

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

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In the Matter of:

APPLICATION OF LOUISVILLE GAS)
AND ELECTRIC COMPANY FOR AN)
ORDER AUTHORIZING THE ISSUE) CASE NO. 8802
OF SECURITIES AND ASSUMPTION)
OF OBLIGATIONS)

AMENDED ORDER

On January 23, 1984, the Commission received a letter from Louisville Gas and Electric Company ("LG&E") requesting that certain changes be made in the Commission's Order entered May 12, 1983. With respect to paragraph (b) on page 3 of the Order, LG&E asked that the sentence beginning on line 6 with "LG&E is...", be amended to read "LG&E is also authorized to execute and deliver, during a period not exceeding 12 months subsequent to the issuance of this Order, a Loan Agreement...". That change would correct a contradiction with the first sentence of paragraph (b), on page 3.

LG&E stated, in its letter, that proposed changes in the Federal tax laws pending before the Congress of the United States might prohibit the financing of expenses incurred in the issuance of tax exempt bonds. Therefore,

with respect to paragraph (b) on page 4 of the Order, LG&E asked that line 2 beginning with "...Commission, to pay...", be amended to read "...Commission, and possibly to pay...".

Also with respect to paragraph (b) on page 3 of the Order entered May 12, 1983, LG&E asked that "...1983 Series A...", on the thirteenth line of the paragraph, be amended to read "...1984 Series A...".

LG&E believed it was the intent of the Commission's Order to allow the refinancing of the pollution control bonds to be done through a public offering or private placement, but the words "or private" were inadvertently omitted. Therefore, with respect to the second full paragraph on page 4 of the Order, LG&E asked that the first sentence beginning with "The Jefferson County...", be amended to read "The Jefferson County Refinancing series would be sold in an underwritten public offering or private placement transaction utilizing the proper documentation."

The Commission will treat the letter of January 23, 1984, as a Motion to amend the Order entered May 12, 1983.

The Commission is of the opinion that the first three amendments proposed by LG&E are reasonable. However, the Commission cannot grant blanket approval for proposed financing without knowledge of the terms and interest rate. In the first full ordering paragraph on page 5 of the Order entered May 12, 1983, the Commission did not deny LG&E the option of selling its bonds through a private placement. Rather, the Commission stipulated that the terms and interest

rate of a private placement had to be submitted for Commission approval, prior to issuance. The Commission does recognize the need for prompt action when issuing securities to take advantage of favorable terms and interest rates. Therefore, the Commission will try to issue an Order of approval as soon as possible when the terms and interest rate of a proposed security issue are known.

The Commission, having considered the Motion and being advised, HEREBY ORDERS that the sentence beginning "LG&E is..." on line 6 of paragraph (b), page 3, of the Commission's Order entered May 12, 1983, be and it hereby is amended as follows:

LG&E is also authorized to execute and deliver, during a period not exceeding 12 months subsequent to the issuance of this Order, a Loan Agreement with Jefferson County and to perform the transactions contemplated to be performed thereunder.

IT IS FURTHER ORDERED that line 2 beginning with "... Commission, to pay..." in paragraph (b) on page 4 of the Commission's Order entered May 12, 1983, be and it hereby is amended as follows:

...Commission, and possibly to pay...

IT IS FURTHER ORDERED that "...1983 Series A..." on the thirteenth line of paragraph (b), page 3, of the Order entered May 12, 1983, be amended as follows:

...1984 Series A...

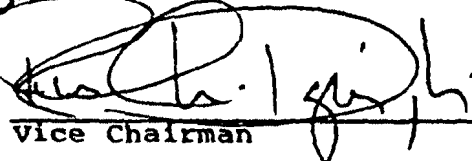
IT IS FURTHER ORDERED that should LG&E decide to sell its Jefferson County Refinancing series through a private placement, it shall file an application for approval of the terms and interest rate with the Commission.

IT IS FURTHER ORDERED that all provisions of the Commission's Order entered May 12, 1983, not amended herein shall remain in full force and effect.

Done at Frankfort, Kentucky, this 8th day of February, 1984.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:

Secretary