

COMMONWEALTH OF KENTUCKY  
BEFORE THE ENERGY REGULATORY COMMISSION

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In the Matter of:

APPLICATION OF LOUISVILLE GAS AND )  
ELECTRIC COMPANY FOR A FINAL ORDER ) CASE NO. 7866  
AUTHORIZING THE ISSUANCE OF COMMON )  
STOCK )

O R D E R

On May 23, 1980, Louisville Gas and Electric Company filed its duly verified application seeking authority to issue not to exceed 1,500,000 shares of authorized but unissued Common Stock (without par value) at a price to be determined by negotiation with a group of underwriters represented by The First Boston Corporation and J. J. B. Hilliard, W. L. Lyons, Inc. The proceeds from the sale of such securities will be added to the Applicant's general funds and expended to reduce the then outstanding short-term borrowings incurred for interim financing of its construction program.

A hearing on this matter was held on the 5th day of June 1980, at the Commission's office in Frankfort, Kentucky, at which hearing there appeared no party of interest other than the Applicant.

The Commission, after consideration of the application, exhibits and all evidence of record and being advised, is of the opinion and finds that the proposed issue and sale by Louisville Gas and Electric Company of not to exceed 1,500,000 shares of its Common Stock (without par value) is for a lawful object within the corporate purposes of the utility, is necessary and appropriate for and consistent with the proper performance by the utility of its service to the public and will not impair its ability to perform that service, and is reasonably necessary and appropriate for such purpose.

IT IS THEREFORE ORDERED, that Louisville Gas and Electric Company be and it hereby is authorized to issue and sell not to exceed 1,500,000 shares of Common Stock (without par value) at a price to be determined by negotiation with a group of underwriters according to a formula which provides that the price to be received by the Company shall be not higher than the reported last sale or the reported last asked price of Louisville's Common Stock on the New York Stock Exchange immediately prior to such determination, whichever is higher, plus as much as \$.375

per share, less underwriter's compensation of not to exceed 5% of the public offering price.

IT IS FURTHER ORDERED, that the proceeds from the sale of the securities authorized herein shall be used only for the lawful purposes as set out in the application.

IT IS FURTHER ORDERED, that Louisville Gas and Electric Company shall, within a reasonable time after the sale of the Common Stock authorized herein, file with the Commission the price received and a statement of all fees and expenses involved in the stock issue, including underwriting discounts and commissions; a list of the group purchasing the Common Stock; any amendments to the Securities and Exchange Commission Registration Statement; and a copy of the Final Prospectus.

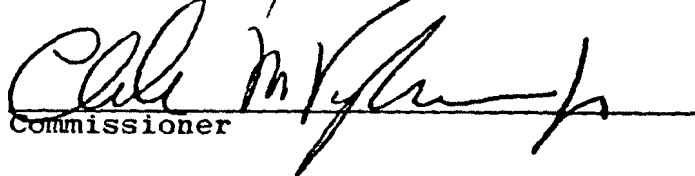
Nothing contained herein shall be construed as a finding of value for any purpose as a warranty on the part of the Commonwealth of Kentucky or any agency thereof as to the securities authorized herein.

Done at Frankfort, Kentucky, this the 10th day of June, 1980.

ENERGY REGULATORY COMMISSION

  
Chairman

  
Vice Chairman

  
Commissioner

ATTEST:

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Secretary