

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

* * * * *

In the Matter of:

THE APPLICATION OF ELECTRIC)	CASE NO. 9468
ENERGY, INC., FOR AN ORDER)	
AUTHORIZING THE ISSUANCE)	
OF NOTES)	

O R D E R

On November 22, 1985, Electric Energy, Inc., ("EEI") filed an application seeking authority to issue unsecured notes to Centerre Bank National Association and Mercantile Trust Company National Association ("Banks") to evidence borrowings to be made by EEI from the Banks from time to time but no later than December 31, 1987. The borrowings are not to exceed \$50,000,000 and the notes will bear an interest rate not to exceed the prime rate of interest charged by the Banks on short-term commercial loans.

The net proceeds will be used to (1) discharge or refund existing obligations of EEI as set forth in the application, (2) finance construction and improvements at EEI's coal-fired generating station located at Joppa, Illinois, (3) provide a portion of working capital necessary to EEI's operations and (4) pay EEI's expenses in connection with the transactions stated above.

The Commission, after considering the application and being advised, is of the opinion and finds that the issuance of the notes by EEI is for lawful objects within the corporate purposes of EEI, is necessary and appropriate for and consistent with the proper performance by EEI of its service to the public and will not impair its ability to perform that service and is reasonably necessary and appropriate for such purposes.

IT IS THEREFORE ORDERED that EEI be and it hereby is authorized to execute and deliver credit agreements and to issue and deliver its unsecured notes to evidence borrowings made by EEI, from time to time but no later than December 31, 1987, with the principal amount of the borrowings not to exceed \$50,000,000.

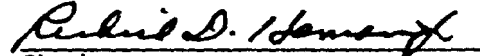
IT IS FURTHER ORDERED that the terms and interest rate for the unsecured notes shall be as set out in the application.


IT IS FURTHER ORDERED that the proceeds from the loan authorized herein shall be used only for lawful purposes as set out in the application.

Nothing contained herein shall be construed as a finding of value for any purpose or 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 6th day of December, 1985.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:

Secretary