E ON AG
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United States Securities and Exchange Commission
Washington, D.C. 20549

Amendment No. 3
to
Form U-1
Application/Declaration
Under the
Public Utility Holding Company Act of 1935

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Certain Defined Terms

1. "Applicants" means E.ON and its direct and indirect subsidiary companies, except its FUCO subsidiaries, and Powergen and its direct and indirect subsidiary companies, except for its FUCO subsidiaries.

2. "E.ON" means E.ON AG.

3. "E.ON Energie" means E.ON Energie AG.

4. "E.ON Group" means E.ON and all of its direct and indirect subsidiary companies.

5. "E.ON UK" means E.ON U.K. Verwaltungs GmbH.

6. "E.ON US" means E.ON U.S. Verwaltungs GmbH.

7. "GAAP" means generally accepted accounting principles.

8. "Intermediate Companies" means E.ON US and Powergen US Investments Corp. ("PUSIC"), following the transfer of PUSIC and the LG&E Energy Group indirectly to E.ON U.S.

9. "KU" means Kentucky Utilities Company.

10. "LG&E Energy Group" means LG&E Energy and all of its direct and indirect subsidiary companies.

11. "LG&E Energy" means LG&E Energy Corp.

12. "LG&E" means Louisville Gas and Electric Company.

13. "Nonutility Subsidiaries" means all of the subsidiary companies of LG&E Energy except the Utility Subsidiaries.

14. "Powergen" means Powergen plc.

15. "Powergen Group" means Powergen and all of its direct and indirect subsidiary companies.

16. "Powergen UK Group" means Powergen, Powergen Group Holdings Ltd. and all of the direct and indirect subsidiary companies of Powergen Group Holdings Ltd.

17. "Powergen Financing Entities" means Powergen US Holdings Limited, Powergen US Funding LLC and the subsidiaries of Powergen US Holdings Limited, following the transfer of PUSIC and the LG&E Energy Group indirectly to E.ON U.S.

18. "Powergen Intermediate Holding Companies" means Powergen US Holdings Limited, Powergen US Investments, Powergen Luxembourg sarl, Powergen Luxembourg

Holdings sarl, Powergen Luxembourg Investments sarl and Powergen US Investments Corp.

19. "Utility Subsidiaries" means LG&E and KU.

FORM U-1
APPLICATION/DECLARATION
UNDER THE PUBLIC UTILITY HOLDING COMPANY ACT OF 1935

This pre-effective Amendment No. 3 replaces and revises the Form U-1 Application - Declaration in this proceeding originally filed in File No. 70-9985 on October 2, 2001, and subsequently amended on October 23, 2001 and March 13, 2002, except that it does not replace exhibits previously filed.

Item 1. Description of the Proposed Transaction

A. Introduction and General Request

This Application/Declaration requests authorization for the financing of E.ON AG ("E.ON") and its subsidiary companies. In a separate application/declaration on Form U-1 filed with the Securities and Exchange Commission ("Commission") under the Public Utility Holding Company Act of 1935, as amended (the "1935 Act" or "Act") (File No. 70-9961, filed September 4, 2001), E.ON has proposed to acquire Powergen plc ("Powergen"), a registered holding company (the "Acquisition Application"). The Acquisition Application seeks authorization relating to the proposed acquisition by E.ON of all the voting securities of Powergen and E.ON's consequent indirect acquisition of the voting securities of Powergen's indirect public utility subsidiary companies and intermediate registered holding companies, as well as for certain related transactions (the "Acquisition").

In the Acquisition, E.ON will indirectly acquire LG&E Energy Corp. ("LG&E Energy") and its public utility company subsidiaries Louisville Gas and Electric Company ("LG&E") and Kentucky Utilities Company ("KU") through two intermediate registered holding companies. Following consummation of the Acquisition, E.ON will register as a holding company under the Act.

