**”) delivered pursuant to Section 11(f) of this Amendment.

(d) Section 5.13(a)(i) and Section 5.13(b) of the Credit Agreement are each hereby amended to add the following clause immediately prior to the clause “or otherwise furnished in writing to the Administrative Agent and each Lender,”:

“or in any subsequent report of the Borrower filed with the SEC on Form 10-K, 10-Q or 8-K,”

(e) Section 5.15 of the Credit Agreement is hereby deleted.

SECTION 8. *Full Force and Effect; Ratification.* Except as expressly modified herein, all of the terms and conditions of the Credit Agreement are unchanged, and, as modified hereby, the Borrower confirms and ratifies all of the terms, covenants and conditions of the Credit Agreement. This Amendment constitutes the entire and final agreement among the parties hereto with respect to the subject matter hereof and there are no other agreements, understandings, undertakings, representations or warranties among the parties hereto with respect to the subject matter hereof except as set forth herein.

SECTION 9. *Governing Law.* This Amendment shall be governed by and construed in accordance with the laws of the State of New York.

SECTION 10. *Counterparts.* This Amendment may be signed in any number of counterparts, each of which shall be an original, with the same effect as if the signatures thereto and hereto were upon the same instrument.

SECTION 11. *Effectiveness.* This Amendment shall become effective as of the first date when each of the following conditions are met (the “**Amendment Effective Date**”):

(a) the Agent shall have received from the Borrower and each Continuing Lender and Lenders constituting Required Lenders a counterpart hereof signed by such party or facsimile or other written confirmation (in form satisfactory to the Agent) that such party has signed a counterpart hereof;

(b) the Agent shall have received a duly executed revised Note for the account of each Lender requesting delivery of such Note pursuant to Section 2.05 of the Credit Agreement;

(c) the Agent shall have received satisfactory opinions of counsel for the Borrower, dated the Amendment Effective Date;

(d) the Agent shall have received a certificate dated the Amendment Effective Date signed on behalf of the Borrower by the Chairman of the Board, the President, any Vice President, the Treasurer or the Assistant Treasurer of the Borrower stating that (A) on the Amendment Effective Date and after giving effect to this Amendment, no Default shall have occurred and be continuing and (B) the representations and warranties of the Borrower contained in the Credit Agreement after giving effect to this Amendment are true and correct on and as of the Amendment Effective Date, except to the extent that such representations and warranties

specifically refer to an earlier date, in which case they were true and correct as of such earlier date;

(e) the Agent shall have received (i) a certificate of the Secretary of State of the Commonwealth of Kentucky and a certificate of the Secretary of State of the Commonwealth of Virginia, each dated as of a recent date, as to the good standing of the Borrower and (ii) a certificate of the Secretary or an Assistant Secretary of the Borrower dated the Amendment Effective Date and certifying (A) that attached thereto is a true, correct and complete copy of (x) the Borrower's articles of incorporation certified by the Secretary of State of the Commonwealth of Kentucky and the Secretary of State of the Commonwealth of Virginia and (y) the bylaws of the Borrower, (B) as to the absence of dissolution or liquidation proceedings by or against the Borrower, (C) that attached thereto is a true, correct and complete copy of resolutions adopted by the board of directors of the Borrower authorizing the execution, delivery and performance of this Amendment and each other document delivered in connection herewith and that such resolutions have not been amended and are in full force and effect on the date of such certificate and (D) as to the incumbency and specimen signatures of each officer of the Borrower executing this Amendment or any other document delivered in connection herewith;

(f) all necessary governmental (domestic or foreign), regulatory and third party approvals, including, without limitation, the orders of the KPSC, TRA, VSCC and any required approvals of the Federal Energy Regulatory Commission, authorizing borrowings hereunder in connection with the transactions contemplated by this Amendment and the other Loan Documents shall have been obtained and remain in full force and effect, in each case without any action being taken by any competent authority which could restrain or prevent such transaction or impose, in the reasonable judgment of the Agent, materially adverse conditions upon the consummation of such transactions; provided that any such approvals with respect to elections by the Borrower to increase the Commitment as contemplated by Section 2.19 of the Credit Agreement need not be obtained or provided until the Borrower makes any such election;

(g) there shall be no outstanding Loans; and

(h) the Agent shall have received all costs, fees and expenses due to the Agent, the Joint Lead Arrangers (as such term is defined in the Commitment Letter) and the Lenders.

