

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

JOINT APPLICATION FOR TRANSFER )  
OF LOUISVILLE GAS AND ELECTRIC )  
COMPANY AND KENTUCKY UTILITIES ) CASE NO. 2001-104  
COMPANY IN ACCORDANCE WITH )  
E.ON AG'S PLANNED ACQUISITION )  
OF POWERGEN PLC )

O R D E R

On August 6, 2001, the Commission issued an Order finding that the acquisition by E.ON AG ("E.ON") of PowerGen plc ("PowerGen"), LG&E Energy Corp. ("LG&E Energy"), Louisville Gas and Electric Company ("LG&E"), and Kentucky Utilities Company ("KU") (collectively "Applicants") would be approved if the Applicants accept all of the commitments set forth in that Order. On August 14, 2001, PowerGen, LG&E Energy, LG&E, and KU filed letters stating an unconditional acceptance of all commitments in the August 6, 2001 Order. E.ON also filed a letter on that date stating its acceptance of all commitments except No. 36 in Appendix A, which would commit E.ON to establish its United States headquarters in Louisville, Kentucky. In conditioning its acceptance of Commitment No. 36, E.ON stated that it intends to maintain an existing office in New York to perform functions related to its non-energy business and to perform financial and accounting functions for E.ON. This letter, however, contains no details with respect to the New York office, such as its maximum size, the specific functions to be performed there, why those functions cannot be performed at the

Louisville headquarters, and how that office will interface with the Louisville headquarters.

Based on E.ON's August 14, 2001 letter conditioning its acceptance of Commitment No. 36 in Appendix A to the August 6, 2001 Order and the absence of any record evidence on E.ON's New York office, the Commission finds that additional evidence is necessary to determine whether E.ON's intent to maintain its New York office is consistent with Commitment No. 36. In recognition that this issue appears to be limited in scope, the Commission will schedule an informal conference with the intent that a resolution can be achieved expeditiously without an extensive procedural schedule. If a resolution cannot be achieved in this manner, the Commission will establish dates for filing prepared testimony and a hearing.

IT IS THEREFORE ORDERED that an informal conference shall be held on September 4, 2001, at 1:30 p.m., Eastern Daylight Time, in Hearing Room 2 of the Commission's offices at 211 Sower Boulevard, Frankfort, Kentucky.

Done at Frankfort, Kentucky, this 17<sup>th</sup> day of August, 2001.

By the Commission

ATTEST:

  
Executive Director