E.ON is an Aktiengesellschaft, the equivalent of a U.S. stock corporation, formed under the laws of the Federal Republic of Germany. E.ON's shares are traded on all German stock exchanges, the Swiss Stock Exchange and as American Depository Receipts ("ADRs") on the New York Stock Exchange, Inc. ("NYSE"). As of year end 2001, E.ON was Germany's fifth largest industrial group measured on the basis of market capitalization at year end and it employed 151,953 people. E.ON had a market capitalization of approximately Euro 39.5 billion (approximately $35.7 billion) as of April 6, 2001, the last business day prior to the announcement of the Acquisition. As of December 31, 2001, E.ON's market capitalization was approximately $35.9 billion. More detailed information concerning E.ON and its subsidiaries is contained in E.ON's Annual Report on Form 20-F for the year ended December 31, 2001.

E.ON was formed in June 2000 as a result of the merger of German conglomerates VEBA AG and VIAG AG, which trace their roots to the 1920s. E.ON provides strategic management for group members and coordinates group activities. E.ON also provides centralized controller, treasury, risk management and service functions to group members, as well as communications, capital markets and investor relations functions. E.ON currently is

organized into six separate business divisions: energy, chemicals, real estate, oil, telecommunications and distribution/logistics. Each business division is responsible for managing its own day-to-day business. E.ON's energy business division comprises 54% of E.ON's total investments. E.ON's subsidiaries are described in more detail in the Acquisition Application and in Exhibit G-1 thereto.

The proposed Acquisition provides E.ON with a foothold in the energy industry in the U.S. and the U.K. It also demonstrates E.ON's focus-and-growth-strategy of becoming a pure-play energy and utility company. As part of the strategy E.ON plans to divest numerous non-core businesses and activities including Degussa AG, Viterra AG, VEBA Oel AG and Stinnes AG, and their respective subsidiaries, hereafter referred to as the "to-be-divested subsidiaries" or "TBD Subsidiaries."/1 The divestitures will take place, depending upon subsidiary, within either three or five years subsequent to E.ON's registration under the Act by the filing of its notification of registration on Form U5A.

Since the announcement of E.ON's disposal program in 1999, major steps in the transformation of E.ON to a pure-play energy and utility company have been achieved and have resulted in proceeds to E.ON since 2000 in the amount of approximately $20 billion from the sale of non-core assets. For example, E.ON sold Klockner & Co. AG in October, 2001 and MEMC Electronic Materials Inc in November, 2001. E.ON has also recently sold VAW aluminium AG ("VAW") to Norsk Hydro ASA./2 The sale of VEBA Oel AG to BP plc closed on February 7, 2002. At that time BP became VEBA Oel's majority shareholder (51%) by subscribing to a capital increase. Since April 1, 2002, E.ON has had the option to sell its remaining interest in VEBA Oel (49%) to BP. Pending divestiture, E.ON will continue to invest in the TBD Subsidiaries to preserve and protect shareholder value and to prevent any diminution in the value or the prospects of the business until such time as a sale or other exit strategy can be implemented, consistent with the order of the Commission in the Acquisition Application./3

By order dated December 6, 2000,/4 the Commission authorized Powergen to acquire LG&E Energy and its direct and indirect utility subsidiary companies. The Powergen Order also authorized a variety of financing transactions through February 28, 2004, including: (1) financings and guarantees by Powergen, Powergen US Holdings Limited and LG&E Energy, (2) intrasystem financings by certain intermediate holding companies and Powergen UK Securities, a special purpose subsidiary of Powergen, (3) financings by LG&E Energy subsidiaries, including intrasystem transactions, (4) interest rate and currency hedging instruments, (5) acquisitions, redemptions and retirements by Powergen, the Powergen Intermediate Holding Companies, LG&E Energy and the LG&E Energy subsidiaries of their

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1 The TBD Subsidiaries are indicated in E.ON's list of subsidiaries included in Exhibit G-1 to the Acquisition Application.

