



an e-on company

C

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

**RECEIVED**  
APR 20 2007  
PUBLIC SERVICE  
COMMISSION

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

April 20, 2007

Rick E. Lovekamp  
Manager - Regulatory Affairs  
T 502-627-3780  
F 502-627-3213  
rick.lovekamp@eon-us.com

**RE: The applications of Louisville Gas and Electric Company for an  
Order Authorizing the Issuance of Securities and the Assumption of  
Obligations (Case Nos. 2006-00445 and 2007-00039)**

Dear Ms. O'Donnell:

Pursuant to Ordering Paragraph No. 7 of the Commission's Order in Case No. 2006-00445 and Paragraph No. 8 in Case No. 2007-00039, Louisville Gas and Electric Company ("LG&E") hereby files an original and three (3) copies of information related to an issuance under said Orders.

On April 13, 2007, LG&E entered into two loans with Fidelity Corporation in accordance with the orders issued on January 31, 2007 and March 22, 2007 in the above-referenced cases. The details of the loans are shown below:

	<u>Loan A</u>	<u>Loan B</u>
Borrower:	LG&E	LG&E
Lender:	Fidelity Corporation	Fidelity Corporation
Amount:	\$70 million	\$68 million
Maturity Date:	April 13, 2037	April 13, 2031
Interest Rate:	5.98%	5.93%
Price Paid:	100%	100%
Proceeds:	\$70 million	\$68 million
Commissions Paid:	None	None
Legal Costs:	None	None
Security for Loan:	None	None
Interest Payments:	April 13 and October 13 commencing October 13, 2007	April 13 and October 13 commencing October 13, 2007

Ms. Elizabeth O'Donnell  
 April 20, 2007

The proceeds of the loans were used to redeem preferred stock and fund pension contributions as described in the applications.

The interest rates were set using the lowest rate quoted to LG&E above the yield on the thirty-year treasury bond. The supporting price indications from the investment banks are attached along with a copy of a page from Bloomberg showing the yield on the treasury bond. The lowest rates quoted to LG&E by the investment banks were lower than the average bids quoted to E.ON A.G. Once again, the supporting price indications are attached. The bids are summarized in the table below:

	Loan A - \$70MM		Loan B - \$68MM	
	LG&E	E.ON AG	LG&E	E.ON AG
Low bid above thirty-year treasury	1.06%		1.01%	
Thirty-year treasury rate	4.92%		4.92%	
All-in cost	5.98%		5.93%	
Average bid above thirty-year treasury		1.12%		1.04%
Thirty-year treasury rate		4.92%		4.92%
All-in cost		6.04%		5.96%

The 106 and 101 basis point spreads are comparable with recent thirty-year debt issuances from other energy companies with a similar credit rating. (See table below along with attached support documentation).

Issuer	Moody's / S&P	Maturity	Spread
Central Hudson Gas & Electric	A2 / A	03/23/2037	+ 108 bps
Connecticut Light & Power	A3 / BBB+	03/01/2037	+ 110 bps
PacifiCorp	A3 / A-	04/01/2037	+ 102 bps

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.

Ms. Elizabeth O'Donnell  
April 20, 2007

Should you have any questions regarding this transaction or this information,  
please contact me or Don Harris at (502)627-2021.

Sincerely,

A handwritten signature in black ink, appearing to read "Rick E. Lovekamp", with a long horizontal flourish extending to the right.

Rick E. Lovekamp

cc: Dan Arbough  
Kendrick Riggs – Stoll · Keenon · Ogden

# U.S. debt capital markets update

## Utility & Pipeline sectors

### For distribution to issuer clients only

New York Peter Madonia, MD (212) 834-3808  
 Week ending Anisha Mehra, VP (212) 834-4918  
 Mar 23, 2007 Heather Towner, VP (212) 834-4871  
 Steve Leamer, Assoc (212) 834-4084  
 Ed Suvada, Analyst (212) 834-3311  
 Sarah Chessin, VP-Hybrids (212) 834-4073

