

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

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In the Matter of:

APPLICATION OF KENTUCKY UTILITIES )  
COMPANY FOR AN ORDER AUTHORIZING )  
THE ISSUE OF SECURITIES AND THE ) CASE NO. 8372  
RESTRUCTURING OF CERTAIN TERM )  
LOANS )

O R D E R

On April 15, 1983, Kentucky Utilities Company ("KU") filed its application seeking authority to restructure, at its option, the interest rates on its \$15,000,000 and \$40,000,000 term loan agreements with Bankers Trust Company. The new interest rate for the \$15,000,000 term loan would be equal to 1/2 of 1 percent in excess of the relevant Adjusted CD Rate. The new interest rate for the \$40,000,000 term loan would be determined as follows: prior to January 1, 1985, the interest rate would be equal to 1/2 of 1 percent in excess of the relevant Adjusted CD Rate, and on or after January 1, 1985, through and including December 31, 1986, the interest rate would be equal to 5/8 of 1 percent in excess of the relevant Adjusted CD Rate.

The Commission, after consideration of the application and all evidence of record and being advised, is of the opinion and finds that the proposed amendments to KU's term loan agreements are for lawful objects within the corporate purposes of its utility operations, are necessary and

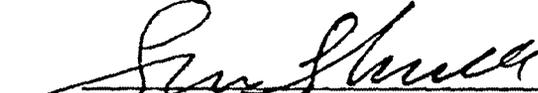
appropriate for and consistent with the proper performance of its service to the public and will not impair its ability to perform that service, and are reasonably necessary and appropriate for such purposes.

IT IS THEREFORE ORDERED that KU be and it hereby is authorized to amend its \$15,000,000 and \$40,000,000 term loan agreements.

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

Done at Frankfort, Kentucky, this 27th day of April, 1983.

PUBLIC SERVICE COMMISSION

  
Chairman

  
Vice Chairman

  
Commissioner

ATTEST:

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Secretary