

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 approving 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"), subject to their unconditional acceptance of the commitments enumerated therein. PowerGen, LG&E Energy, LG&E, and KU, by letters filed on August 14, 2001, stated their unconditional acceptance of those commitments. E.ON also filed a letter on that same date accepting all commitments but clarifying that while Louisville, Kentucky will be the headquarters of its operations in this country, it intends to maintain an existing office in New York to perform certain functions for its corporate headquarters in Germany.

The Commission then requested additional details about the role of E.ON's New York office and the United States headquarters it intends to establish in Louisville, Kentucky. On August 29, 2001, E.ON filed the additional information, and an informal conference was held on September 4, 2001 to discuss this issue. E.ON subsequently

filed on September 7, 2001 a supplemental letter committing to establish its United States headquarters in Louisville, Kentucky for 10 years following its acquisition of PowerGen. E.ON's letter specifies the functions to be performed at this headquarters, including overseeing the development of synergies from future acquisitions in this country. Management of all future acquisitions will report to this headquarters. In addition, E.ON committed that the functions now performed in its New York office will not be moved to another place in the United States as the result of a further acquisition or merger.

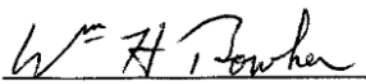
Based on the evidence of record and being otherwise sufficiently advised, the Commission finds that E.ON's August 14, 2001 letter, as supplemented by its filings on August 29, 2001 and September 7, 2001 constitute in their entirety an unconditional acceptance of all the commitments set forth in the Commission's August 6, 2001 Order.

IT IS THEREFORE ORDERED that E.ON's acquisition of PowerGen, LG&E Energy, LG&E, and KU is approved, subject to the requirements and commitments set forth in the August 6, 2001 Order.

Done at Frankfort, Kentucky, this 17th day of September, 2001.

By the Commission

ATTEST:

Deputy 
Executive Director