

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF LOUISVILLE GAS AND)
ELECTRIC COMPANY FOR AN ORDER)
AUTHORIZING THE ISSUANCE OF) CASE NO. 9886
SECURITIES AND THE ASSUMPTION OF)
OBLIGATIONS)

O R D E R

In a letter filed with the Commission on January 29, 1988, Louisville Gas and Electric Company ("LG&E") requested that the Commission amend or supplement its Order of May 18, 1987, in this case. The Commission shall treat this letter as a motion to amend that Order which authorized LG&E to issue, sell, and deliver various securities during 1987.

Among the authorizations granted in that Order was the authority for LG&E to issue, sell, and deliver the following securities: (1) Cumulative Preferred Stock, without par value, (the "New Preferred Stock") with an aggregate value not to exceed \$75 million; and (2) First Mortgage Bonds (the "Refunding Bonds") in an aggregate principal amount not to exceed \$25 million.

LG&E was to use the proceeds from the sale of the New Preferred Stock to refund one or more series of LG&E's outstanding Cumulative Preferred Stock and to pay the expenses and premiums incurred in connection with the refinancing. The net proceeds from the sale of the Refunded Bonds would be expended in

connection with the refinancing of LG&E's \$25 million 10-1/8 percent First Mortgage Bonds, Series due October 1, 2009.

LG&E did not issue the New Preferred Stock or the Refunding Bonds in 1987 because those securities could not be issued at levels that produced a cost savings.

The Commission, having considered the evidence of record and being advised, is of the opinion and finds the motion to amend its Order of May 18, 1987, should be granted.

IT IS THEREFORE ORDERED that:

1. LG&E's motion to amend the Commission's Order of May 18, 1987, be and it hereby is granted.


2. The Commission's Order of May 18, 1987, authorizing LG&E to issue, sell, and deliver in one or more transactions, not to exceed \$75 million in aggregate stated value of its Cumulative Preferred Stock, without par value; and First Mortgage Bonds with an aggregate principal amount not to exceed \$25 million, be and it hereby is amended to extend said authorization through 1988.

3. All other provisions of the Commission's Order of May 18, 1987, are affirmed and shall continue in effect.

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 25th day of February, 1988.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:

Executive Director