



LG&E Energy LLC
 220 West Main Street (40202)
 P.O. Box 32030
 Louisville, Kentucky 40232

July 20, 2005

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PUBLIC SERVICE
 COMMISSION

Ms. Elizabeth O'Donnell
 Executive Director
 Kentucky Public Service Commission
 211 Sower Boulevard
 Frankfort, Kentucky 40602-0615

RE: The Application of Kentucky Utilities Company for an Order Authorizing the Issuance of Securities and the Assumption of Obligations (Case No. 2005-00183)

Dear Ms. O'Donnell:

Pursuant to Ordering Paragraph No. 5 of the Commission's Order in the aforementioned proceeding, Kentucky Utilities Company ("KU") hereby files an original and three (3) copies of information related to an issuance under said Order.

Please be advised that on July 7, 2005, Kentucky Utilities Company (the "Company") completed the sale of \$13,266,950 Environmental Facilities Revenue Bonds (Kentucky Utilities Company Project) as contemplated in the above-referenced Case. The details of the bond issue are as follows:

\$13,266,950 County of Carroll, Kentucky,
 Environmental Facilities Revenue Bonds, 2005 Series A

The sale of the securities was negotiated with Banc of America Securities LLC and was completed as shown in the table below:

<u>Face Value</u>	<u>Initial Interest Rate</u>	<u>Rate Adjustment Date</u>	<u>Maturity</u>
\$13,266,950	2.20%	7/13/2005	6/1/2035

The interest rate on this bond issuance will be reset every 7 days through an auction mechanism that will reflect existing market conditions. The auction rate mode allows the Company to take advantage of the currently prevailing, historically low interest rates in the variable rate market. The yield curve for tax-exempt bonds is currently extremely steep with long-term rates very near those for taxable bonds. In such an environment, Kentucky Utilities did not feel issuing fixed rate bonds was an attractive alternative. The company will continue to monitor the market for opportunities to enter into an interest rate swap to fix the rate of interest on all or some portion of the bond.



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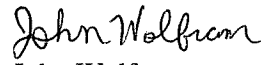
The auction rate option was selected among the short-term alternatives because it does not require bank liquidity support, which eliminates future uncertainty of cost and availability of bank liquidity. It is less costly than a bank letter of credit backed issue. The auction rate procedures are detailed in Appendix B of the enclosed Official Statement. Banc of America Securities LLC will act as the Remarketing Agents with respect to the bonds.

Total underwriter's commission of \$47,882.35 was paid to Banc of America Securities, LLC. An insurance premium in the amount of \$149,712.12 was paid at closing to Ambac Assurance Corporation covering the entire life of the bond. Other fees and expenses involved in the issuance and distribution (legal, printing, accounting, etc.) are estimated to be \$300,000.

Please confirm your receipt of this information by placing the File Stamp of your Office on the enclosed additional copy.

Please contact me if you have any questions regarding this transaction at (502)627-4110 or contact Don Harris at (502)627-2021.

Sincerely,

 DJH
John Wolfram

cc: Dan Arbough
Kendrick Riggs – Ogden, Newell, and Welch