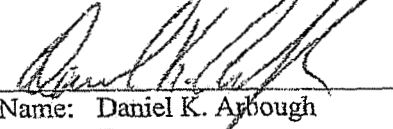
SECTION 12. *Miscellaneous.* This Amendment shall constitute a Loan Document for all purposes of the Credit Agreement and the other Loan Documents. The provisions of this Amendment are deemed incorporated into the Credit Agreement as if fully set forth therein. The Borrower shall pay all reasonable out-of-pocket costs and expenses of the Agent incurred in connection

with the negotiation, preparation and execution of this Amendment and the transactions contemplated hereby.

[Signature Pages to Follow]

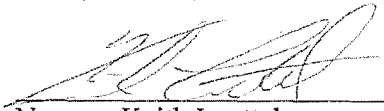
IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be
duly executed as of the date first above written.

KENTUCKY UTILITIES COMPANY

By: 
Name: Daniel K. Arbough
Title: Treasurer

[Signature Page to KU – Amendment]

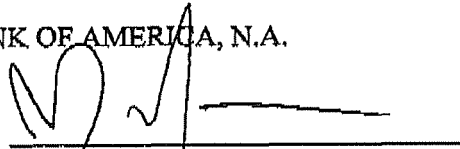
WELLS FARGO BANK, NATIONAL
ASSOCIATION

By: 
Name: Keith Luettel
Title: Vice President

[Signature Page to KU – Amendment]

BANK OF AMERICA, N.A.

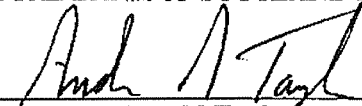
By:

A handwritten signature in black ink, appearing to be 'Michael Mason', written over a horizontal line. The signature is stylized with a large initial 'M'.

Name: Michael Mason
Title: Director

[Signature Page to KU – Amendment]

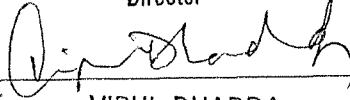
THE ROYAL BANK OF SCOTLAND PLC

By: 
Name: Andrew N Taylor
Title: Vice President

[Signature Page to KU – Amendment]

CREDIT SUISSE AG, Cayman Islands
Branch

By: 
Name: Mikhail Faybusovich
Title: Director

By: 
Name: VIPUL DHADDA
Title: ASSOCIATE

THE BANK OF NOVA SCOTIA

By: _____

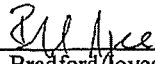
Name:

Title:

**THANE RATTEW
MANAGING DIRECTOR**

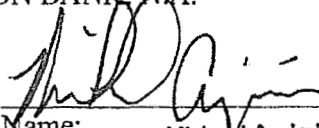
[Signature Page to KU – Amendment]

THE BANK OF TOKYO-MITSUBISHI
UFJ, LTD.

By: 
Name: Bradford Goyce
Title: Director


[Signature Page to KU – Amendment]

UNION BANK, N.A.

By: 
Name: Michael Agrimis
Title: Vice/President

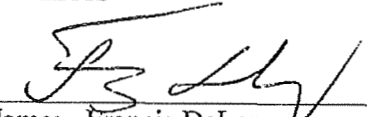
[Signature Page to KU – Amendment]

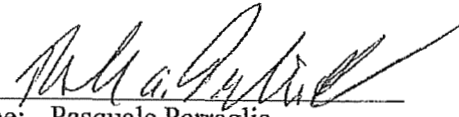
BARCLAYS BANK PLC

By: 
Name: Michael Mozer
Title: Vice President

[Signature Page to KU – Amendment]

BNP PARIBAS

By: 
Name: Francis DeLaney
Title: Managing Director

By: 
Name: Pasquale Perraglia
Title: Vice President

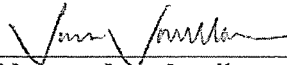
[Signature Page to KU – Amendment]

CITIBANK, N.A.

By: Anita J. Brickell
Name: Anita J. Brickell
Title: Vice President


[Signature Page to KU -- Amendment]

JPMORGAN CHASE BANK, N.A.

