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KENTUCKY UTILITIES CO

FORM 10-Q
(Quarterly Report)

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D. C. 20549

FORM 10-Q

(Mark One)

[X] QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended March 31, 2000

or

[ ] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

Commission File Number	Registrant, State of Incorporation, Address, and Telephone Number	IRS Employer Identification No.
1-10568	LG&E Energy Corp. (A Kentucky Corporation) 220 West Main Street P.O. Box 32030 Louisville, Ky. 40232 (502) 627-2000	61-1174555
2-26720	Louisville Gas and Electric Company (A Kentucky Corporation) 220 West Main Street P.O. Box 32010 Louisville, Ky. 40232 (502) 627-2000	61-0264150
1-3464	Kentucky Utilities Company (A Kentucky and Virginia Corporation) One Quality Street Lexington, Kentucky 40507-1428 (606) 255-2100	61-0247570

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes X No

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date:

LG&E Energy Corp.
129,677,030 shares, without par value, as of April 28, 2000.

Louisville Gas and Electric Company 21,294,223 shares, without par value, as of April 28, 2000, all held by LG&E Energy Corp.

Kentucky Utilities Company

37,817,878 shares, without par value, as of April 28, 2000, all held by LG&E Energy Corp.

This combined Form 10-Q is separately filed by LG&E Energy Corp., Louisville Gas and Electric Company and Kentucky Utilities Company. Information contained herein related to any individual registrant is filed by such registrant on its own behalf. Each registrant makes no representation as to information relating to the other registrants. In particular, information contained herein related to LG&E Energy Corp. or any of its direct or indirect subsidiaries other than Louisville Gas and Electric Company or Kentucky Utilities Company is provided solely by LG&E Energy Corp., not Louisville Gas and Electric Company or Kentucky Utilities Company, and shall be deemed not included in the Form

10-Q of Louisville Gas and Electric Company or the Form 10-Q of Kentucky Utilities Company.

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Part I. Financial Information - Item 1. Financial Statements

LG&E Energy Corp. and Subsidiaries Consolidated Statements of Income

(Unaudited - Thousands of $ Except Per Share Data)

	Three Months Ended Mar. 31, 2000	1999
REVENUES:		
Electric utility	$365,890	$361,673
Gas utility	88,316	75,779
International and non-utility	171,184	161,813
Total revenues	625,390	599,265
OPERATING EXPENSES:		
Operation and maintenance:		
Fuel and power purchased	203,196	205,088
Gas supply expenses	119,228	95,064
Utility operation and maintenance	103,858	103,705
International and non-utility operation and maintenance	48,538	44,964
Depreciation and amortization	58,373	54,736
Non-recurring charges (Note 3)	20,713	-
Total operating expenses	553,906	503,557
Equity in earnings of uncon-solidated ventures	5,930	21,656
OPERATING INCOME	77,414	117,364
Other income and (deductions)	5,009	6,388
Interest charges and preferred dividends	34,965	30,520
Minority interest	1,494	1,571
Income before income taxes	45,964	91,661
Income taxes	16,082	34,882
Income from continuing operations	29,882	56,779
Income on disposal of dis-continued operations, net of income tax expense of $328 (Note 4)	-	788
NET INCOME	$ 29,882	$ 57,567

(Unaudited - Thousands of $ Except Per Share Data)

	Three Months Ended Mar. 31, 2000	1999
Average common shares outstanding	129,677	129,677
Earnings per share - basic and diluted	$.23	$.44

The accompanying notes are an integral part of these financial statements.

(Thousands of $)

ASSETS

	(Unaudited) Mar. 31, 2000	Dec. 31, 1999
CURRENT ASSETS:		
Cash and temporary cash investments	$ 109,195	$ 91,413
Marketable securities	9,991	10,126
Accounts receivable - less reserve	270,362	318,914
Materials and supplies - primarily at average cost:		
Fuel (predominantly coal)	78,967	91,931
Gas stored underground	23,289	49,038
Other	96,296	90,259
Prepayments and other	54,515	54,038
Total current assets	642,615	705,719
UTILITY PLANT:		
At original cost	5,958,178	5,916,905
Less: reserve for depreciation	2,550,527	2,503,851
Net utility plant	3,407,651	3,413,054
OTHER PROPERTY AND INVESTMENTS - LESS RESERVES:		
Investment in unconsolidated ventures (Note 5)	242,949	249,455
Non-utility property and plant, net	475,137	477,442
Other	25,265	25,596
Total other property and investments	743,351	752,493
DEFERRED DEBITS AND OTHER ASSETS	275,757	262,491
Total assets	$5,069,374	$5,133,757

The accompanying notes are an integral part of these financial statements.

(Thousands of $)

CAPITAL AND LIABILITIES

	(Unaudited) Mar. 31, 2000	Dec. 31, 1999
CURRENT LIABILITIES:		
Current portion of long-term debt	$ 411,808	$ 411,810
Notes payable	443,520	449,578
Accounts payable	202,197	220,460
Net liabilities of discontinued operations (Note 4)	152,384	158,222
Other	254,844	248,841
Total current liabilities	1,464,753	1,488,911
Long-term debt	1,279,426	1,299,415
DEFERRED CREDITS AND OTHER LIABILITIES:		
Accumulated deferred income taxes	584,460	585,880
Investment tax credit, in process of amortization	83,838	85,828
Regulatory liability	102,234	104,795
Other	178,598	182,357
Total deferred credits and other liabilities	949,130	958,860
Minority interests	111,133	109,952
Cumulative preferred stock	135,140	135,328
COMMON EQUITY:		
Common stock, without par value - 129,677,030 shares outstanding	777,013	777,013
Other	(2,165)	(1,956)
Retained earnings	354,944	366,234
Total common equity	1,129,792	1,141,291
Total liabilities and capital	$5,069,374	$5,133,757

The accompanying notes are an integral part of these financial statements.

LG&E Energy Corp. and Subsidiaries Consolidated Statements of Cash Flows

(Unaudited - Thousands of $)

	Three Months Ended Mar. 31, 2000	1999
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	$ 29,882	$ 57,567
Items not requiring cash currently:		
Depreciation and amortization	58,373	54,736
Deferred income taxes - net	(8,091)	4,694
Income from discontinued operations - net of tax (Note 4)	-	(788)
Other	(638)	(17,627)
Change in net current assets	59,434	19,647
Other	(15,718)	(8,417)
Net cash flows from operating activities	123,242	109,812
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of securities	(242)	(223)
Proceeds from sales of securities	132	3,075
Construction expenditures	(53,716)	(79,410)
Investments in unconsolidated ventures	-	(74,250)
Proceeds from sale of investment in affiliate (Note 5)	17,907	33,821
Net cash flows from investing activities	(35,919)	(116,987)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Retirement of bonds	(20,022)	-
Short-term borrowings	2,170,510	416,174
Repayment of short-term borrowings	(2,178,857)	(346,174)
Redemption of preferred stock	-	(1,202)
Payment of common dividends	(41,172)	(39,876)
Net cash flows from financing activities	(69,541)	28,922
CHANGE IN CASH AND TEMPORARY CASH INVESTMENTS	17,782	21,747
BEGINNING CASH AND TEMPORARY CASH INVESTMENTS	91,413	105,604
ENDING CASH AND TEMPORARY CASH INVESTMENTS	$ 109,195	$ 127,351

(Unaudited - Thousands of $)

	Three Months Ended Mar. 31, 2000	1999
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION:		
Cash paid during the period for:		
Income taxes	$ 4,410	$ 2,969
Interest on borrowed money	30,097	23,533

For the purposes of these statements, all temporary cash investments purchased with a maturity of three months or less are considered cash equivalents.