#### Economic and Treasury market update

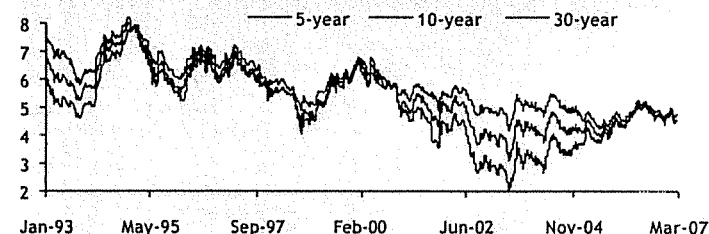
- Last week's FOMC statement was more dovish than expected as the Fed maintained rates at 5.25% and revealed the committee's shift toward a more neutral state
  - The Fed omitted the phrase "the extent and timing of any additional firming" and replaced it with "future policy adjustments" would depend on the outlook for inflation and growth
  - Inflation remains the focal point for the FOMC with its predominant concern being "that inflation will fail to moderate as expected"
- The release of the Fed decision triggered an immediate 4-5bp rally in 10- and 30-yr benchmark Treasury yields
  - Overall, 10- and 30-yr benchmark yields finished the week 7bp and 11bp higher, respectively, with the inversion between the 2s/10s curve reversing and the 2s/30s curve steepening 10bp
  - Markets revised their expectations and are pricing in 40bp of easing during 2007
- JPMorgan believes the market is overpricing a Fed ease as high frequency economic data continues to highlight solid job growth and stabilization in the housing market and as neither equity nor credit markets appear overly concerned about the possibility of a recession
  - February nonfarm payroll growth and January revisions were up over 45,000 jobs versus the consensus forecast. Average hourly earnings remained near five-year highs at 4.1%, while hours worked fell slightly
  - Both wholesale and consumer prices remained elevated last month. While CPI rose slightly in February due to higher food and energy costs, core prices remained at a 2.7% annual growth rate

#### JPMorgan interest rate forecast (%)

	23-Mar-07	2Q 07	3Q 07	4Q 07
Fed funds rate	5.25%	5.25%	5.25%	5.75%
3m LIBOR	5.35%	5.40%	5.65%	6.00%
2yr UST	4.60%	4.90%	5.10%	5.45%
5yr UST	4.51%	4.75%	4.90%	5.25%
10yr UST	4.61%	4.75%	4.85%	5.10%
30yr UST*	4.82%	4.80%	4.85%	5.10%
2s/10s curve	1 bps	-15 bps	-25 bps	-35 bps
10s/30s curve	21 bps	5 bps	Flat	Flat

JPMorgan forecast as of 3/23/07; forecasts are for quarter-end  
 \* 4 500% bonds due Feb-2036

#### Historical treasury rates (%)



Source: Bloomberg

#### Investment grade primary and secondary market update

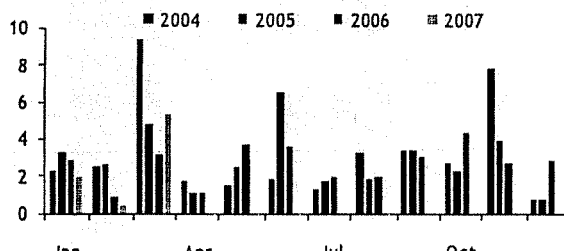
- Investment grade new issuance totaled over \$20bn last week, pushing March's current monthly supply total to a heavy \$80bn
  - Floating rate notes and financial institutions sector supply continues to remain robust year-to-date; corporate issuers remain opportunistic and monitor market conditions given the recent volatility as corporate sector supply continues to be noticeably light (14% lower YoY)
  - 5 utility issuers tapped the market for over \$1bn last week, including an extendible offering, three 30-yr tranches, and two 10-yr tranches
  - JPMorgan served as bookrunner Wyeth's (A3/A) \$2.5bn offering, which included a \$500MM 10-year and a \$2Bn 30 year, pricing at +89bp and +120bp, respectively. The offering was announced as \$1.5bn of 30-year bonds; the book grew at a steady pace and also received a reverse inquiry for a 10-year tranche, enabling the company to upsize the offering by \$1Bn and add a 10-year tranche
  - Primary supply is expected to remain robust as JPMorgan expects a very healthy calendar in coming weeks
- Although the equity markets rallied following the Fed's policymaking climb-down, the credit markets remained relatively muted last week with high grade corporate bond spreads finishing unchanged to just slightly wider
- JPMorgan believes that a cautious stance will be maintained for investors in the high grade asset class, as in the very near term, spreads may strengthen modestly as market participants continue to price in a higher probability of an ease in interest rates...
  - ...However, the prospect of interest rate policy uncertainty, real deceleration in corporate earnings and diminished investor sentiment suggest that there are significant risks of spread widening
  - High grade credit spreads are also unlikely to enjoy a full retraction of the recent widening
- The recent JPMorgan Credit Client Survey depicted investors having less weighting towards corporate bonds and a negative spread outlook
- Given the robust new issue calendar, investors are expected to add credit exposure through new issues rather than the secondary market

