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Ms. Stephanie L. Stumbo
Executive Director
Kentucky Public Service Commission
211 Sower Boulevard
Frankfort, Kentucky 40601

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MAY 15 2008

**PUBLIC SERVICE
COMMISSION**

**Louisville Gas and Electric
Company**
State Regulation and Rates
220 West Main Street
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Louisville, Kentucky 40232
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May 15, 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 April 2008, LG&E converted its Louisville Metro 2007
Series A and Series B 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