The accompanying notes are an integral part of these financial statements.

LG&E Energy Corp. and Subsidiaries Consolidated Statements of Retained Earnings

(Unaudited - Thousands of $)

	Three Months Ended Mar. 31, 2000	1999
Balance at beginning of period	$366,234	$466,279
Net income	29,882	57,567
Cash dividends declared on common stock ($.3175 and $.3075 per share)	41,172	39,876
Balance at end of period	$354,944	$483,970

The accompanying notes are an integral part of these financial statements.

LG&E Energy Corp. and Subsidiaries Consolidated Statements of Comprehensive Income

(Unaudited - Thousands of $)

	Three Months Ended Mar. 31, 2000	1999
Net income	$29,882	$57,567
Unrealized holding gains (losses) on available-for-sale securities arising during the period	(312)	192
Reclassification adjustment for realized gains and losses on available-for-sale securities included in net income	14	5
Other comprehensive (loss) income, before tax	(298)	197
Income tax benefit (expense) related to items of other comprehensive (loss) income	113	(64)
Comprehensive income	$29,697	$57,700

The accompanying notes are an integral part of these financial statements.

Statements of Income
(Unaudited)
(Thousands of $)

	Three Months Ended Mar. 31, 2000	1999
REVENUES:		
Electric	$161,326	$150,840
Gas	88,316	75,779
Total operating revenues	249,642	226,619
OPERATING EXPENSES:		
Fuel for electric generation	39,926	32,457
Power purchased	21,753	23,026
Gas supply expenses	63,394	50,492
Non-recurring charges (Note 3)	8,141	-
Other operation expenses	36,975	40,192
Maintenance	13,881	14,702
Depreciation and amortization	24,149	24,144
Federal and state income taxes	9,668	9,556
Property and other taxes	5,163	5,036
Total operating expenses	223,050	199,605
NET OPERATING INCOME	26,592	27,014
Other income and (deductions)	1,519	1,080
Interest charges	10,690	9,178
NET INCOME	17,421	18,916
Preferred stock dividends	1,165	1,089
NET INCOME AVAILABLE FOR COMMON STOCK	$ 16,256	$ 17,827

The accompanying notes are an integral part of these financial statements.

(Thousands of $)

ASSETS

	(Unaudited) Mar. 31, 2000	Dec. 31, 1999
UTILITY PLANT:		
At original cost	$3,086,048	$3,065,839
Less: reserve for depreciation	1,238,536	1,215,032
Net utility plant	1,847,512	1,850,807
OTHER PROPERTY AND INVESTMENTS - less reserve	1,353	1,224
CURRENT ASSETS:		
Cash and temporary cash investments	49,059	54,761
Marketable securities	6,902	6,936
Accounts receivable - less reserve	172,077	113,859
Materials and supplies - at average cost:		
Fuel (predominantly coal)	17,472	17,350
Gas stored underground	15,754	38,780
Other	35,192	35,010
Prepayments	2,100	2,775
Total current assets	298,556	269,471
DEFERRED DEBITS AND OTHER ASSETS:		
Unamortized debt expense	5,529	5,607
Regulatory assets	30,386	31,443
Other	10,010	12,900
Total deferred debits and other assets	45,925	49,950
Total assets	$2,193,346	$2,171,452

The accompanying notes are an integral part of these financial statements.

(Thousands of $)

CAPITALIZATION AND LIABILITIES

	(Unaudited) Mar. 31, 2000	Dec. 31, 1999
CAPITALIZATION:		
Common stock, without par value - Outstanding 21,294,223 shares	$ 425,170	$ 425,170
Retained earnings	258,987	259,231
Other	(1,120)	(1,025)
Total common equity	683,037	683,376
Cumulative preferred stock	95,140	95,328
Long-term debt	360,600	380,600
Total capitalization	1,138,777	1,159,304
CURRENT LIABILITIES:		
Current portion of long-term debt	246,200	246,200
Notes payable	131,791	120,097
Accounts payable	143,357	113,008
Provision for rate refunds	5,409	8,962
Dividends declared	17,665	24,236
Accrued taxes	37,814	23,759
Accrued interest	7,566	9,265
Other	16,795	15,725
Total current liabilities	606,597	561,252
DEFERRED CREDITS AND OTHER LIABILITIES:		
Accumulated deferred income taxes	257,422	255,910
Investment tax credit, in process of amortization	66,182	67,253
Accumulated provision for pensions and related benefits	40,741	38,431
Customer advances for construction	10,208	11,104
Regulatory liability	55,923	58,726
Other	17,496	19,472
Total deferred credits and other liabilities	447,972	450,896
Total capital and liabilities	$2,193,346	$2,171,452

The accompanying notes are an integral part of these financial statements.

Statements of Cash Flows
(Unaudited - Thousands of $)

	Three Months Ended Mar. 31, 2000	1999
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	$ 17,421	$ 18,916
Items not requiring cash currently:		
Depreciation and amortization	24,149	24,143
Deferred income taxes - net	(3,498)	3,650
Investment tax credit - net	(1,071)	(1,072)
Other	1,677	1,772
Changes in net current assets and liabilities	5,399	(7,335)
Other	4,156	4,704
Net cash flows from operating activities	48,233	44,778
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of securities	(124)	(223)
Proceeds from sales of securities	-	3,065
Construction expenditures	(21,269)	(17,323)
Net cash flows from investing activities	(21,393)	(14,481)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Short-term borrowings	11,694	-
Retirement of first mortgage bonds	(20,000)	-
Payment of dividends	(24,236)	(23,168)
Net cash flows from financing activities	(32,542)	(23,168)
CHANGE IN CASH AND TEMPORARY CASH INVESTMENTS	(5,702)	7,129
CASH AND TEMPORARY CASH INVESTMENTS AT BEGINNING OF PERIOD	54,761	31,730
CASH AND TEMPORARY CASH INVESTMENTS AT END OF PERIOD	$ 49,059	$ 38,859

(Unaudited - Thousands of $)

	Three Months Ended Mar. 31, 2000	1999
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION:		
Cash paid during the period for:		
Income taxes	$ 3,184	$ 11,288
Interest on borrowed money	8,743	8,811

For the purposes of these statements, all temporary cash investments purchased with a maturity of three months or less are considered cash equivalents.

The accompanying notes are an integral part of these financial statements.

