

LG&E and KU Energy partners with local banks to strengthen regional economy

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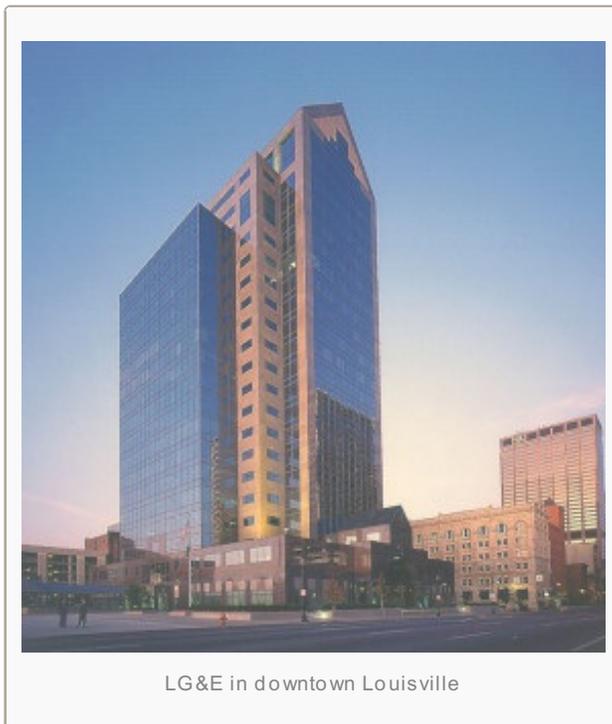
Loan facility provides \$75 million for funding working capital needs, promotes economic development

LOUISVILLE, Ky. (Nov. 1, 2013) — [LG&E and KU Energy LLC](#), a subsidiary of PPL Corp., and the parent holding company of Louisville Gas and Electric Co. and Kentucky Utilities Co., today announced a financing agreement with local banks to fund \$75 million in working capital needs. In addition to providing LG&E and KU Energy with needed funding, the arrangement supports regional economic development throughout the LG&E and KU service territories.

LG&E and KU Energy teamed with PNC Capital Markets LLC and other regional and local banks to develop a \$75 million senior unsecured revolving credit facility. The transaction capitalizes on substantial local bank deposits and offers investment-grade lending opportunities to local bank participants. Additionally, it strengthens LG&E and KU Energy's access to capital markets by diversifying funding sources.

"This financing strategy is truly a win-win for all parties," said Kent Blake, LG&E and KU Energy's chief financial officer. "It provides our company with another cost-effective financing alternative and promotes healthy local businesses and a stronger local economy. This partnership with regional and local banks further solidifies our long-standing commitment to the communities we serve."

In addition to PNC Capital Markets as the arranger, PNC Bank as the administrative agent, Fifth Third Bank as the syndication agent, and Central Bank and Trust Company as the documentation agent, eight other banks — with a combined 302 branches across the LG&E and KU service territories — are participating in this financing agreement.



LG&E in downtown Louisville

The participating banks and the locations of their corporate headquarters are:

- ◆ Bank of Harlan (Harlan, Ky.)
- ◆ Commonwealth Bank and Trust Co. (Louisville, Ky.)
- ◆ Cumberland Valley National Bank & Trust Co. (London, Ky.)
- ◆ Farmers National Bank of Danville (Danville, Ky.)

◆ Heritage Bank USA, Inc. (Hopkinsville, Ky.)

◆ Heritage Bank, Inc. (Burlington, Ky.)

◆ MainSource Bank (Greensburg, Ind.)

◆ Republic Bank & Trust Co. (Louisville, Ky.)

Including local banks to provide financing expands on LG&E and KU Energy's traditional financing strategies. LG&E and KU Energy also remains active with larger financial institutions with global portfolios and in the traditional capital markets.

"Raising capital within our service territories makes perfect sense," Blake said. "While our business has evolved through the years, our commitment to our communities has remained steadfast. With this financing structure, we are not only diversifying our lender base, but we're also establishing new relationships with banks who are also our customers."

CFSD Group LLC served as an advisor to LG&E and KU Energy for this financing arrangement.

