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COMMISSION

Dr. Talina R. Mathews
Executive Director
Kentucky Public Service Commission
211 Sower Boulevard
Frankfort, Kentucky 40601

**Louisville Gas and
Electric Company**
State Regulation and Rates
220 West Main Street
PO Box 32010
Louisville, Kentucky 40232
www.lge-ku.com

November 30, 2016

Christopher M. Garrett
Director Rates
T 502-627-3328
F 502-627-3213
chris.garrett@lge-ku.com

**RE: Louisville Gas and Electric Company (Case No. 2003-00299) – Post
Case Correspondence**

Dear Dr. Mathews:

Enclosed please find and accept for filing Louisville Gas and Electric Company's ("LG&E") responses to the Commission Staff's Request for Information issued at the Informal Conference held November 22, 2016. The enclosed master agreements and confirmation statements are being filed on the enclosed CD as general correspondence and as supporting documentation regarding the remaining swaps and in accordance with the Commission's Order, Case No. 2003-00299, dated, September 13, 2003, authorizing the swap transactions. On or about December 18, 2003, LG&E filed a letter with the Office of the Executive Director for the Commission submitting the information referenced in paragraph number 5 of the Commission's Order in Case No. 2003-00299. A copy of the letter is enclosed.

Should you have any questions regarding the enclosed, please contact me at your convenience.

Sincerely,

Christopher M. Garrett



Louisville Gas and Electric Company
 220 West Main Street
 PO Box 32010
 Louisville, Kentucky 40232

December 18, 2003

Mr. Thomas M. Dorman, Executive Director
 Kentucky Public Service Commission
 211 Sower Boulevard
 P.O. Box 615
 Frankfort, Kentucky 40602

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PUBLIC SERVICE
 COMMISSION

RE: Louisville Gas and Electric Company (Case No. 2003-00299)

Dear Mr. Dorman:

Pursuant to Ordering Paragraph No. 5 of the Commission's Order in the aforementioned proceeding, Louisville Gas and Electric Company ("LG&E") hereby files an original and three (3) copies of information related to an issuance under said Order.

On November 20, 2003, Louisville Gas and Electric Company (the "Company") completed the sale of \$128,000,000 Pollution Control Revenue Bonds (Louisville Gas and Electric Company Project) as contemplated in the above-referenced Case. The details of the bond issue are as follows:

\$128,000,000 Louisville/Jefferson County Metro Government,
 Kentucky Pollution Control Revenue Bonds, 2003 Series A

The sale of the securities was negotiated with Morgan Stanley, Banc One, Bank of America, and Wachovia 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>
\$128,000,000	1.05%	1/6/2004	10/1/2033

The interest rate on this bond issuance will be reset every 35 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, while achieving a significant cost savings as compared to the fixed rate prior to refinancing. The auction rate option does not require bank liquidity support, which eliminates future uncertainty of cost and availability of bank liquidity. It is slightly more expensive than the flexible rate mode, however it is less costly than a bank letter of credit backed issue and it eliminates the uncertainty related to the availability and cost of bank liquidity. In addition, the bond issuance

Mr. Thomas M. Dorman, Executive Director
Kentucky Public Service Commission
December 18, 2003
Page Two

has annual bond insurance based on credit ratings as a credit enhancement provided by XL Capital Assurance ("XL"). The auction rate procedures are detailed in Appendix B of the enclosed Official Statement. Morgan Stanley, Banc One, Bank of America, and Wachovia will act as the Remarketing Agent with respect to the bonds.

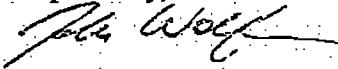
The Company has entered into four interest rate swaps that fix the interest rate on the bonds for the life of the bonds. Under these interest rate swaps, LG&E will pay an average of 3.666%.

The total underwriter's commission was paid to the following: Morgan Stanley - \$179,200, Banc One - \$89,600, Bank of America - \$89,600, Wachovia Securities - \$89,600. A two percent call premium in the amount of \$2,560,000 was paid at closing. An insurance premium in the amount of \$2,600,973.97 was paid at closing to XL. 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 and returning it in the envelope provided.

Should you have any questions, please contact me at 502-627-4110 or Don Harris at 502-627-2021.

Respectfully,



John Wolfram

CC: Dan Arbough
Elliott Home
Kendrick Riggs - Ogden, Newell, and Welch