Louisville Gas and Electric Company Statements of Retained Earnings

(Unaudited)

(Thousands of $)

	Three Months Ended Mar. 31, 2000	1999
Balance at beginning of period	$259,231	$247,462
Net income	17,421	18,916
Subtotal	276,652	266,378
Cash dividends declared on stock:		
5% cumulative preferred	269	269
Auction rate cumulative preferred	529	453
$5.875 cumulative preferred	367	367
Common	16,500	22,000
Subtotal	17,665	23,089
Balance at end of period	$258,987	$243,289

The accompanying notes are an integral part of these financial statements.

Louisville Gas and Electric Company Statements of Comprehensive Income

(Unaudited - Thousands of $)

	Three Months Ended Mar. 31, 2000	1999
Net income available for common stock	$16,256	$17,827
Unrealized holding gains (losses) on available-for-sale securities arising during the period	(159)	84
Other comprehensive (loss) income, before tax	(159)	84
Income tax benefit (expense) related to items of other comprehensive (loss) income	64	(34)
Comprehensive income	$16,161	$17,877

The accompanying notes are an integral part of these financial statements.

Statements of Income
(Unaudited)
(Thousands of $)

	Three Months Ended Mar. 31, 2000	1999
OPERATING REVENUES	$217,778	$217,349
OPERATING EXPENSES:		
Fuel for electric generation	55,615	58,155
Power purchased	38,845	39,317
Non-recurring charges (Note 3)	11,030	-
Other operation expenses	28,848	27,142
Maintenance	14,150	12,520
Depreciation and amortization	24,331	21,991
Federal and state income taxes	11,366	17,144
Property and other taxes	4,840	4,113
Total operating expenses	189,025	180,382
NET OPERATING INCOME	28,753	36,967
Other income and (deductions)	1,325	2,168
Interest charges	9,904	9,507
NET INCOME	20,174	29,628
Preferred stock dividends	564	564
NET INCOME AVAILABLE FOR COMMON STOCK	$ 19,610	$ 29,064

The accompanying notes are an integral part of these financial statements.

(Thousands of $)

ASSETS

	(Unaudited) Mar. 31, 2000	Dec. 31, 1999
UTILITY PLANT:		
At original cost	$2,872,130	$2,851,066
Less: reserve for depreciation	1,311,991	1,288,819
Net utility plant	1,560,139	1,562,247
OTHER PROPERTY AND INVESTMENTS - less reserve	14,575	14,349
CURRENT ASSETS:		
Cash and temporary cash investments	1,190	6,793
Accounts receivable - less reserve	93,211	88,549
Materials and supplies - at average cost:		
Fuel (predominantly coal)	23,154	30,225
Other	27,496	26,213
Prepayments	2,322	3,743
Total current assets	147,373	155,523
DEFERRED DEBITS AND OTHER ASSETS:		
Unamortized debt expense	4,727	4,827
Regulatory assets	21,738	23,033
Other	28,401	25,111
Total deferred debits and other assets	54,866	52,971
Total assets	$1,776,953	$1,785,090

The accompanying notes are an integral part of these financial statements.

(Thousands of $)

CAPITALIZATION AND LIABILITIES

	(Unaudited) Mar. 31, 2000	Dec. 31, 1999
CAPITALIZATION:		
Common stock, without par value -		
Outstanding 37,817,878 shares	$ 308,140	$ 308,140
Retained earnings	324,080	329,470
Other	(595)	(595)
Total common equity	631,625	637,015
Cumulative preferred stock	40,000	40,000
Long-term debt	430,830	430,830
Total capitalization	1,102,455	1,107,845
CURRENT LIABILITIES:		
Current portion of long-term debt	115,500	115,500
Accounts payable	86,176	116,546
Provision for rate refunds	13,907	20,567
Dividends declared	25,188	19,150
Accrued taxes	38,082	10,502
Accrued interest	9,825	7,329
Other	19,208	18,617
Total current liabilities	307,886	308,211
DEFERRED CREDITS AND OTHER LIABILITIES:		
Accumulated deferred income taxes	240,678	243,620
Investment tax credit, in process of amortization	17,656	18,575
Accumulated provision for pensions and related benefits	48,269	48,285
Regulatory liability	44,539	46,069
Other	15,470	12,485
Total deferred credits and other liabilities	366,612	369,034
Total capital and liabilities	$1,776,953	$1,785,090

The accompanying notes are an integral part of these financial statements.

Kentucky Utilities Company
Statements of Cash Flows
(Unaudited - Thousands of $)

	Three Months Ended Mar. 31, 2000	1999
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	$ 20,174	$ 29,628
Items not requiring cash currently:		
Depreciation and amortization	24,331	21,991
Deferred income taxes - net	(4,602)	(2,396)
Investment tax credit - net	(919)	(895)
Other	(911)	1,556
Changes in net current assets and liabilities	2,222	(17,031)
Other	(2,804)	1,718
Net cash flows from operating activities	37,491	34,571
CASH FLOWS FROM INVESTING ACTIVITIES:		
Construction expenditures	(23,530)	(18,240)
Net cash flows from investing activities	(23,530)	(18,240)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Payment of dividends	(19,564)	(18,564)
Net cash flows from financing activities	(19,564)	(18,564)
CHANGE IN CASH AND TEMPORARY CASH INVESTMENTS	(5,603)	(2,233)
CASH AND TEMPORARY CASH INVESTMENTS AT BEGINNING OF PERIOD	6,793	59,071
CASH AND TEMPORARY CASH INVESTMENTS AT END OF PERIOD	$ 1,190	$ 56,838
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION:		
Cash paid (received) during the period for:		
Income taxes	$ (9,260)	$ (904)
Interest on borrowed money	6,560	6,079

For the purposes of these statements, all temporary cash investments purchased with a maturity of three months or less are considered cash equivalents.

The accompanying notes are an integral part of these financial statements.

Kentucky Utilities Company Statements of Retained Earnings

(Unaudited)

(Thousands of $)

	Three Months Ended Mar. 31, 2000	1999
Balance at beginning of period	$329,470	$299,167
Net income	20,174	29,628
Subtotal	349,644	328,795
Cash dividends declared on stock:		
4.75% preferred	237	237
6.53% preferred	327	327
Common	25,000	18,000
Subtotal	25,564	18,564
Balance at end of period	$324,080	$310,231

The accompanying notes are an integral part of these financial statements.

Notes to Financial Statements
(Unaudited)

1. The unaudited consolidated financial statements include the accounts of LG&E Energy Corp. and its wholly-owned subsidiaries (LG&E Energy or the Company). In the opinion of management, all adjustments, including those of a normal recurring nature, have been made to present fairly the consolidated financial position, results of operations and cash flows for the periods indicated. Certain information and footnote disclosures normally included in financial statements prepared in accordance with generally accepted accounting principles have been condensed or omitted pursuant to SEC rules and regulations, although the Company believes that the disclosures are adequate to make the information presented not misleading.

See the Company's, Louisville Gas and Electric Company's (LG&E's) and Kentucky Utilities Company 's (KU's) Reports on Form 10-K for 1999 for information relevant to the accompanying financial statements, including information as to the significant accounting policies of the Company.