By: 
Name: Juan Javellana
Title: Executive Director

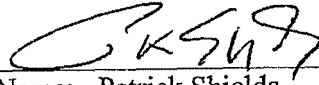
[Signature Page to KU – Amendment]

MORGAN STANLEY BANK, N.A.

By: 
Name: Michael King
Title: Authorized Signatory


[Signature Page to KU – Amendment]

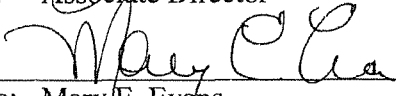
ROYAL BANK OF CANADA

By: 
Name: Patrick Shields
Title: Authorized Signatory

[Signature Page to KU – Amendment]


UBS LOAN FINANCE LLC

By: 
Name: Irja R. Otsa
Title: Associate Director

By: 
Name: Mary E. Evans
Title: Associate Director

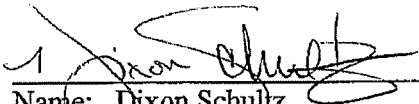
[Signature Page to KU – Amendment]

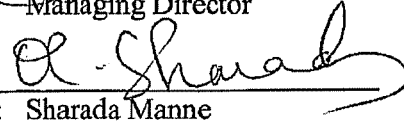
GOLDMAN SACHS BANK USA

By: 
Name: Mark Walton
Title: Authorized Signatory

[Signature Page to KU – Amendment]

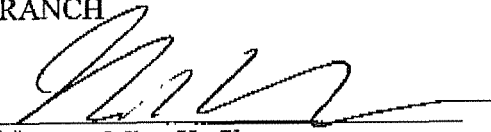
CREDIT AGRICOLE CORPORATE
AND INVESTMENT BANK

By: 
Name: Dixon Schultz
Title: Managing Director


By: 
Name: Sharada Manne
Title: Director

[Signature Page to KU – Amendment]

DEUTSCHE BANK AG NEW YORK
BRANCH

By: 

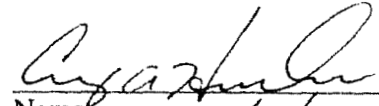
Name: Ming K. Chu
Title: Vice President

By: 

Name: Virginia Cosenza
Title: Vice President

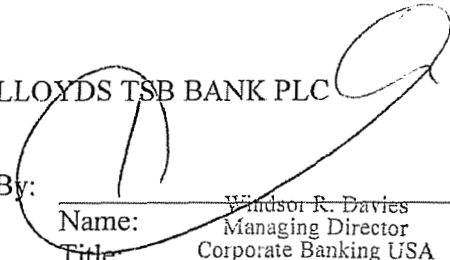
[Signature Page to KU – Amendment]

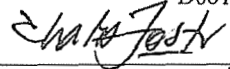
KEYBANK NATIONAL
ASSOCIATION

By: 
Name: Craig A Hanselman
Title: VP

[Signature Page to KU -- Amendment]

LLOYDS TSB BANK PLC

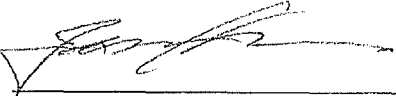
By: 
Name: Windsor R. Davies
Title: Managing Director
Corporate Banking USA
D061

By: 
Name: Charles Foster
Title: Managing Director

[Signature Page to KU – Amendment]

U.S. BANK NATIONAL
ASSOCIATION

By:

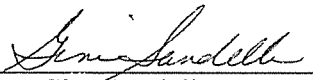


Name: J. James Kim
Title: Vice President

[Signature Page to KU – Amendment]

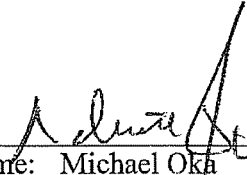
BAYERISCHE LANDESBANK, NEW
YORK BRANCH

By: 
Name: Rolf Siebert
Title: Senior Vice President

By: 
Name: Gina Sandella
Title: Vice President

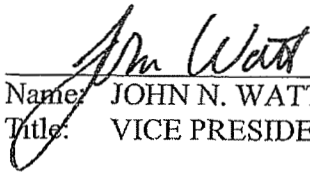
[Signature Page to KU – Amendment]

BANCO BILBAO VIZCAYA
ARGENTARIA S.A. -- NEW YORK
BRANCH

By: 
Name: Michael Oka
Title: Executive Director

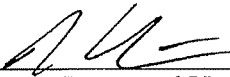
By: 
Name: Nietzsche Rodricks
Title: Executive Director

THE BANK OF NEW YORK MELLON

By: 
Name: JOHN N. WATT
Title: VICE PRESIDENT

[Signature Page to KU – Amendment]

MIZUHO CORPORATE BANK, LTD.