#### Selected recent investment grade new issuance

Date	Issuer	Ratings	Size	Coupon	Maturity	Spread
3/19	SHELL INTERNATIONAL FINANCE	Aa1/AA	500	4.950	03/22/2012	48
3/19	SHELL INTERNATIONAL FINANCE	Aa1/AA	750	5.200	03/22/2017	68
3/19	IBM CORP	A1/A+	500	4.950	03/22/2011	48
3/19	EMPIRE DISTRICT ELECTRIC	Baa1/BBB+	80	5.875	04/01/2037	115
3/20	CONNECTICUT LIGHT & POWER	A3/BBB+	150	5.375	03/01/2017	87
3/20	CONNECTICUT LIGHT & POWER	A3/BBB+	150	5.750	03/01/2037	110
3/20	CENTRAL HUDSON GAS & ELECTRIC	A2/A	33	5.804	03/23/2037	108
3/20	SOUTHERN CO	A3/A-	400	FRN	1/5 Extend	+1,2,3,4,5
3/22	CLEVELAND ELECTRIC ILLUM	Baa3/BBB-	250	5.700	04/01/2017	112
3/22	WYETH	A3/A	500	5.450	04/01/2017	89
3/22	WYETH	A3/A	2000	5.950	04/01/2037	120

Shading indicates Utility and Pipeline Issuance

#### Utility and Pipeline new issue supply (\$Bn)



Source: Securities Data Corp

JPMorgan

# Global Power Secondary Market Spread Update

10-Year and 30-Year Benchmarks as of April 13, 2007

Sector/Issuer	Intermed. Issue	Current Ratings (a)	Amt (\$mm)	Spread	Wkly Chg	Implied 10-Year (b)	Long Issue	Amt (\$mm)	Spread	Wkly Chg	Implied 30-Year (b)	Spread "Curve"
<b>Utility Operating Company (Secured)</b>												
Florida Power & Light (FMB)	4.850% due 02/01/2013	Aa3/A	400	+55	-3	+71	5.850% due 05/01/37	400	+93	-1	+93	+22
Public Service Co of Colorado (FMB)	5.500% due 04/01/2014	A3/A-	275	+67	+2	+77	5.750% due 04/01/37	600	+102	+0	+102	+18
√PacifiCorp (FMB)	4.950% due 08/15/2014	A3/A-	200	+75	+0	+84	5.550% due 01/15/37	400	+94	-4	+94	+20
Public Service Electric and Gas (FMB)	5.000% due 08/15/2014	A3/A-	250	+76	+0	+85	6.525% due 06/01/36	250	+105	+0	+105	+11
Southern California Edison (FMB)	5.000% due 01/15/2016	A2/BBB+	400	+70	-6	+74	5.700% due 04/01/35	200	+108	-4	+108	+32
Detroit Edison (Fall-Away)	4.800% due 02/15/2015	A3/BBB+	200	+87	+0	+94	6.950% due 03/15/33	312.3	+125	+0	+125	+24
Carolina Power & Light (FMB)	5.250% due 04/01/2015	A3/BBB	400	+69	-8	+76						
CenterPoint Energy Houston (GMB)	5.750% due 01/15/2014	Baa2/BBB	300	+90	+0	+101						
Potomac Edison (FMB)	5.800% due 10/15/2016	Baa2/BBB-	100	+115	+0	+123						
Westar Energy (FMB)	6.000% due 07/01/2014	Baa2/BBB-	250	+87	+2	+96						
Consumers Energy (FMB)	5.000% due 03/15/2015	Baa3/BBB-	225	+85	-4	+92						
Nevada Power (GMB)	5.950% due 03/15/2016	Ba1/BB+	210	+112	-2	+116						
<b>Average Spread</b>				<b>+82</b>	<b>-2</b>	<b>+84</b>			<b>+110</b>	<b>-2</b>	<b>+90</b>	<b>+18</b>
<b>Utility Operating Company (Unsecured)</b>												
Con Edison of NY	5.500% due 12/01/2016	A1/A	250	+77	+0	+78	5.700% due 12/01/36	250	+111	+0	+111	+33
Wisconsin Electric Power	4.500% due 05/15/2013	A1/A-	300	+66	+0	+80	5.700% due 02/15/33	300	+98	+0	+98	+18
Alabama Power	5.550% due 01/15/2017	A2/A	325	+73	-5	+70	6.000% due 02/15/33	250	+93	-7	+93	+23
