

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF LOUISVILLE GAS )  
AND ELECTRIC COMPANY FOR AN )  
ORDER AUTHORIZING THE ISSUE ) CASE NO. 9716  
OF SECURITIES AND ASSUMPTION )  
OF OBLIGATIONS )

O R D E R

On October 16, 1986, Louisville Gas and Electric Company ("LG&E") filed an application seeking authority to issue First Mortgage Bonds, Pollution Control Series K and L ("First Mortgage Bonds"), in an aggregate principal amount not to exceed \$55,000,000. In connection with the issuance of these First Mortgage Bonds, LG&E will assume certain obligations under loan agreements with Trimble County and Jefferson County, Kentucky. The proceeds will be used to refinance higher cost pollution control bonds.

The Commission, after considering the application and all the evidence of record and being advised, is of the opinion and finds that LG&E's proposed issuance of First Mortgage Bonds, in a principal amount not to exceed \$55,000,000, and loan agreements with Trimble and Jefferson counties, are for lawful objects within the corporate purposes of LG&E, are necessary and appropriate for and consistent with the proper performance by LG&E of its service to the public, will not impair its ability to perform that service and are reasonably necessary and appropriate for such purposes.

IT IS THEREFORE ORDERED that:

1. LG&E be and it is hereby authorized to issue and deliver, during 1986 and in subsequent years, First Mortgage Bonds in an aggregate principal amount not to exceed \$55,000,000 in the manner set forth in the application.

2. LG&E be and it is hereby authorized to execute and deliver loan agreements with Trimble County and Jefferson County, Kentucky, as set out in the application.

3. LG&E shall, as soon as is reasonably possible after the issuance of the securities referred to herein, file with the Commission a statement setting forth the date or dates of issuance of the securities authorized herein, the price paid, the interest rate, the purchasers and all fees and expenses, including underwriting discounts or commissions or other compensation, involved in the issuance and distribution.

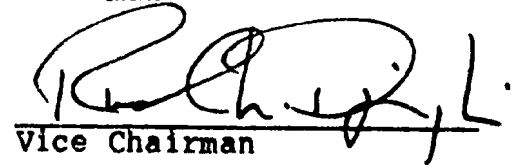
4. The proceeds from the transactions authorized herein shall be used only for the lawful purposes as set out in the application.

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 27th day of October, 1986.

PUBLIC SERVICE COMMISSION

  
Chairman

  
Vice Chairman

  
Commissioner

ATTEST:

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Executive Director