



Louisville Gas and Electric Company  
 P. O. Box 32010  
 Louisville, Kentucky 40232

April 26, 1989

Foster S. Burba, President  
 Louisville Water Company  
 431 South Third Street  
 Louisville, Kentucky 40202

PUBLIC SERVICE COMMISSION  
 OF KENTUCKY  
 EFFECTIVE

APR 20 1989

PURSUANT TO 807 KAR 5:011,  
 SECTION 9 (1)

Dear Mr. Burba:

In a letter dated July 19, 1988, you were notified that the Public Service Commission of Kentucky had, on July 1, 1988, issued its Order in Case Number 10064 approving new gas and electric rates for Louisville Gas and Electric effective with service rendered on and after May 20, 1988. The Company filed a petition for rehearing and, on August 10, 1988, the Commission entered an Order granting a rehearing on certain limited issues.

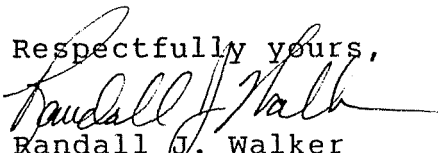
The Commission after consideration of the rehearing issues and by its Order dated April 20, 1989, authorized additional revenues and new gas and electric rates, including the rates contained in the power contract dated October 10, 1961, between LG&E and Louisville Water Company. The revised rates prescribed by the Commission for electric service rendered under the aforesaid contract, and effective April 20, 1989, are set forth below:

Demand Charge - \$ 7.53 per Kw of billing demand per month

Energy Charge - 2.267 cents per Kwh

All other provisions of the contract not specifically mentioned herein remain the same as those in effect prior to the date of the Commission's Order.

If you have any further questions regarding this matter, please contact me.

Respectfully yours,  
  
 Randall J. Walker  
 Coordinator of Rates & Tariffs

C7-89