

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

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In the Matter of:

THE APPLICATION OF KENTUCKY)
UTILITIES COMPANY FOR AN) CASE NO. 8488
ORDER AUTHORIZING THE ISSUE)
OF SECURITIES)

O R D E R

On March 29, 1982, Kentucky Utilities Company ("KU") filed an application with this Commission requesting authorization to issue various securities during the calendar year 1982. After a review of the application and attached exhibits the Commission finds that additional information is required in order to complete its consideration of KU's application.

IT IS THEREFORE ORDERED that KU shall file an original and six copies of the following information with the Commission, by May 20, 1982. Include with each response the name of the individual who will be responsible for responding to any questions relating to the information provided. If neither the requested information nor a motion for an extension of time is filed by the stated date, the case will be dismissed.

(1) Provide a copy of the official articles of incorporation or other documents creating the new subsidiary of KU, Kentucky Utilities Finance, N.V. ("KUF").

(2) Provide a copy of the petition (if required) before the Securities and Exchange Commission to create KUF.

(3) Provide reference to (or copies thereof) of the applicable federal tax laws relating to financing through foreign entities, including the requirements for withholding and payment of federal taxes on income generated on such investments by said security holders. Also provide in the same manner the applicable provisions of federal tax law which designate the investment required by the parent of such foreign entity in order for said subsidiary to issue debt.

(4) With regard to the investment required by KU of capital in KUF in order to issue debt, provide an analysis of these capital requirements and the impact if any of this requirement on the overall cost of financing under this arrangement.

(5) Provide draft or proposed copies of the European notes, debentures or other official guaranties for the proposed financing.

(6) Provide a narrative explanation of the potential ramifications of the provision of the eurodollar loan instruments which state that "such obligations to pay principal, premium, if any, and interest may include obligations to pay, in certain circumstances, such additional amounts as may be necessary in order that every payment to certain holders of Kentucky Utilities Finance, N.V. notes or debentures, after deduction for certain taxes, assessments or charges which may be imposed on such holders, will not be less than the amounts provided in the notes or debentures."

(7) Provide a narrative explanation, supported by appropriate calculations or formulas, of the methodology and internal procedure employed by KU to determine the appropriate long-term debt financing alternative where domestic financing or Eurodollar financing are the two alternatives.

(8) Provide the best available estimates of the date of issue and cost of the various securities included in this application. Also include your definition of the "cost of money" for each type of security.

(9) Provide a copy of the preliminary official statement, prospectus, or offering circular (when available) for each of the securities contained in this application.

Done at Frankfort, Kentucky, this 10th day of May, 1982.

PUBLIC SERVICE COMMISSION



For the Commission

ATTEST:

Secretary