By: 
Name: Raymond Ventura
Title: Deputy General Manager

[Signature Page to KU – Amendment]

SOVEREIGN BANK

By: 

Name: Robert D. Lanigan

Title: SVP

[Signature Page to KU – Amendment]

SUNTRUST BANK

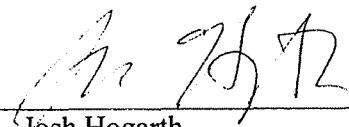
By: _____

Name: Andrew Johnson

Title: Director

[Signature Page to KU – Amendment]


CIBC INC.

By: 

Name: Josh Hogarth

Title: Director

Joshua J. Hogarth
CIBC Inc.
Authorized Signatory


By: 

Name: Eoin Roche

Title: Executive Director

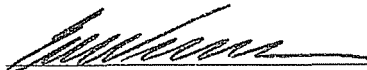
[Signature Page to KU – Amendment]

FIFTH THIRD BANK

By: 
Name: Randolph J. Stierer
Title: Vice President

[Signature Page to KU – Amendment]

PNC BANK, NATIONAL
ASSOCIATION

By: 
Name: Edward M. Tessalone
Title: Senior Vice President

[Signature Page to KU – Amendment]

SUMITOMO MITSUI BANKING
CORPORATION

By: 

Name: Masakazu Hasegawa

Title: Managing Director


[Signature Page to KU – Amendment]

THE NORTHERN TRUST COMPANY

By: Peter J. Hallan
Name: Peter J. Hallan
Title: Vice President

[Signature Page to KU – Amendment]

WING LUNG BANK LTD. LOS
ANGELES BRANCH

By: 
Name: Irene Kwan
Title: VP/ Deputy Branch
Manager

[Signature Page to KU – Amendment]

Schedule 1

Commitment Appendix

Lender	Revolving Commitment
Wells Fargo Bank, National Association	\$20,500,000.00
Bank of America, N.A.	20,500,000.00
The Royal Bank of Scotland plc	20,500,000.00
Credit Suisse AG, Cayman Islands Branch	19,000,000.00
The Bank of Nova Scotia	19,000,000.00
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	9,500,000.00
Union Bank, N.A.	9,500,000.00
Barclays Bank PLC	19,000,000.00
BNP Paribas	19,000,000.00
Citibank, N.A.	19,000,000.00
JPMorgan Chase Bank, N.A.	19,000,000.00
Morgan Stanley Bank, N.A.	19,000,000.00
Royal Bank of Canada	19,000,000.00
UBS Loan Finance LLC	19,000,000.00
Goldman Sachs Bank USA	19,000,000.00
Credit Agricole Corporate & Investment Bank	14,000,000.00
Deutsche Bank AG New York Branch	14,000,000.00
KeyBank National Association	14,000,000.00
Lloyds TSB Bank plc	14,000,000.00
U.S. Bank National Association	14,000,000.00
Bayerische Landesbank, New York Branch	6,800,000.00
Banco Bilbao Vizcaya Argentaria S.A.	6,800,000.00
The Bank of New York Mellon	6,800,000.00
Mizuho Corporate Bank, Ltd.	6,800,000.00
Sovereign Bank	6,800,000.00
SunTrust Bank	6,800,000.00
CIBC Inc.	4,000,000.00
Fifth Third Bank	4,000,000.00
PNC Bank, National Association	4,000,000.00
Sumitomo Mitsui Banking Corporation	4,000,000.00
The Northern Trust Company	2,700,000.00
<u>Wing Lung Bank Ltd. Los Angeles Branch</u>	<u>0.00</u>
Total	\$400,000,000.00