2. On February 28, 2000, the Company announced that its Board of Directors accepted an offer to be acquired by PowerGen for cash of approximately $3.2 billion or $24.85 per share and the assumption of $2.2 billion of the Company's debt. Pursuant to the acquisition agreement, among other things, LG&E Energy will become a wholly owned subsidiary of PowerGen and its U.S. headquarters. The Utility Operations of the Company will continue their separate identities and serve customers in Kentucky and Virginia under their present names. The preferred stock and debt securities of the Utility Operations will not be affected by this transaction. The acquisition is expected to close 9 to 12 months from the announcement, shortly after all of the conditions to consummation of the acquisition are met. Those conditions include, without limitation, the approval of the holders of a majority of the outstanding shares of common stock of each of LG&E Energy and PowerGen, the receipt of all necessary governmental approvals and the making of all necessary governmental filings, including approvals of various regulators in Kentucky and Virginia under state utility laws, the approval of the FERC under the FPA, the approval of the SEC under the PUHCA of 1935, and the filing of requisite notifications with the Federal Trade Commission and the Department of Justice under the Hart- Scott-Rodino Antitrust Improvements Act of 1976, as amended, and the expiration of all applicable waiting periods thereunder. Shareholder meetings to vote upon the approval of the acquisition are scheduled to be held in early June 2000 for both LG&E Energy and PowerGen. During the first quarter of 2000, the Company expensed approximately $1.0 million relating to the PowerGen transaction. The foregoing description of the acquisition does not purport to be complete and is qualified in its entirety by reference to LG&E Energy's current reports on Form 8-K, filed February 29, 2000, with the SEC.

As of the end of April 2000 the Company has filed applications for approval with the U.S. Securities and Exchange Commission (under the Public Utility Holding Company Act of 1935), the Kentucky Public Service Commission, the Virginia State Corporation Commission and the Federal Energy Regulatory Commission (under the Federal Power Act). Hearings before the Kentucky Commission were held April 19-21 and submission of briefs and data requests have been completed. A decision is expected on or about May 15 and the Company will have approximately 23 days from any order in which to file for rehearing, or approximately 33 days in which to file for appeal. While the Company and PowerGen believe that they will receive the requisite regulatory approvals for the merger in sufficient time to complete the transaction on the schedule men

tioned above, there can be no assurance as to the timing of such approvals or the ability to obtain such approvals on satisfactory terms or otherwise.

3. During the first quarter 2000, the Company took a $12.1 million ($.09) after-tax charge for the continued integration of the operations of LG&E and KU including their customer service centers and their retail electric and gas operations. The result of this consolidation was the elimination of approximately 400 positions most of which were taken by employees through the Company's voluntary enhanced severance program.

4. Effective June 30, 1998, the Company discontinued its merchant energy trading and sales business. This business consisted primarily of a portfolio of energy marketing contracts entered into in 1996 and early 1997, nationwide deal origination and some level of speculative trading activities, which were not directly supported by the Company's physical assets. The Company's decision to discontinue these operations was primarily based on the impact that volatility and rising prices in the power market had on its portfolio of energy marketing contracts. Exiting the merchant energy trading and sales business enabled the Company to focus on optimizing the value of physical assets it owns or controls, and reduced the earnings impact on continuing operations of extreme market volatility in its portfolio of energy marketing contracts. The Company continues to settle commitments that obligate it to buy and sell natural gas and electric power. If the Company is unable to dispose of these commitments or assets it will continue to meet its obligations under the terms of the contracts. The Company, however, has maintained sufficient market knowledge, risk management skills, technical systems and experienced personnel to maximize the value of power sales from physical assets it owns or controls, including LG&E, KU and WKE.

As a result of the Company's decision to discontinue its merchant energy trading and sales activity, and the initial decision to sell the associated gas gathering and processing business, the Company recorded an after-tax loss on disposal of discontinued operations of $225 million in the second quarter of 1998. The loss on disposal of discontinued operations resulted primarily from several fixed-price energy marketing contracts entered into in 1996 and early 1997, including the Company's long-term contract with OPC. Other components of the write-off included costs relating to certain peaking options, goodwill associated with the Company's 1995 purchase of merchant energy trading and sales operations and exit costs.

In the fourth quarter of 1999, the Company received an adverse decision from the arbitration panel considering its contract dispute with OPC, which was commenced by the Company in April 1998. As a result of this adverse decision, higher than anticipated commodity prices, increased load demands, and other factors, the Company increased its after-tax accrued loss on disposal of discontinued operations by $175 million. The additional write-off included costs related to the remaining commitments in its portfolio and exit costs expected to be incurred to serve those commitments. Although the Company used what it believes to be appropriate estimates for future energy prices, among other factors, to calculate the net realizable value of discontinued operations, there are inherent limitations in models to accurately predict future commodity prices, load demands and other events that could impact the amounts recorded by the Company.

Operating results for the discontinued merchant energy trading and sales business follow.

	Three Months Ended Mar. 31, 2000	1999
Revenues	$ 74,698	$ 146,498
Loss before taxes	(1,389)	(4,650)
Loss from discontinued operations, net of income taxes	(1,389)	(2,749)

Net liabilities of discontinued operations at March 31, 2000, follow.

Accounts receivable	$ 24,809
Price risk management assets	30,816
Accounts payable and accruals	(36,215)
Other assets and liabilities, net	(3,388)
Net assets before accrued loss on disposal of discontinued operations	16,022
Accrued loss on disposal of discontinued operations, net of income tax benefit of $102,647	(168,406)
Net liabilities of discontinued operations	$(152,384)

Total pretax charges against the accrued loss on disposal of discontinued operations through March 31, 2000, include $260.6 million for commitments prior to disposal, $69.6 million for transaction settlements, $11.1 million for goodwill, and $31.5 million for other exit costs. While the Company has been successful in settling portions of its discontinued operations, significant assets, operations and obligations remain. The Company continues to manage the remaining portfolio and believes it has hedged certain of its future obligations through various power purchase commitments and planned construction of physical assets. Management cannot predict the ultimate effectiveness of these hedges.

The pretax net fair value of the remaining commitments as of March 31, 2000, are currently estimated to be approximately $41.3 million in 2000, $33.0 million to $57.8 million each year in 2001 through 2004 and $9.7 million in the aggregate thereafter.

As of March 31, 2000, the Company's discontinued operations were under various contracts to buy and sell power and gas with net notional amounts of 16.3 million Mwh's of power and 21.9 million Mmbtu's of natural gas with a volumetric weighted-average period of approximately 38 and 41 months, respectively. These notional amounts are based on estimated loads since various commitments do not include specified firm volumes. The Company is also under contract to buy or sell coal and SO2 allowances in support of its power contracts. Notional amounts reflect the nominal volume of transactions included in the Company's price risk management commitments, but do not reflect actual amounts of cash, financial instruments, or quantities of the underlying commodity which may ultimately be exchanged between the parties.

As of May 9, 2000, the Company estimates that a $1 change in electricity prices and a 10-cent change in natural gas prices across all geographic areas and time periods could change the value of the Company's remaining energy portfolio by approximately $2.6 million. In addition to price risk, the value of the Company's remaining energy portfolio is subject to operational and event risks including, among others, increases in load demand, regulatory changes, and forced outages at units providing supply for the Company. As of May 9, 2000, the Company estimates that a 1% change in the forecasted load demand could change the value of the Company's remaining energy portfolio by $11.7 million.

