

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF KENTUCKY)	
UTILITIES COMPANY FOR AN ORDER)	CASE NO. 90-131
AUTHORIZING THE ISSUE OF SECURITIES)	

O R D E R

On May 16, 1990, Kentucky Utilities Company ("KU") filed an application seeking authority to issue First Mortgage Bonds, Pollution Control Series No. 7, due May 1, 2020 ("First Mortgage Bonds"), in an aggregate principal amount not to exceed \$20,000,000. The First Mortgage Bonds will be issued pursuant to a Supplemental Indenture dated May 1, 1990, Supplemental to the Indenture of Mortgage and Deed of Trust dated May 1, 1947 between KU and Continental Bank, N.A., and Mr. M. J. Kruger, as Trustees. In connection with the issuance of these First Mortgage Bonds, KU will assume certain obligations under a loan agreement with Mercer County, Kentucky. The proceeds will be used to finance the acquisition of certain solid waste disposal facilities located within the County.

The Commission, having considered the evidence of record and being otherwise sufficiently advised, finds that the issuance and delivery of the above securities by KU are for lawful objects within the corporate purposes of KU's utility operations, are necessary and appropriate for and consistent with the proper performance of its service to the public, will not impair its ability

to perform that service, are reasonably necessary and appropriate for such purposes, and should, therefore, be approved.

IT IS THEREFORE ORDERED that:

1. KU be and it hereby is authorized to issue and deliver during 1990 and subsequent years First Mortgage Bonds in an aggregate principal amount not to exceed \$20,000,000 in the manner set forth in the application.

2. KU be and it hereby is authorized to execute and deliver the Supplemental Indenture dated May 1, 1990.

3. KU be and it hereby is authorized to execute and deliver the loan agreement with Mercer County as set out in the application, and to perform the transactions contemplated by the loan agreement.


4. KU shall, within 30 days after the issuance of the securities referred to herein, file with the Commission a statement setting forth the date or dates of issuance of the securities authorized herein, the price paid, the interest rate, and all fees and expenses, including underwriting discounts or commissions or other compensation, involved in the issuance and distribution.


5. The proceeds from the transactions authorized herein shall be used only for the lawful purposes 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 13th day of June, 1990.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director