2 E.ON's sale of VAW to Norsk Hydro ASA was completed on March 15, 2002. The price for VAW, Euro 3.1 billion ($2.7 billion), included financial liabilities and pension provisions amounting to Euro 1.2 billion ($1.1 billion). E.ON will earn a tax-free profit of approximately Euro 1.1 billion ($1.0 billion) from this sale.

3 In the Acquisition Application E.ON proposes to limit its investments in the TBD Subsidiaries to future credit support (e.g., including capital contributions, guarantees and loans) not to exceed $4.0 billion over the 3-5 year time frame for the contemplated divestitures.

4 PowerGen plc, Holding Co. Act Release No. 27291 (December 6, 2000) ("Powergen Order").

subsidiaries' securities, (6) the formation of special purpose financing entities and securities issuances by those entities, (7) the acquisition of intermediate nonutility holding companies, (8) reorganization of the intermediate companies and of the LG&E Energy nonutility subsidiaries, (9) changes in the capital structure of the Powergen Intermediate Holding Companies, (10) using financing proceeds to invest in exempt wholesale generators ("EWGs") and foreign utility companies ("FUCOs"), and (11) the payment of dividends by certain Powergen companies out of capital or unearned surplus.

E.ON now requests similar authorizations that would allow it to finance and operate its various utility and nonutility businesses within a registered holding company system after the Acquisition and E.ON's registration under the Act. Although many of the existing authorizations granted to Powergen and the LG&E Energy Group in the Powergen Order will continue to be necessary under E.ON's ownership, to avoid confusion, E.ON will restate all necessary Powergen and LG&E Energy Group authorization requests in this filing in addition to new authorization requests for E.ON's specific proposed transactions. Consequently, except as expressly provided herein, the order of the Commission in this file would supercede and replace the Powergen Order from and after the date of the consummation of the Acquisition./5

B. Summary of Authorization Requested

Applicants seek Commission authorization of the financing activities of the E.ON Group for the period beginning with the date of the consummation of the Acquisition and continuing through May 31, 2005 ("Authorization Period"). Applicants seek Commission authorizations related to:

(i) financings by E.ON, including but not limited to the issuance of common stock and American Depositary Shares, preferred stock, short and long-term debt, currency and interest rate swaps and guarantees;

(ii) financings, (a) by the direct and indirect holding company parents of LG&E Energy, (b) by the LG&E Energy Group and (c) by E.ON UK, its holding company subsidiaries, the Powergen Intermediate Holding Companies and the Powergen Financing Entities;

(iii) the continuation by LG&E and KU of their respective receivables factoring programs;

(iv) the implementation of the money pools and intercompany financing arrangements, as described herein;

(v) the payment of dividends out of capital or unearned surplus;

(vi) the LG&E Energy Group tax allocation agreement;

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5 During an interim period between the Acquisition and a reorganization involving the transfer of PUSIC to E.ON US, Powergen and the Powergen Intermediate Holding Companies will continue to have the financing authority granted by the Commission in the Powergen Order.

(vii) changing the terms of any wholly-owned E.ON Group company's authorized capital stock, the issuance of additional shares, or alteration of the terms of any then existing authorized security;

(viii) the formation of financing entities and the issuance by such entities of securities otherwise authorized to be issued and sold pursuant to this Application or pursuant to applicable exemptions under the 1935 Act; and

(ix) investments in energy-related companies doing business outside the U.S.

1. General Financing Parameters

The specific terms and conditions of securities that may be issued in accordance with the requested authority are not known at this time. Consequently, the Applicants represent that the proposed transactions will be subject to the following general terms and conditions during the Authorization Period ("Financing Parameters"):

1. Aggregate Limit - E.ON - The aggregate amount of external debt, equity and guarantees issued by E.ON under the authorizations requested in this Application will not exceed $75 billion at any one time outstanding ("External Financing Limit").

2. Aggregate Limit - LG&E Energy - The aggregate amount of short-term external debt issued by LG&E Energy under the authorizations requested in this Application will not exceed $400 million at any one time outstanding.