The Company's discontinued operations maintain policies intended to minimize credit risk and revalue credit exposures daily to monitor compliance with those policies. As of March 31, 2000, over 95% of the Company's price risk management commitments were with counterparties rated BBB equivalent or better. As of March 31, 2000, six counterparties represented 88% of the Company's price risk management commitments.

5. In March 2000, the Company sold its interest in CEC-APL L.P., a partnership in which the Company owned a 49% interest, for approximately $18 million. The sale resulted in a pretax gain of approximately $2 million. In March 1999, LG&E-Westmoreland Rensselaer, a California general partnership in which the Company owns a 50% interest, sold substantially all the assets and major contracts of its 79 MW gas-fired cogeneration facility in Rensselaer, New York, with net proceeds to the Company of approximately $34 million.

6. In February, 2000, the Commission acknowledged that the PBR Order issued on January 7, 2000, contained an error and issued an Order changing the KU annual base rate reduction from $36.5 million to $33.9 million. The Commission also ordered rehearing on several issues and subsequently held hearings in April 2000. The Commission is expected to issue a Final Order on Rehearing by June 2000. The outcome of these hearings are not anticipated to have a material effect on the consolidated financial results of the Company.

In March 2000, the 2000 Kentucky General Assembly passed House Bill 897 that established requirements for cost allocations, affiliate transactions and a code of conduct governing the relationship between utilities and their non-utility operations and affiliates. Management does not expect this matter to have a material adverse effect on the Company's financial position or results of operations.

In March 2000, LG&E filed a Notice and Statement with the Kentucky Public Service Commission requesting an adjustment in LG&E's gas rates. LG&E asked for a general adjustment in gas rates for a test year for the twelve months ended December 31, 1999. The revenue increase applied for is $27.9 million. The new rates are expected to go into effect October 1, 2000. The increase is to recover higher costs for providing service to natural gas customers.

7. External and intersegment revenues and income from continuing operations by business segment for the three months ended March 31, 2000, follow:

	External Revenues	Inter-segment Revenues	Income from Cont. Oper.
LG&E electric	$155,119	$ 6,207	$ 16,305
LG&E gas	88,316	-	(49)
KU electric	210,771	7,007	19,610
Power Operations	4,676	-	6,827
Western Kentucky Energy	60,754	-	(501)
Argentine Gas Distribution	30,742	-	(731)
Other Non-Utility Operations	75,012	-	(9,990)
All Other	-	(13,214)	(1,589)
Consolidated	$625,390	$ -	$ 29,882

External and intersegment revenues and income from continuing operations by business segment for the three months ended March 31, 1999, follow:

	External Revenues	Inter-segment Revenues	Income from Cont. Oper.
LG&E electric	$148,326	$ 2,514	$ 17,613
LG&E gas	75,779	-	214
KU electric	213,347	4,002	29,064
Power Operations	6,904	-	14,180
Western Kentucky Energy	59,978	-	(1,024)
Argentine Gas Distribution	29,797	-	357
Other Non-Utility Operations	65,134	-	888
All Other	-	(6,516)	(4,513)
Consolidated	$599,265	$ -	$ 56,779

8. Reference is made to Part II, Legal Proceedings, below and Part I, Item 3, Legal Proceedings, of the Company's, KU Energy's, LG&E's and KU's (and Note 18 of the Company's Notes to Financial Statements) Annual Reports on Form 10-K for the year ended December 31, 1999.

Item 2. Management's Discussion and Analysis of Results of Operations and Financial Condition.

General

The Company's principal subsidiaries are LG&E, an electric and gas utility, KU, an electric utility, and LG&E Capital Corp. (Capital Corp.), the holding company for all non-utility investments other than trading operations. LG&E's and KU's results of operations and liquidity and capital resources are important factors affecting the Company's consolidated results of operations and capital resources and liquidity.

On February 28, 2000, the Company announced that its Board of Directors accepted an offer to be acquired by PowerGen for cash of approximately $3.2 billion or $24.85 per share and the assumption of $2.2 billion of the Company's debt. For more information, see Note 2 of Notes to Financial Statements under Item 1.

Some of the matters discussed in the Notes to Consolidated Financial Statements and Management's Discussion and Analysis may contain forward- looking statements that are subject to certain risks, uncertainties and assumptions. Actual results may vary materially. Factors that could cause actual results to differ materially include, but are not limited to:
general economic conditions; business and competitive conditions in the energy industry; future prices of power and natural gas; unusual weather; regulatory decisions; and other factors described from time to time in the Company's reports to the Securities and Exchange Commission, including Exhibit 99.01 to the Form 10-K for the year ended December 31, 1999.

Results of Operations

The results of operations for LG&E, KU and Capital Corp.'s Argentine gas distribution and WKE operations are affected by seasonal fluctuations in temperature and other weather-related factors. Because of these and other factors, the results of one interim period are not necessarily indicative of results or trends to be expected for the full year.

Three Months Ended March 31, 2000, Compared to Three Months Ended March 31, 1999

The Company's earnings per share from continuing operations decreased to $.23 in 2000 from $.44 in 1999. The decrease resulted from recording non- recurring after-tax charges of $12.5 million ($.10 per share) in March 2000, and from recognizing one-time after-tax gains totaling $10.3 million ($.08 per share) in 1999. The non-recurring after-tax charges represent $12.1 million of costs associated with the integration of the Company's two utilities operations (the One-Utility Program) and $0.4 million of merger costs incurred by the Company relating to its proposed merger with PowerGen plc. The gains in 1999 resulted from selling the Company's interest in the Rensselaer, New York, project ($8.9 million, or $.07 per share) and a bankruptcy settlement received in connection with the Company's windpower partnerships ($1.4 million, or $.01 per share).

LG&E Results:

LG&E's net income decreased $1.6 million (9%) for the quarter ended March 31, 2000, as compared to the quarter ended March 31, 1999, primarily because of mild weather, as the region recorded its mildest winter since 1931, increases in gas supply expenses, fuel for electric generation, and administrative and general operating expenses including a $4.9 million net of tax one-time charge for the Company's One-Utility Program. These expenses were partially offset by increased gas sales to ultimate consumers, off-system electric sales, and the reversal of a rate refund of $.5 million net of tax. Excluding these one-time charges, LG&E's net income would have increased $2.8 million.

A comparison of LG&E's revenues for the quarter ended March 31, 2000, with the quarter ended March 31, 1999, excluding the reversal of an FAC refund of $1.1 million which was offset by an additional accrual for performance- based ratemaking of $.3 million, reflects increases and (decreases) which have been segregated by the following principal causes (thousands of $):

Cause	Electric Revenues	Gas Revenues
Retail sales:		
Fuel and gas supply adjustments	$ 1,112	$10,006
Performance based rate reduction	(1,179)	-
Electric rate refunds	(1,156)	-
Variation in sales volume, merger surcredit, etc.	(4,065)	(2,443)
Total retail sales	(5,288)	7,563
Wholesale sales	15,786	4,720
Gas transportation - net	-	189
Other	(12)	65
Total	$10,486	$12,537

Fuel for electric generation and gas supply expenses comprise a large component of LG&E's total operating expenses. LG&E's electric and gas rates contain a fuel adjustment clause and a gas supply clause, respectively, whereby increases or decreases in the cost of fuel and gas supply may be reflected in retail rates, subject to the approval of the Public Service Commission of Kentucky. Fuel for electric generation increased $7.5 million (23%) for the quarter because of an increase in generation ($11 million), partially offset by a lower cost of coal burned ($3.5 million). Gas supply expenses increased $12.9 million (26%) due to increases in net gas supply cost.