Ohio Power	6.000% due 06/01/2016	A3/BBB	350	+88	+0	+91	6.450% due 10/15/32	350	+118	-4	+118	+27
Duke Power	5.625% due 11/30/2012	A3/BBB	400	+57	-2	+74	6.000% due 01/15/36	550	+114	+0	+114	+38
Virginia Electric & Power	5.400% due 01/15/2016	Baa1/BBB	450	+90	+0	+94	5.800% due 03/01/37	700	+110	-5	+110	+31
Pacific Gas & Electric	4.800% due 03/01/2014	Baa1/BBB	1,000	+69	-6	+79	5.375% due 06/15/33	200	+125	+0	+125	+18
PSI Energy / Cincinnati Gas & Electric	6.050% due 06/15/2016	Baa1/BBB	325	+105	+0	+108	7.250% due 01/15/33	350	+146	+0	+146	+35
TXU Electric Delivery	6.375% due 01/15/2015	Baa2(N)/BBB-(N)	500	+104	+0	+111						
<b>Average Spread</b>				<b>+81</b>	<b>-1</b>	<b>+87</b>			<b>+114</b>	<b>-2</b>	<b>+114</b>	<b>+27</b>
<b>Utility Holding Company</b>												
Wisconsin Energy	6.500% due 04/01/2011	A3/BBB+	450	+70	-2	+95	6.200% due 04/01/33	200	+123	+0	+123	+28
Sempra Energy	6.000% due 02/01/2013	Baa1/BBB+	400	+77	+0	+93	7.600% due 04/01/32	700	+164	-5	+164	+51
Constellation Energy	4.550% due 06/15/2015	Baa1/BBB+	550	+107	-3	+113	5.950% due 06/15/35	300	+133	+0	+133	+32
Dominion Resources	5.150% due 07/15/2015	Baa2/BBB	500	+95	+0	+101	5.625% due 06/15/35	500	+127	+0	+127	-3
American Electric Power	5.250% due 06/01/2015	Baa2/BBB	800	+124	-1	+130	7.750% due 03/01/31	650	+124	-6	+124	+35
Exelon Corp.	4.900% due 06/15/2015	Baa2/BBB(N)	300	+85	-2	+89	6.375% due 04/15/33	400	+137	-3	+137	+20
Progress Energy	5.625% due 01/15/2016	Baa2/BBB-	300	+114	+2	+117	7.450% due 08/15/32	250	+148	+2	+148	+36
DTE Energy	6.350% due 06/01/2016	Baa2/BBB-	300	+112	+0	+121	7.375% due 11/15/31	1,500	+138	-4	+138	+44
NISource Finance	5.400% due 07/15/2014	Baa3/BBB	500	+94	+2	+112	6.550% due 11/15/34	750	+310	+10	+310	+17
Peppco Holdings	6.450% due 08/15/2012	Baa3/BBB-	750	+94	+2	+112						
FirstEnergy	6.450% due 11/15/2011	Baa3/BBB-	1,500	+72	-6	+94						
CenterPoint Energy	5.950% due 02/01/2017	Ba1/BBB-	250	+125	-5	+131						
TXU Corp.	5.550% due 11/15/2014	Ba1(N)/BBB-(N)	1,000	+285	+5	+293						
TECO Energy	6.750% due 05/01/2015	Ba2/BB(P)	200	+118	-3	+124						
<b>Average Spread</b>				<b>+111</b>	<b>-1</b>	<b>+121</b>			<b>+156</b>	<b>-1</b>	<b>+156</b>	<b>+29</b>
<b>"Disaggregators"</b>												
Southern Power	4.875% due 07/15/2015	Baa1/BBB+	575	+95	+0	+101						
Exelon Generation	5.350% due 01/15/2014	Baa1/BBB+(N)	500	+120	-7	+131	8.625% due 04/15/31	500	+155	+0	+155	+39
PSEG Power	5.500% due 12/01/2015	Baa1/BBB	300	+112	+0	+116	6.000% due 12/15/36	300	+155	+0	+155	+27
PPL Energy Supply	6.200% due 05/15/2016	Baa2/BBB	450	+125	+0	+128						
TXU Energy	7.000% due 03/15/2013	Baa2(N)/BBB(N)	1,000	+155	+0	+170						
Allienergy Energy Supply	7.800% due 03/15/2011	Ba3/BB-	400	+148	+0	+173						
<b>Average Spread</b>				<b>+99</b>	<b>+0</b>	<b>+137</b>			<b>+155</b>	<b>+0</b>	<b>+155</b>	<b>+33</b>

