



a PPL company

Mr. Jeff DeRouen
Executive Director
Kentucky Public Service Commission
211 Sower Boulevard
P.O. Box 615
Frankfort, KY 40602-0615

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PUBLIC SERVICE
COMMISSION

Louisville Gas and Electric
Company
State Regulation and Rates
220 West Main Street
PO Box 32010
Louisville, Kentucky 40232
www.lge-ku.com

Rick E. Lovekamp
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January 24, 2011

**RE: The Application of Louisville Gas and Electric Company for an Order
Authorizing the Issuance of Securities and the Assumption of
Obligations (Case No. 2008-00131)**

Dear Mr. DeRouen:

Pursuant to Ordering Paragraphs No. 4 and 5 of the Commission’s Order in the
aforementioned case, Louisville Gas and Electric Company (“LG&E”) hereby
files an original and three (3) copies of information related to an issuance under
said order.

Please be advised that on January 13, 2011, LG&E completed the remarketing
of the Louisville/Jefferson County Metro Government, Pollution Control
Revenue Bonds, 2003 Series A in the amount of \$128,000,000 and the
Louisville/Jefferson County Metro Government, Environmental Facilities
Revenue Refunding Bonds, 2007 Series B in the amount of \$35,200,000 as
contemplated in the above-referenced case. In 2008, LG&E converted the
bonds from an auction rate mode to a weekly rate mode and purchased the
bonds. LG&E continued to hold the bonds until January 13, 2011 when they
were remarketed and the interest rate was converted to a long-term mode. The
remarketing of the bonds was negotiated among the following underwriters:
Morgan Stanley, J.P Morgan, and Goldman, Sachs & Co. Provided below is a
summary of the terms for the bonds:

Mr. Jeff DeRouen
January 24, 2011

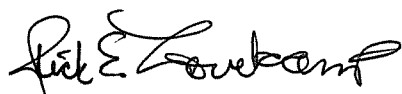
	2003 Series A Bond	2007 Series Bond
Principal:	\$128,000,000	\$35,200,000
Bond Proceeds:	\$128,000,000	\$35,200,000
Conversion Date:	1/13/2011	1/13/2011
Interest Rate:	1.90%	1.90%
Mandatory Purchase Date:	4/2/2012	6/1/2012
Maturity Date:	10/1/2033	6/1/2033

The long term rate mode was selected due to the low interest rates associated with this type of financing at the short end of the curve and the limited availability of letter of credit facilities in the current market which is required to issue variable rate debt. The long term rate mode and mandatory purchase provisions are detailed within the enclosed Official Statement.

Total underwriter's commission of \$505,219.33 was paid to Morgan Stanley to be divided among the remaining underwriters. Other fees and expenses involved in the issuance and distribution (legal, printing, accounting, etc.) are estimated to be \$300,000. LG&E has approximately \$135 million of auction rate tax-exempt bonds remaining to be converted or refinanced. However, the interest rate on the remaining bonds is based on formulas that result in interest rates that averaged 0.44% in 2010. Consequently, the Company does not anticipate refinancing these bonds unless there's a significant increase in short term interest rates.

Please confirm your receipt of this information by placing the File Stamp of your Office on the enclosed additional copy of this letter as well as the Official Statement and returning it in the enclosed self-addressed, stamped envelope. Should you have any questions regarding this information filed herewith, please contact me or Don Harris at (502) 627-2021.

Sincerely,



Rick E. Lovekamp