Power Purchased decreased $1.3 million (6%) due to a decrease in purchases for wholesale sales ($3.0 million), partially offset by higher purchases to support off-system sales ($1.7 million).

Non-recurring charges of $5.0 million, after tax, include the costs associated with the Company's One-Utility Program.

Other operation expenses decreased $3.2 million as compared to 1999. This decrease resulted from decreases in pension expense, $1.2 million, and various other administrative and general activities, $2 million.

Maintenance expenses decreased $.8 million (6%) in 2000 primarily due to decreases in scheduled outages of $1.5 million, and electric distribution maintenance, $.6 million, partially offset by an increase in software and communication equipment maintenance, $1.3 million.

Variations in income tax expense are largely attributable to changes in pretax income.

KU Results:

KU's net income decreased $9.5 million (32%) for the quarter ended March 31, 2000, as compared to the quarter ended March 31, 1999. The decrease was mainly due to a non-recurring charge of $6.6 million, after tax, made in the first quarter of 2000 for costs associated

with further integration of KU and LG&E. Excluding this non-recurring charge, net income decreased $2.9 million.

A comparison of KU's revenues for the quarter ended March 31, 2000, with the quarter ended March 31, 1999, reflects increases and (decreases) which have been segregated by the following principal causes (thousands of $):

Sales to ultimate consumers:	
Fuel clause adjustments	$ 867
Environmental cost recovery	(1,272)
Performance based rate reduction	(893)
Merger surcredit	(452)
Electric rate refunds	(3,389)
Variation in sales volume, etc.	4,601
Total retail sales	(538)
Wholesale sales	1,309
Other	(342)
Total	$ 429

Fuel for electric generation comprises a large segment of KU's total operating expenses. KU's electric rates contain a fuel adjustment clause (FAC), whereby increases or decreases in the cost of fuel are reflected in retail rates, subject to the approval of the Public Service Commission of Kentucky, The Virginia State Corporation Commission, and the Federal Energy Regulatory Commission.

Fuel for electric generation decreased $2.5 million (4%) for the quarter because of a decrease in generation ($1.5 million) and the lower cost of coal burned ($1 million).

Non-recurring charges of $6.6 million, after tax, include the costs associated with the Company's One-Utility Program.

Other operating expenses increased by $1.7 million (6%). The increase was primarily attributable to increased transmission ($.6 million) and distribution ($.4 million) system operating expenditures as well as increased sales and marketing expenses ($.5 million).

Maintenance expenses increased by $1.6 million (13%) due primarily to increased maintenance at the steam generating plants ($1.3 million) and the distribution system ($.5 million).

Depreciation and amortization increased by $2.3 million (11%) due to additional utility plant in service.

Variations in income tax expense are largely attributable to changes in pretax income.

LG&E Capital Corp. and Other Results:

Power Operations

Power Operations' revenues decreased from $6.9 million in 1999 to $4.7 million in 2000. The decrease resulted mainly from recognizing revenues in 1999 related to the Rensselaer project, which the Company sold in March 1999.

Power Operations' operation and maintenance expense decreased from $3.6 million in 1999 to $1.6 million in 2000. The decrease resulted primarily from writing off assets related to the Rensselaer project in 1999.

Power Operations' equity in earnings of unconsolidated ventures decreased from $21.4 million in 1999 to $5.8 million in 2000, due mainly to recognizing a pretax gain or $14.5 million on the sale of the Rensselaer project in 1999.

Western Kentucky Energy

Western Kentucky Energy Corp.'s (WKE's) revenues were approximately the same in 2000 and 1999, $60.1 million and 60.0 million, respectively. Higher smelter sales were offset by lower off-system sales resulting from lower volumes and prices.

WKE's cost of revenues were approximately the same in 2000 and 1999, $35.3 million and $35.7 million, respectively.

WKE's operating expenses increased slightly in 2000 to $25.8 million from $24.7 million in 1999. The increase was due to more unit outages in 2000 and higher depreciation expense.

Argentine Gas Distribution

The Argentine Distribution companies' revenues of $30.7 million, cost of revenues of $16.9 million and operation and maintenance expenses of $5.7 million in 2000 were slightly higher than 1999 due to higher consumption per customer.

Other

Other revenues increased from $65.1 million in 1999 to $75.0 million in 2000. The increases resulted from acquiring CRC-Evans in July 1999 and increased sales in the Company's natural gas gathering and processing and energy marketing businesses, partially offset by a decrease in Retail Access Services' revenues and a decrease resulting from recognizing fees in 1999 related to the development of an independent power project in Gregory, Texas.

Other cost of revenues increased from $47.9 million in 1999 to $60.6 million in 2000. The increases resulted from acquiring CRC-Evans in July 1999 and increased sales in the Company's natural gas gathering and processing and energy marketing businesses, partially offset by a decrease at Retail Access Services.

Other income for Capital Corp. and Other increased from $3.3 million in 1999 to $4.2 million in 2000. The increase resulted from higher interest income and the gain on the sale of the Company's interest in CEC-APL L.P. Decreases resulting from payments received in 1999 related to the Rensselaer sale and the initial settlement of a claim on an undeveloped independent power project in California partially offset the increases.

Capital Corp. and Other interest expense increased from $10.2 million in 1999 to $13.2 million in 2000. The increase resulted from funding discontinued operations, corporate operating expenses, and the Gas BAN and CRC acquisitions. The Company's consolidated effective income tax rate decreased from 38.1% in 1999 to 35.0% in 2000 due to an increase in investment and wind tax credits as a percent of pretax income.

Liquidity and Capital Resources

The Company's need for capital funds is largely related to the construction of plant and equipment necessary to meet the needs of electric and gas utility customers and equity investments in connection with independent power production projects and other energy-related growth or acquisition opportunities among the non-utility businesses. Capital funds are also needed for the Company's capital obligations under the Big Rivers lease arrangements, losses incurred in connection with the discontinuance of the merchant energy trading and sales business, information system enhancements, and other business develop

ment opportunities. Fluctuations in the Company's discontinued energy marketing and trading activities also affected liquidity throughout the quarter. Lines of credit and commercial paper programs are maintained to fund these temporary capital requirements.

Construction expenditures for the three months ended March 31, 2000, of $53.7 million were financed with internally generated funds and commercial paper.

The Company's combined cash and marketable securities balance increased $17.6 million during the three months ended March 31, 2000. The increase reflects cash flows from operations and the proceeds received from the sale of CEC-APL L.P., partially offset by construction expenditures, debt repayments and dividends paid.