(a) P: Review-Positive N: Review-Negative D: Review-Developing  
 (b) Implied 10- and 30-year spread is adjusted using mid-market swap rates and an assumed credit curve.



GRAB Govt YAS

Enter 11<GO> for Historical Z-spreads

# YIELD & SPREAD ANALYSIS

CUSIP912810FT PCS BGN

US TREASURY N/B T 4 1/2 02/15/36 93-18+ / 93-20+ ( 4.92 /91) BGN @14:38

SETTLE 4/12/07 FACE AMT 1000 M or PROCEEDS 943,367.58

1) YA YIELDS 2) YASD

PRICE 93-20+ No Rounding M

YIELD 4.914 [st

SPRD 1.60 bp yld-decimals 3/3

versus

T 4 3/4 02/15/37

PRICE 97-22 Save Delete

YIELD 4.898 % sd: 4/12/07

Yields are: Semi-Annual

3) OAS SPREADS 4) ASW

DAS: 2.4 CRV# CMT VOL Opt

DAS: CRV# TED:

ASW (A/A) -53.0 ZSPR -57.7 11) History

CRV# 152 US \$ SWAP 30/360

ISPRD -54.4 DSPRD -54.7

Yield Curve: I25 US TREASURY ACTIVES

+ 3 v 28.8yr ( 4.889 %) INTERPOLATED

+ 29 v 5yr ( 4.62) T 4 1/2 03/31/12

+ 20 v 10yr ( 4.71) T 4 5/8 02/15/17

+ 2 v 30yr ( 4.90) T 4 3/4 02/15/37

Australia 61.2 9777 8600 Brazil 5511 3048 4500  
Hong Kong 852 2977 6000 Japan 81 3 3201 8900 Singapore 65 6212

