

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF KENTUCKY)
UTILITIES COMPANY FOR AN ORDER)
AUTHORIZING THE ISSUANCE OF) CASE NO. 93-360
SECURITIES)

O R D E R

On November 12, 1993, the Commission authorized Kentucky Utilities Company ("KU") to issue and sell up to \$57,000,000 of long-term debt in the form of First Mortgage Bonds or, in the alternative, preferred stock during the twelve months following the date of the Order. On September 22, 1994, KU filed its Motion to Amend Order requesting to extend through December 31, 1995 its authority to issue and sell its previously authorized First Mortgage Bonds or preferred stock.

On December 21, 1993, KU issued \$20,000,000 in principal amount of 6.53% preferred stock. KU states that it still desires to redeem its First Mortgage Bonds Series K, \$35,500,000 in principal amount outstanding, and intends to do so by issuing the remaining \$37,000,000 of the originally authorized \$57,000,000. However, KU does not believe that current interest rates and market conditions make such redemption desirable at this time and may not prior to the expiration of its current authority on November 11, 1994. Therefore, KU requests its authority to issue the remaining \$37,000,000 be extended through December 31, 1995 in order to postpone the issuance until market conditions are more favorable.

The Commission, having considered the evidence of record and being otherwise sufficiently advised, finds that terms more favorable than those currently available would further reduce KU's overall cost of capital on an after-tax basis and KU's motion should be granted.


IT IS THEREFORE ORDERED that:

1. KU's Motion to Amend Order be and it hereby is granted to the extent that KU may issue and sell its remaining \$37,000,000 in First Mortgage Bonds or, in the alternative, preferred stock at any time or times up to and through December 31, 1995.

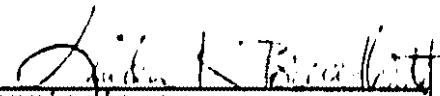
2. All other provisions of the November 12, 1993 and December 6, 1993 Orders not inconsistent herewith shall remain in full force and effect.

Done at Frankfort, Kentucky, this 27th day of October, 1994.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director