Variations in accounts receivable, accounts payable and materials and supplies are generally not significant indicators of the Company's liquidity. Such variations are primarily attributable to fluctuations in weather, which have a direct effect on sales of electricity and natural gas. The decreases in accounts receivable and accounts payable resulted mainly from seasonal fluctuations at LG&E, KU and the Company's natural gas gathering and processing business. The decrease in fuel resulted from seasonal fluctuations at KU and WKE, and the decrease in gas stored underground resulted from seasonal fluctuations at LG&E and the natural gas gathering and processing business.

Long-term debt decreased by $20 million due to the redemption of LG&E's first mortgage bonds 7.5% series due July 1, 2002, in January 2000.

At March 31, 2000, unused capacity under the Company's lines of credit totaled $415.4 million after considering commercial paper support and approximately $40.0 million in letters of credit securing on- and off- balance sheet commitments. In March 2000, KU finalized an uncommitted line of credit for $60 million.

Standard and Poor's downgraded LG&E's, KU's and Capital Corp.'s debt ratings on February 28, 2000. The downgrades reflect S&P's opinion of the credit quality of the Companies following the impact of the PBR and the OPC decision. S&P, Moody's and Duff and Phelps continue to have the debt of the Companies on credit watch pending review of the financial condition following consummation of the merger of the Company with PowerGen.

The Company's capitalization ratios at March 31, 2000, and December 31, 1999, follow:

	Mar. 31, 2000	Dec. 31, 1999
Long-term debt (including current portion)	49.8%	49.8%
Notes payable	13.0	13.1
Preferred stock	4.0	3.9
Common equity	33.2	33.2
Total	100.0%	100.0%

LG&E's capitalization ratios at March 31, 2000, and December 31, 1999, follow:

	Mar. 31, 2000	Dec. 31, 1999
Long-term debt (including current portion)	40.0%	41.1%
Notes payable	8.7	7.9
Preferred stock	6.3	6.2
Common equity	45.0	44.8
Total	100.0%	100.0%

KU's capitalization ratios at March 31, 2000, and December 31, 1999, follow:

	Mar. 31, 2000	Dec. 31, 1999
Long-term debt (including current portion)	44.9%	44.7%
Preferred stock	3.3	3.3
Common equity	51.8	52.0
Total	100.0%	100.0%

For a description of significant contingencies that may affect the Company, LG&E and KU, reference is made to Part II herein - Item 1, Legal Proceedings.

Item 3. Quantitative and Qualitative Disclosures About Market Risk.

LG&E Energy is exposed to market risks in both its regulated and non- utility operations. Both operations are exposed to market risks from changes in interest rates and commodity prices, while the non-utility operations are also exposed to changes in foreign exchange rates. To mitigate changes in cash flows attributable to these exposures, the Company has entered into various derivative instruments. Derivative positions are monitored using techniques that include market value and sensitivity analysis.

The potential change in interest expense resulting from changes in base interest rates of the Company's unswapped debt did not change materially in the first quarter of 2000. The potential changes in the fair values of the Company's interest-rate swaps resulting from changes in interest rates and the yield curve also did not change materially in the first quarter of 2000. The Company's exposure to market risks from changes in commodity prices and foreign exchange rates remained immaterial in the first quarter of 2000.

Part II. Other Information

Item 1. Legal Proceedings.

For a description of the significant legal proceedings involving the Company, LG&E and KU, reference is made to the information under the following items and captions of the Company's, LG&E's and KU's respective combined Annual Report on Form 10-K for the year ended December 31, 1999:
Item 1, Business; Item 3, Legal Proceedings; Item 7, Management's Discussion and Analysis of Results of Operations and Financial Condition; Notes 2, 6, 18 and 22 of the Company's Notes to Financial Statements under Item 8; Notes 3, 12 and 16 of LG&E's Notes to Financial Statements under Item 8 and Notes 3, 11 and 14 of KU's Notes to Financial Statements under Item 8. Except as described herein, to date, the proceedings reported in the Company's, LG&E's and KU's respective combined Annual Report on Form 10- K have not changed materially.

PowerGen Merger Regulatory Filings

On February 28, 2000, the Company announced the signing of a definitive merger agreement with PowerGen plc of the United Kingdom, wherein, upon closing, the Company will become a wholly-owned subsidiary of PowerGen and shareholders of the Company will receive $24.85 per share of Company common stock. The transaction is scheduled to be completed nine to twelve months from announcement, subject to receipt of required regulatory approvals and other conditions to consummation. Applications for approval were filed with the Kentucky Commission, the Virginia State Corporation Commission and the FERC (under the Federal Power Act) in March 2000, and with the SEC (under the Public Utility Holding Company Act of 1935) in April 2000. Approval applications or notice filings will also be made to the Tennessee Regulatory Authority, to the Department of Justice and the Federal Trade Commission (under the Hart-Scott-Rodino Antitrust Improvements Act of 1976) and as required under the "Exon-Florio" US Omnibus Trade and Competitiveness Act of 1988. PowerGen has made standard filings with the United Kingdom Office of Fair Trading under the Fair Trading Act of 1973, which implements a voluntary regulatory regime.

Hearings before the Kentucky Commission were held April 19-21 and submissions of briefs and data requests have been completed. A decision is expected on or about May 15 and the Company will have approximately 23 days from any order in which to file for rehearing, or approximately 33 days in which to file for appeal. While the Company and PowerGen believe that they will receive the requisite regulatory approvals for the merger in sufficient time to complete the transaction on the schedule mentioned above, there can be no assurance as to the timing of such approvals or the ability to obtain such approvals on satisfactory terms or otherwise. See Item 1, PowerGen Merger and Note 22 to the Company's Notes to Financial Statements under Item 8 of its Annual Report on Form 10-K for the year ended December 31, 1999 for further discussion of this matter.

Item 6(a). Exhibits.

Exhibit Number	Description
27	Financial Data Schedules for LG&E Energy Corp., Louisville Gas and Electric Company, and Kentucky Utilities Company.

Item 6(b). Reports on Form 8-K.

On January 6, 2000, the Company filed a report on Form 8-K announcing that on December 21, 1999, it received an adverse order from the arbitration panel considering its contract dispute with OPC.

On January 25, 2000, the Company filed a report on Form 8-K announcing that on January 7, 2000, it issued a statement regarding the Kentucky Commission's decision in the PBR case involving its two utility subsidiaries, LG&E and KU.