3. Investment Grade Credit Rating - Each of E.ON, LG&E and KU commit that all long-term debt and preferred stock issued by it to unaffiliated parties under the authorization requested in this Application will, when issued, be rated investment grade by a nationally recognized statistical rating organization./6

4. Minimum Capitalization Ratio - E.ON and LG&E Energy, each on a consolidated basis, and LG&E and KU, individually, will maintain common stock equity/7 as a percentage of total capitalization/8 of at least 30%, as reflected in their most recent annual or semiannual report,

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6 Investment grade long-term debt is denoted by the Standard & Poor's ratings of AAA, AA, A and BBB. The ratings may be modified by a plus (+) or minus (-) to show relative standing within the rating categories. Moody's ratings of Aaa, Aa, A and Baa denote investment grade long-term debt. Moody's applies numerical clarifiers (1, 2 and 3) to denote relative ranking within a generic rating category. Standard & Poor's short-term debt ratings range from A-1 for the highest quality obligations to D for the lowest. Categories A-1 to A-3 are investment grade. The A-1 rating may also be modified by a plus sign to distinguish the strongest credits in that category. Moody's short-term issuer ratings are Prime-1, Prime-2 and Prime-3, all of which are investment grade. Fitch IBCA's ratings of AAA - BBB are denoted investment grade categories. A plus (+) or minus (-) may be appended to a rating to denote relative status within major rating categories. If there is a split rating by the rating agencies, one investment grade credit rating will be sufficient to satisfy the investment grade credit commitment.

7 Common stock equity would include common stock (i.e., amounts received equal to the par or stated value of the common stock), additional paid in capital, retained earnings and minority interests.

8 Applicants would calculate the common stock equity to total capitalization ratio as follows: common stock equity (as defined in the immediately preceding footnote)/(common stock equity + preferred stock + gross debt). Gross debt is the sum of long-term debt, short-term debt and current maturities. The minimum common stock equity standard will be applied on a US GAAP basis.

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in the case of E.ON, and, with respect to LG&E Energy, LG&E and KU, quarterly or other periodic earnings report, prepared in accordance with US GAAP.

5. Effective Cost of Money on Borrowings - The effective cost of money on debt financings by E.ON, LG&E Energy and the Utility Subsidiaries under the authorizations requested in this Application will not exceed the competitive market rates available at the time of issuance for securities having the same or reasonably similar terms and conditions issued by similar companies of reasonably comparable credit quality.

6. Maturity of Debt - The maturity of debt issued by E.ON will not exceed 50 years.

7. Effective Cost of Preferred Stock - The dividend rate on preferred stock or other types of preferred securities issued by E.ON will not exceed at the time of issuance the rate generally obtainable for preferred securities

having the same or reasonably similar terms and conditions issued by companies of reasonably comparable credit quality, as determined by competitive capital markets.

8. Issuance Expenses - The underwriting fees, commissions and other similar remuneration paid in connection with the non-competitive issue, sale or distribution of a security pursuant to this Application would not exceed 5% of the principal or total amount of the security being issued.

The requested authorization will give the Applicants the flexibility to respond quickly and efficiently to their financing needs and to changes in market conditions to the benefit of customers and shareholders. Authorization of this Application is consistent with existing Commission precedent, both for newly registered holding company systems (See, e.g., the Powergen Order; New Century Energies, Inc., Holding Co. Act Release No. 26750 (Aug. 1, 1997)) and for holding company systems that have been registered for a longer period of time. See, e.g., The Columbia Gas System, Inc., Holding Co. Act Release No. 26634 (Dec. 23, 1996); Conectiv, Inc., Holding Co. Act Release No. 26451 (Jan. 16, 1996).

