

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF KENTUCKY)	
UTILITIES COMPANY FOR AN ORDER)	CASE NO. 89-362
AUTHORIZING THE ISSUE OF SECURITIES)	

O R D E R

On December 14, 1989, Kentucky Utilities Company ("KU") filed its application seeking authority to issue one promissory note in the amount of \$212,789.53 at 8 percent per annum interest payable with each annual principal installment. Principal will be repaid in ten annual installments of \$21,278.95 each, commencing January 5, 1990 and ending January 5, 1999. The note is to be issued in connection with KU's purchase of 80 acres of real property located in Mercer County, Kentucky, from Thurman Hardin and Virginia Hardin ("Sellers"). The purpose of the purchase is to use the property to excavate clay material to be utilized in the modification of the existing ash pond dike on KU's E.W. Brown property in Mercer County. The security interest will be a vendors' lien retained by the Sellers on the property purchased by KU.

The Commission, having considered the evidence of record and being otherwise sufficiently advised, finds that the proposed issuance by KU of one promissory note in the amount of \$212,789.53 is for a lawful object within its corporate purposes, is 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 is reasonably necessary and appropriate for such purposes and should, therefore, be approved.

IT IS THEREFORE ORDERED that:

1. KU be and it hereby is authorized to issue one promissory note in the amount of \$212,789.53 at 8 percent interest.

2. KU shall, within 30 days after the issuance of the security 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 commission or other compensation, involved in the issuance.

3. KU shall agree only to such terms and prices that are consistent with said parameters as set out in its application.

4. The security authorized herein shall be used only for the lawful purposes 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 21st day of December, 1989.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman

ATTEST:

Executive Director

Commissioner