RISK & HEDGE RATIOS

T 4 1/2 02/15/36

workout 2/15/36 OAS HEDGE BOND OAS

Mod Dur 15.50 15.64 15.73

Risk 14.626 14.758 15.479

Convexity 3.49 3.55 3.63

Workout HEDGE Amount: 954 M

OAS HEDGE Amount: 953 M

5) FPA FINANCING

Repo% 5.180 (360/365) 360 Days 1

Int Income 124.31 Carry P&L

Fin Cost -135.74 -11.43

Amortiz 2.22<-> -9.21

Forward Prc 93.641768

Prc Drop -0.001143

Drop (bp) -0.01

Accrued Interest /100 0.696133

Number Of Days Accrued 56

Europe 44 20 7330 7500 Germany 49 63 920410  
1000 U.S. 1 212 318 2000 Copyright 2007 Bloomberg L.P.  
6433-111-1 11-Apr-07 14:40:21

**Horne, Elliott**

---

**From:** Hiller, Howard L [howard.l.hiller@citigroup.com]  
**Sent:** Monday, April 09, 2007 11:13 AM  
**To:** Horne, Elliott  
**Cc:** Arbough, Dan; Tucker, Matthew  
**Subject:** RE: Indicative Pricing for Two Loans at LG&E

Elliott:

Loan 1: T+100 bp (Comparable FMBs include FPL, Aa3/A, and PacifiCorp, A3/A-)  
Loan 2: T+95-100 bp (Most 20-year vs 30-year bonds are priced 5 bp tighter)

We are pricing long bonds off of the UST 4.50s Feb 2036. Yield is 4.943% on the screen.

The bp cost of underwriting commission is approximately 6 bp, if you want to include that.

Please call me with any questions (and note disclaimer below).

Best regards,

Howard

Howard Hiller  
Managing Director  
Fixed Income Capital Markets  
Citigroup Global Markets Inc.  
390 Greenwich Street, 4th Floor  
New York, NY 10013  
(212) 723-6098  
[howard.l.hiller@citigroup.com](mailto:howard.l.hiller@citigroup.com)

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4/18/2007

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**From:** Horne, Elliott [mailto:Elliott.Horne@eon-us.com]  
**Sent:** Monday, April 09, 2007 10:23 AM  
**To:** Hiller, Howard L [CIB-GFI]  
**Cc:** Arbough, Dan  
**Subject:** Indicative Pricing for Two Loans at LG&E

Hello Howard,

Can you please have your capital markets desk provide me with some indicative pricing (all-in spread) on a Louisville Gas and Electric first mortgage bond (Rated A1/A-) for two loans. The terms would be as follows for each loan:

Loan 1: 30 years at a fixed rate; \$70 million

Loan 2: 24 years at a fixed rate; \$68 million

Please call me at (502)627-3652 if you should have any questions. Thanks for your help!

4/18/2007



## Louisville Gas & Electric

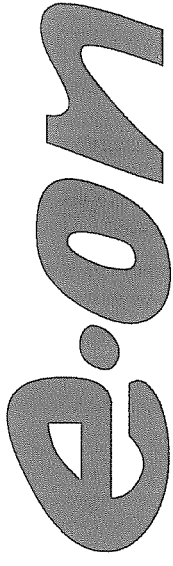
April 10, 2007

Market	Institutional	
	24 year	30 year
Tenor	\$68.0	\$70.0
Amount	First Mortgage	First Mortgage
Structure / Security	A1 / A-	A1 / A-
Ratings	Semi-Annual	Semi-Annual
Pay Frequency	4.5% due 2036	4.5% due 2036
Reference Benchmark	4.92%	4.92%
Benchmark Yield	<b>95 bps area</b>	<b>100 bps area</b>
<b>Reoffer Spread</b>	<b>5.87% area</b>	<b>5.92% area</b>
<b>Reoffer Yield</b>	0.875%	0.875%
Underwriting Fee	<b>5.94%</b>	<b>5.98%</b>
<b>All-In Yield</b>	<b>102 bps</b>	<b>106 bps</b>
<b>All-In Spread</b>	5.45%	5.45%
Mid Swap Rate	<b>42 bps</b>	<b>47 bps</b>
<b>Reoffer Floating Rate Spread</b>	<b>49 bps</b>	<b>53 bps</b>
<b>All-In Floating Rate Spread</b>		

"Area" defined as +/- 2 to 3 bps.

