

COMMONWEALTH OF KENTUCKY
BEFORE THE ENERGY REGULATORY COMMISSION

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In the Matter of

THE APPLICATION OF LOUISVILLE GAS)
AND ELECTRIC COMPANY FOR A FINAL ORDER) CASE NO. 7865
AUTHORIZING THE ISSUANCE OF COMMON)
STOCK)

O R D E R

On May 23, 1980, Louisville Gas and Electric Company, a Kentucky corporation (herein called "Louisville"), filed a verified application with the Energy Regulatory Commission of Kentucky (herein called "Commission") whereby Louisville sought the authorization of the Commission to issue, from time to time, not to exceed an aggregate of 300,000 shares of its Common Stock. Louisville intends to sell such shares to its employees pursuant to the terms, provisions and conditions of its Employee Common Stock Purchase Plan, herein sometimes referred to as "the Plan".

A hearing was held on this matter on June 5, 1980, in the Commission's offices in Frankfort, Kentucky, at which time there appeared no party of interest other than the Applicant.

The Commission, after reviewing the record and being advised, is of the opinion and finds that the issue by Louisville of a maximum of 300,000 shares of its Common Stock, without par value, is

- (a) For lawful objects within the corporate purposes of Louisville;
- (b) Necessary and appropriate for and consistent with the proper performance by Louisville of its service to the public and will not impair its ability to perform that service; and
- (c) Reasonably necessary and appropriate for such purpose.

IT IS THEREFORE ORDERED, that Louisville be and it is hereby authorized to issue, from time to time, not to exceed an aggregate of 300,000 shares of its Common Stock to be sold at a price to be determined pursuant to the terms, provisions and conditions of the Plan.

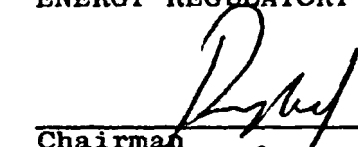
IT IS FURTHER ORDERED, that the proceeds from the sale of the Common Stock shall be used by Louisville for corporate purposes, including expenditures for the construction of projects authorized by certificates of convenience and necessity of this Commission, or for ordinary extensions of Louisville's system in the usual course of business.

IT IS FURTHER ORDERED, that Louisville shall notify the Commission of any changes or amendments in its Employee Common Stock Purchase Plan, the market value per share and the sales price per share when determined under the Plan and the number of shares issued under the Plan.

Nothing contained herein shall be construed as a finding of value for any purpose nor as a warranty on the part of the Commonwealth of Kentucky or any agency thereof as to the securities authorized herein.

Done at Frankfort, Kentucky, this the 10th day of June, 1980.

ENERGY REGULATORY COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:

Secretary