On February 29, 2000, the Company filed a report on Form 8-K announcing that on February 27, 2000, it and PowerGen entered into an Agreement and Plan of Merger.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

LG&E Energy Corp.
Registrant

Date: May 15, 2000

/s/ Michael D. Robinson
Michael D. Robinson
Vice President and Controller
(On behalf of the registrant in his capacity as Principal Accounting Officer)

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Louisville Gas and Electric Company
Registrant

Date: May 15, 2000

/s/ Michael D. Robinson
Michael D. Robinson
Vice President and Controller
(On behalf of the registrant in his capacity as Principal Accounting Officer)

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Kentucky Utilities Company
Registrant

Date: May 15, 2000

/s/ Michael D. Robinson
Michael D. Robinson
Vice President and Controller
(On behalf of the registrant in his capacity as Principal Accounting Officer)

ARTICLE UT

CIK: 0000055387

NAME: KENTUCKY UTILITIES COMPANY

MULTIPLIER: 1,000

PERIOD TYPE	3 MOS	
FISCAL YEAR END	DEC 31 2000	
PERIOD END	MAR 31 2000	
BOOK VALUE	PER BOOK	
TOTAL NET UTILITY PLANT	1,560,139	
OTHER PROPERTY AND INVEST	14,575	
TOTAL CURRENT ASSETS	147,373	
TOTAL DEFERRED CHARGES	54,866	
OTHER ASSETS	0	
TOTAL ASSETS	1,776,953	
COMMON	307,545	[1]
CAPITAL SURPLUS PAID IN	0	
RETAINED EARNINGS	324,080	
TOTAL COMMON STOCKHOLDERS EQ	631,625	
PREFERRED MANDATORY	0	
PREFERRED	40,000	
LONG TERM DEBT NET	430,830	
SHORT TERM NOTES	0	
LONG TERM NOTES PAYABLE	0	
COMMERCIAL PAPER OBLIGATIONS	0	
LONG TERM DEBT CURRENT PORT	115,500	
PREFERRED STOCK CURRENT	0	
CAPITAL LEASE OBLIGATIONS	0	
LEASES CURRENT	0	
OTHER ITEMS CAPITAL AND LIAB	558,998	
TOT CAPITALIZATION AND LIAB	1,776,953	
GROSS OPERATING REVENUE	217,778	
INCOME TAX EXPENSE	11,366	
OTHER OPERATING EXPENSES	177,659	
TOTAL OPERATING EXPENSES	189,025	
OPERATING INCOME LOSS	28,753	
OTHER INCOME NET	1,325	
INCOME BEFORE INTEREST EXPEN	30,078	
TOTAL INTEREST EXPENSE	9,904	
NET INCOME	20,174	
PREFERRED STOCK DIVIDENDS	564	
EARNINGS AVAILABLE FOR COMM	19,610	
COMMON STOCK DIVIDENDS	25,000	
TOTAL INTEREST ON BONDS	8,735	
CASH FLOW OPERATIONS	37,369	
EPS BASIC	0	
EPS DILUTED	0	

[1] Includes common stock expense of $595.

ARTICLE UT

CIK: 0000861388

NAME: LG&E ENERGY CORP.

MULTIPLIER: 1,000

PERIOD TYPE	3 MOS	
FISCAL YEAR END	DEC 31 2000	
PERIOD END	MAR 31 2000	
BOOK VALUE	PER BOOK	
TOTAL NET UTILITY PLANT	3,407,651	
OTHER PROPERTY AND INVEST	599,603	
TOTAL CURRENT ASSETS	744,656	
TOTAL DEFERRED CHARGES	253,625	
OTHER ASSETS	0	
TOTAL ASSETS	5,005,535	
COMMON	775,299	[1]
CAPITAL SURPLUS PAID IN	(451) [2]	
RETAINED EARNINGS	354,944	
TOTAL COMMON STOCKHOLDERS EQ	1,129,792	
PREFERRED MANDATORY	0	
PREFERRED	135,140	
LONG TERM DEBT NET	1,279,426	
SHORT TERM NOTES	443,520	
LONG TERM NOTES PAYABLE	0	
COMMERCIAL PAPER OBLIGATIONS	0	
LONG TERM DEBT CURRENT PORT	411,808	
PREFERRED STOCK CURRENT	0	
CAPITAL LEASE OBLIGATIONS	0	
LEASES CURRENT	0	
OTHER ITEMS CAPITAL AND LIAB	1,605,849	
TOT CAPITALIZATION AND LIAB	5,005,535	
GROSS OPERATING REVENUE	625,390	
INCOME TAX EXPENSE	16,082	
OTHER OPERATING EXPENSES	549,470	[3]
TOTAL OPERATING EXPENSES	565,552	
OPERATING INCOME LOSS	59,838	
OTHER INCOME NET	5,009	
INCOME BEFORE INTEREST EXPEN	64,847	
TOTAL INTEREST EXPENSE	33,237	
NET INCOME	31,610	
PREFERRED STOCK DIVIDENDS	1,728	
EARNINGS AVAILABLE FOR COMM	29,882	
COMMON STOCK DIVIDENDS	41,172	
TOTAL INTEREST ON BONDS	16,910	
CASH FLOW OPERATIONS	125,157	
EPS BASIC	0.23	
EPS DILUTED	0.23	

[1] Includes common stock expense of $1,714.

[2] Represents unrealized loss on marketable securities, net of taxes.

[3] Includes equity in earnings of affiliates of $5,930.

ARTICLE UT

CIK: 0000060549

NAME: LOUISVILLE GAS AND ELECTRIC COMPANY

MULTIPLIER: 1,000

PERIOD TYPE	3 MOS	
FISCAL YEAR END	DEC 31 2000	
PERIOD END	MAR 31 2000	
BOOK VALUE	PER BOOK	
TOTAL NET UTILITY PLANT	1,847,512	
OTHER PROPERTY AND INVEST	1,353	
TOTAL CURRENT ASSETS	298,556	
TOTAL DEFERRED CHARGES	45,925	
OTHER ASSETS	0	
TOTAL ASSETS	2,193,346	
COMMON	424,334	[1]
CAPITAL SURPLUS PAID IN	(284) [2]	
RETAINED EARNINGS	258,987	
TOTAL COMMON STOCKHOLDERS EQ	683,037	
PREFERRED MANDATORY	0	
PREFERRED	95,140	
LONG TERM DEBT NET	360,600	
SHORT TERM NOTES	0	
LONG TERM NOTES PAYABLE	0	
COMMERCIAL PAPER OBLIGATIONS	131,791	
LONG TERM DEBT CURRENT PORT	0	
PREFERRED STOCK CURRENT	0	
CAPITAL LEASE OBLIGATIONS	0	
LEASES CURRENT	0	
OTHER ITEMS CAPITAL AND LIAB	922,778	
TOT CAPITALIZATION AND LIAB	2,193,346	
GROSS OPERATING REVENUE	249,643	
INCOME TAX EXPENSE	9,668	
OTHER OPERATING EXPENSES	213,383	
TOTAL OPERATING EXPENSES	223,051	
OPERATING INCOME LOSS	26,592	
OTHER INCOME NET	1,519	
INCOME BEFORE INTEREST EXPEN	28,111	
TOTAL INTEREST EXPENSE	10,690	
NET INCOME	17,421	
PREFERRED STOCK DIVIDENDS	1,165	
EARNINGS AVAILABLE FOR COMM	16,256	
COMMON STOCK DIVIDENDS	16,500	
TOTAL INTEREST ON BONDS	8,175	
CASH FLOW OPERATIONS	48,233	
EPS BASIC	0	
EPS DILUTED	0	

[1] Includes common stock expense of $836.

[2] Represents unrealized gain/loss on marketable securities, net of taxes.

End of Filing

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