

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

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IN THE MATTER OF:

APPLICATION OF LOUISVILLE GAS)
AND ELECTRIC COMPANY FOR A)
FINAL ORDER AUTHORIZING THE) CASE NO. 8298
ISSUANCE OF COMMON STOCK)

O R D E R

On July 31, 1981, Louisville Gas and Electric Company ("Applicant") filed its duly verified application seeking authority to issue and sell not to exceed 1,500,000 shares of authorized but unissued common stock (without par value) at a price to be determined through negotiation with underwriters. The net proceeds from the sale of such common stock will be added to the Applicant's general funds to be expended in connection with its construction program and to reduce some of its then outstanding short-term borrowings incurred for interim financing of its construction program.

The Commission, after consideration of the application and being advised, is of the opinion and finds that the issuance and sale by Louisville Gas and Electric Company of not to exceed 1,500,000 shares of authorized but unissued 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 authorized but unissued common stock (without par value) at a price to be determined through negotiation with underwriters.

IT IS FURTHER ORDERED that the price to be received by Applicant for the common stock shall be not less than 95% of the reported last sale or of the reported last asked price of Applicant's common stock on the New York Stock Exchange immediately prior to such determination, whichever price is higher, less underwriter compensation which shall not exceed 6% of the public offering price.

IT IS FURTHER ORDERED that the proceeds from the sale of common stock 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, as soon as reasonably possible, file with this Commission (a) a copy of the Registration Statement and any amendments thereto filed with the Securities and Exchange Commission, (b) the form of underwriting agreement, purchase contract or purchase agreement relating to such securities, (c) a statement of the principal terms of sale of such securities (including pricing terms and dividend rate), (d) a list of the names of the underwriters or purchasers and (e) information as

to all underwriting discounts or commissions or other compensation involved in the issuance or distribution.

Nothing contained herein shall be construed as a finding of value for any purpose or 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 5th day of August 1981.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:

Secretary