

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF KENTUCKY)
UTILITIES COMPANY FOR AN ORDER) CASE NO. 9917
AUTHORIZING THE ISSUE OF SECURITIES)

O R D E R

On April 16, 1987, Kentucky Utilities Company ("KU") filed an application seeking authority to issue securities during 1987 to effect a two-for-one split of its Common Stock. The purpose of the stock split is to broaden the market, improve the marketability of KU's Common Stock, and increase the number of its stockholders. KU will determine, based on the facts and circumstances present at that time, whether a stock split is advisable and what ratio would be most advantageous. KU anticipated that a two-for-one stock split will be recommended, which is the maximum ratio which would be permitted under the authority requested.

The maximum number of shares to be issued was determined by KU as follows:

<u>Number of Shares</u>	<u>Purpose</u>
up to 18,908,939	Stock split at a ratio not to exceed two-for-one of presently issued and outstanding Common Stock.
up to 560,833	Stock split at a ratio not to exceed two-for-one of any of the remaining unissued 560,833 shares of Common Stock previously authorized pursuant to the Automatic Dividend Reinvestment and Stock Purchase Plan, if

issued prior to the stock split effective date.

up to 830,228

Stock split at a ratio not to exceed two-for-one of any of the 830,288 shares of Common Stock remaining unissued but previously authorized pursuant to the Employee Stock Ownership Plan, if issued prior to the stock split effective date.

TOTAL 20,300,000

KU advised the Commission that it expects that at the annual meeting, to be held April 28, 1987, KU's stockholders will approve an amendment to KU's Restated Articles of Incorporation, as amended, which will (a) increase the number of authorized shares of capital stock of KU to 87,300,000 from 37,300,000 by increasing the number of authorized shares of Common Stock to 80,000,000 from 30,000,000; and (b) modify the Common Stock to provide that all shares of Common Stock will be without par value (constituting a change from a par value of \$10 per share).

The Commission, having considered the evidence of record and being advised, is of the opinion and finds that the issuance of the above securities is for lawful objects within the corporate purposes of KU's utility operations, is necessary and appropriate for and consistent with the proper performance by the utility 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:

1. KU be and it hereby is authorized to issue during 1987 Common Stock in one or more stock splits at a minimum ratio of two-for-one, provided that the aggregate number of shares so issued (exclusive of any shares issued and sold pursuant to previous authorization of this Commission) shall not exceed 20,300,000.

2. KU be and it hereby is authorized to modify the Common Stock to provide that all shares of the Common Stock will be without par (constituting a change from a par value of \$10 per share).

3. Any issuance pursuant to the authority contained in this Order shall occur on or before December 31, 1987, unless such date be extended by further Order of the Commission.

4. KU shall, prior to each issuance of securities authorized herein, file with the Commission a statement setting forth the anticipated date or dates of issuance of the securities authorized herein, the Articles of Amendment to KU's Restated Articles of Incorporation, as amended, authorizing the increase in KU's authorized shares, and the resolution adopted by KU's Board of Directors authorizing the stock split.

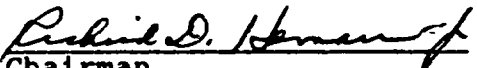
5. KU shall, as soon as reasonably possible after each issuance of securities authorized herein, file with the Commission a statement setting forth the date or dates of issuance of the securities authorized herein. KU shall also file, as soon as reasonably possible after each issuance of securities authorized herein, a statement setting forth all anticipated costs and


expenses involved in the issuance and distribution of said securities.

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 20th day of April, 1987.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:

Executive Director