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PUBLIC SERVICE
COMMISSION

Ms. Stephanie L. Stumbo
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
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April 6, 2008

Re: ***Louisville Gas and Electric Company – Report of Certain Material
Changes – Case No. 2006-00445***

Dear Ms. Stumbo:

Pursuant to the Commission's Order, dated January 31, 2007, in the aforementioned case, Louisville Gas and Electric Company ("LG&E") hereby files a report of material changes that LG&E would have had to disclose to the Securities and Exchange Commission ("SEC") on a Form 8-K if the company had continued to have publicly held secured debt.

In compliance with this Commission order, LG&E is submitting this letter as its report. With respect to March 2008, LG&E converted its Louisville Metro 2005 Series A tax exempt bonds from an auction rate mode to a weekly rate mode and purchased the bonds from a remarketing agent. The Company expects to hold the bonds until a permanent solution is determined for mitigating the additional interest expense caused by auction rate market disruptions resulting from credit concerns about the monoline bond insurers.

Should you have any questions in this regard, please do not hesitate to contact me.

Sincerely,

Lonnie E. Bellar
