

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF KENTUCKY UTILITIES)
COMPANY FOR AN ORDER AUTHORIZING THE) CASE NO. 95-204
ISSUE OF SECURITIES)

O R D E R

On May 4, 1995, Kentucky Utilities Company ("KU") applied to the Commission for authority to issue long-term debt consisting of First Mortgage Bonds in an amount not to exceed \$50 million in principal amount. By letter dated May 10, 1995, the Commission notified KU that its application was deficient due to the omission of certain information required to be filed by 807 KAR 5:001, Section 11(1)(e). That regulation requires applications for authority to issue securities, the proceeds of which will discharge or refund obligations, to include a statement of the nature and description of such obligations, their par value, actual selling price and sales expenses, and the uses of the proceeds. Further, if notes are to be refunded, the application must show the date, amount, time, rates of interest, and payee of each and the use of the proceeds.

In response to the deficiency notice, KU filed a petition, pursuant to 807 KAR 5:001, Section 14, for a deviation from the filing requirement. KU states that while the proceeds of its proposed long-term debt issuance will enable it to reduce its outstanding balance of short-term debt, there will be no

identifiable discharging or refunding of short-term debt. The short-term debt to be reduced consists of commercial paper bearing various maturities of 1 to 270 days. Thus, this debt is in a process of continual exchange. The commercial paper has no par value and was issued to meet KU's general cash needs and to fund capital expenditures but cannot be traceable to any specific project.

Based on the petition and being otherwise sufficiently advised, the Commission finds that KU has shown good cause to justify the deviation requested. The information required by the regulation does not exist and the information contained in the application is sufficient for a thorough review of its merits.

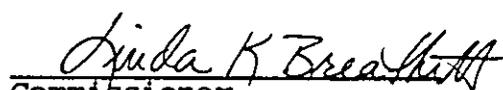
IT IS THEREFORE ORDERED that KU's request for a deviation from the requirements of 807 KAR 5:001, Section 11(1)(e), is hereby granted.

Done at Frankfort, Kentucky, this 26th day of May, 1995.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director