

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

AN ADJUSTMENT OF THE GAS AND ELECTRIC)
RATES, TERMS, AND CONDITIONS OF) CASE NO. 2003-00433
LOUISVILLE GAS AND ELECTRIC COMPANY)

and

AN ADJUSTMENT OF THE ELECTRIC)
RATES, TERMS, AND CONDITIONS OF) CASE NO. 2003-00434
KENTUCKY UTILITIES COMPANY)

O R D E R

The Commission, on its own motion, hereby reopens the evidentiary records of these rate cases based on the allegations by the Attorney General's Office that:

1. Louisville Gas and Electric Company ("LG&E") and Kentucky Utilities Company ("KU") may have had improper ex parte contacts with Commission employees regarding these cases; and
2. The settlement negotiations that resulted in the Partial Settlement Agreement, Stipulation and Recommendation may have been the product of collusion.

These allegations cast a shadow over the integrity of the Commission's rate-making process and the recently approved rates for LG&E and KU. By reopening these cases, all parties will have an opportunity to engage in discovery, including the issuance of subpoenas, and participate in evidentiary hearings as needed. A procedural schedule will be issued in the near future.

IT IS THEREFORE ORDERED that these cases are reopened for the reasons set forth in the findings above.

Done at Frankfort, Kentucky, this 15th day of July, 2004.

By the Commission

ATTEST:


Executive Director