

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF LOUISVILLE GAS	)	
AND ELECTRIC COMPANY FOR AN	)	
ORDER AUTHORIZING THE ISSUANCE	)	CASE NO. 2006-00445
OF SECURITIES AND THE ASSUMPTION	)	
OF OBLIGATIONS	)	

O R D E R

On October 13, 2006, Louisville Gas and Electric Company (“LG&E”) applied to the Commission for authority to issue new, unsecured tax-exempt pollution control debt in order to refund three series of secured, tax-exempt pollution control debt and to obtain long-term unsecured debt financing from Fidelia, an affiliate within the E.ON AG holding company system. Commission Staff has issued one set of interrogatories to which LG&E has responded.

KRS 278.300(2) provides that the Commission shall have 60 days after filing to consider applications for authority to issue or assume securities or evidences of indebtedness unless it is necessary for good cause to continue the application. As the Commission does not expect to complete its investigation of LG&E’s proposal within 60 days, the Commission finds that good cause exists to continue the financing application beyond the 60-day period specified in KRS 278.300(2).

IT IS THEREFORE ORDERED that:

1. LG&E’s application for authority to obtain long-term unsecured debt financing is continued beyond the 60-day period specified in KRS 278.300(2).

2. LG&E shall file within 10 days of the date of this Order the original and five copies of its response to the following:

LG&E's Application, Exhibit 5, presents a financial analysis of its proposed financing. Provide a revised financial analysis that reflects LG&E's proposal in this application and the anticipated issuance of \$300 million in new debt over the next five years, assuming that LG&E issues 30-year bonds at the interest rate differential discussed in Item No. 5 of LG&E's response to the Commission Staff's information request of November 1, 2006.

Each copy of the data responses should be placed in a bound volume with each item tabbed. When a number of sheets are required for an item, each sheet should be appropriately indexed, for example, Item 1(a), Sheet 2 of 6. Include with each response the name of the witness who will be responsible for responding to questions relating to the information provided. Careful attention should be given to copied material to ensure that it is legible.

Done at Frankfort, Kentucky, this 29<sup>th</sup> day of November, 2006.

By the Commission

ATTEST:



Executive Director