Confidential Presentation to:

Louisville Gas & Electric



Indicative New Issue Pricing

April 9, 2007

LEHMAN BROTHERS

# Summary Terms for Louisville Gas & Electric – 24-year

## Louisville Gas & Electric Assumes Secured Debt Ratings of A1 / A-

Security	First Mortgage Bonds
Maturity	24 yrs
Ratings	A1 / A-
Optionality	Non-call
Treasury Benchmark	30-yr Treasury
Treasury Yield	4.92%
Re-offer Spread	+100 bps
Re-offer Yield	5.92%
Gross Spread:	0.875%
Amortization of Gross Spread:	0.06%
Semiannual All-in Cost:	5.98%

*US Treasury Rate as of April 9, 2007*

# Summary Terms for Louisville Gas & Electric – 30-year

## Louisville Gas & Electric Assumes Secured Debt Ratings of A1 / A-

Security	First Mortgage Bonds
Maturity	30 yrs
Ratings	A1 / A-
Optionality	Non-call
Treasury Benchmark	30-yr Treasury
Treasury Yield	4.92%
Re-offer Spread	+105 bps
Re-offer Yield	5.97%
Gross Spread:	0.875%
Amortization of Gross Spread:	0.06%
Semiannual All-in Cost:	6.02%

*US Treasury Rate as of April 9, 2007*

## Horne, Elliott

---

**From:** Heintzen, Lioba [Lioba.Heintzen@eon.com]  
**Sent:** Wednesday, April 11, 2007 7:30 AM  
**To:** Horne, Elliott  
**Subject:** WG: US\$ 70 mln 24 and 30 year Indication

Mit freundlichen Grüßen/Kind regards

Lioba Heintzen

Treasury  
T +49 2 11-45 79-655  
F +49 2 11-45 79-669  
Lioba.Heintzen@eon.com

E.ON AG  
E.ON-Platz 1  
40479 Düsseldorf  
www.eon.com

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Vorsitzender des Aufsichtsrats/Chairman of the Supervisory Board: Ulrich Hartmann  
Vorstand/Board of Management: Dr. Wulf H. Bernotat (Vorsitzender/Chairman), Dr. Burckhard Bergmann, Christoph Dänzer-Vanotti, Lutz Feldmann, Dr. Marcus Schenck, Dr. Johannes Teysen

-----Ursprüngliche Nachricht-----

Von: hussain.hussain@uk.abnamro.com [mailto:hussain.hussain@uk.abnamro.com]  
Gesendet: Mittwoch, 11. April 2007 13:07  
An: Heintzen, Lioba  
Betreff: US\$ 70 mln 24 and 30 year Indication

Dear Ms Heintzen,

further to your request with respect to indicative funding levels for a USD 70 mln issue:

a) for a tenor of 24 years the new issue levels (all-in) would be at 30 year UST + 112 bp = US\$ 3m Libor + 51 bp;

b) for a tenor of 30 years the new issue levels (all-in) would be at 30 year UST + 116 bp = US\$ 3m Libor + 60 bp.

Kind regards,

Hussain Hussain  
Corporate Origination  
ABN AMRO  
250 Bishopsgate  
London EC2M 4AA  
UK

Phone: +44 (0) 207 678 8710  
Fax: +44 (0) 207 678 3597

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## Horne, Elliott

---

**From:** Heintzen, Lioba [Lioba.Heintzen@eon.com]  
**Sent:** Wednesday, April 11, 2007 5:06 AM  
**To:** Horne, Elliott  
**Subject:** WG: Indicative Pricing USD

Mit freundlichen Grüßen/Kind regards

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Christoph Dänzer-Vanotti, Lutz Feldmann, Dr. Marcus Schenck, Dr. Johannes Teysen

---

**Von:** DECHANT, Martina , GBM [mailto:Martina.DECHANT@rbos.com]  
**Gesendet:** Mittwoch, 11. April 2007 11:05  
**An:** Heintzen, Lioba  
**Betreff:** RE: Indicative Pricing USD

Naturalmente!

At present we would see funding levels for a USPP for a small size with the standard MFL clause:

1- for 24 years at T+ 100-110  
Ref Treasury yield ( interpolated between 10 and 30 yrs) 5.83 equals USD 3 mos LIBOR +30bp

2- for 30 years at T+ 110-120  
Ref Treasury yield ( 30 yr benchmark) 5.99 equals USD 3 mos LIBOR +45

4/18/2007

Kind regards

**Martina Dechant**

Director  
Corporate Risk Solutions  
Global Banking and Markets  
The Royal Bank of Scotland plc

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London EC2M 3UR  
United Kingdom

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D-60311 Frankfurt

Tel: +44 207 085 2934  
Fax: +44 207 085 6344

Mob: + 44 773 8347 112  
Tel FRA: +49 69 17006 228

---

**From:** Heintzen, Lioba [mailto:Lioba.Heintzen@eon.com]

**Sent:** 11 April 2007 09:56

**To:** DECHANT, Martina , GBM

**Subject:** AW: Indicative Pricing USD

Hi,

danke. Könnte ich diese Antwort auch in Englisch und über Treasuries haben? (Sorry, wenn ich nerve!!!)

Mit freundlichen Grüßen/Kind regards

Lioba Heintzen

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Christoph Dänzer-Vanotti, Lutz Feldmann, Dr. Marcus Schenck, Dr. Johannes Teysen

4/18/2007



## Horne, Elliott

---

**From:** Heintzen, Lioba [Lioba.Heintzen@eon.com]  
**Sent:** Wednesday, April 11, 2007 5:06 AM  
**To:** Horne, Elliott  
**Subject:** WG: Indication US Private Placement

Mit freundlichen Grüßen/Kind regards

Lioba Heintzen

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Christoph Dänzer-Vanotti, Lutz Feldmann, Dr. Marcus Schenck, Dr. Johannes Teyssen

---

**Von:** Schrago, Godefroy [mailto:Godefroy.Schrago@gs.com]  
**Gesendet:** Mittwoch, 11. April 2007 10:44  
**An:** Heintzen, Lioba  
**Cc:** Hofmann, Jens; Meckel, Jans  
**Betreff:** Indication US Private Placement

Good morning,

Please find the respective indications:

All-in for 30yrs: UST+110bps  
All-in for 24yrs: UST+100bps

Best regards,

**Goldman Sachs International**  
Peterborough Court | 133 Fleet Street | London EC4A 2BB

4/18/2007

Tel: +44 (0)20 7774 1000 | Direct: +44 (0)20 7774 9496

Fax: +44-(0)20 7774 4477

E-mail: [godefroy.schrago@gs.com](mailto:godefroy.schrago@gs.com)

**Godefroy Schrago**

Investment Banking Division

---

From: Heintzen, Lioba [<mailto:Lioba.Heintzen@eon.com>]

Sent: 11 April 2007 08:31

To: Schrago, Godefroy

Cc: Meckel, Jans

Subject: AW: Indication US Private Placement

Good morning,

would it be possible that you send me the same kind of spread again? I am interested in the all in spread that E.ON would have to pay for a PP both 24 years and 30 years. We need this for internal purposes only.

Mit freundlichen Grüßen/Kind regards

Lioba Heintzen

Treasury

T +49 2 11-45 79-655

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[Lioba.Heintzen@eon.com](mailto:Lioba.Heintzen@eon.com)

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---

Von: Schrago, Godefroy [<mailto:Godefroy.Schrago@gs.com>]

Gesendet: Mittwoch, 28. März 2007 10:47

An: Heintzen, Lioba

Cc: Meckel, Jans

Betreff: Indication US Private Placement

4/18/2007

Good morning,

As discussed with Jans Meckel, please find our current indication for a 30y US PP: UST+116bps all-in.

Best regards,

GS Team

Goldman Sachs International  
Peterborough Court | 133 Fleet Street | London EC4A 2BB  
Tel: +44 (0)20 7774 1000 | Direct: +44 (0)20 7774 9496  
Fax: +44-(0)20 7774 4477  
E-mail: godefroy.schrago@gs.com

Godefroy Schrago  
Investment Banking Division

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