2. Use of Proceeds

The proceeds from the sale of securities in external financing transactions by E.ON will be used for general corporate purposes including: (1) financing investments by and capital expenditures of the E.ON Group, including the funding of future investments in EWGs, FUCOs and TBD Subsidiaries (as authorized in SEC File No. 70-9961) and exempt telecommunications companies ("ETCs") and companies engaged or formed to engage in energy-related businesses as authorized pursuant to this Application; (2) the repayment, redemption, refunding or purchase by any E.ON Group company of its own securities under Rule 42 under the Act or as authorized pursuant to this Application; (3) financing or refinancing the capital requirements of the E.ON Group, and (4) other lawful purposes. The proceeds of financing and guarantees used to fund investments in Rule 58 subsidiaries will be subject to the limitations of that rule.

The $75 billion External Financing Limit represents investments in the following areas, generally: (a) $25 billion of investments in EWGs and FUCOs, (b) $35 billion of investments in EWGs and FUCOs financed by bridge loans pending the receipt of divestiture proceeds, (c) $4.0 billion for investments in TBD Subsidiaries pending divestiture, and (d) $10 billion for investments in energy related subsidiaries. Investments in EWGs and FUCOs financed by bridge loans can be considered as merely the redeployment of E.ON's existing capital that is currently invested in the TBD Subsidiaries because the bridge loans, or other outstanding debt in an equivalent amount to the bridge loans, will be repaid with the proceeds of the divestitures. Consequently, the aggregate level of new capital expenditures that will be financed under the authorization requested herein is approximately $39 billion. In addition to the capital expenditure program described above, as of December 31, 2001, E.ON and Powergen had debt securities outstanding in the amount of approximately $14.5 billion and $7.5 billion, respectively. Funds raised under the authority requested herein and subject to the External Financing Limit also will be used to refinance, repay, redeem or refund some of such debt over the course of the Authorization Period.

No financing proceeds will be used to acquire a new subsidiary unless such acquisition is consummated in accordance with an order of the Commission or an available exemption under the Act. The proceeds of external financings will be allocated to companies in the E.ON Group in various ways through intrasystem financing discussed in this Application.

C. Existing Financing Arrangements

1. E.ON's Current Capital Structure

E.ON shares are listed on all German stock exchanges, the Swiss Stock Exchange, and as ADRs on the NYSE. E.ON's ADRs are registered under the Securities Act of 1933, as amended (the "1933 Act"). As a result, E.ON has registered under the Securities Exchange Act of 1934, as amended (the "1934 Act") and, as a foreign private issuer, files Form 20-F and other periodic disclosure reports with the Commission. E.ON's financial statements are maintained in accordance with U.S. GAAP.

As of December 31, 2001, E.ON had 692.0 million common shares issued and approximately 687.3 million outstanding shares. E.ON recently completed the repurchase of 76.3 million shares, approximately 10% of the company's capital stock. E.ON has cancelled 71.3 million of the repurchased shares./9

As of December 31, 2001, E.ON had financial liabilities to banks and third parties totaling Euro 12,987 million ($11,560 million)/10 consisting of bonds (Euro 1,689 million, $1,503 million), bank loans (Euro 9,167 million, $8,160 million), liabilities related to banking

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9 The remaining repurchased shares were partly used for the 2001 employee share purchase program. In addition, E.ON intends to use them to hedge E.ON's stock appreciation rights and/or as shares to be issued in the future in connection with the employee share purchase program.

10 All amounts stated in Euros as of December 31, 2000, have been converted to dollars at the rate of 1 Euro = $0.9388. Amounts as of September 30, 2001 and December 31, 2001, were converted at the rate of 1 Euro = $0.9131 and 1 Euro = $0.8901, respectively.

operations (Euro 1,110 million, $988 million) bills payable (Euro 30 million, $27 million) and other financial liabilities (Euro 991 million, $882 million). E.ON's bank loans have maturities ranging from 2002 to 2040. E.ON raises funds through lines of credit, commercial paper, medium term notes, and other means.

The table that follows shows the capitalization of each company as of December 31, 2001 and the combined group on a pro forma basis, according to U.S. GAAP./11

	E.ON ($ mm)	E.ON (%)	Powergen Group ($ mm)	Powergen Group (%)	Adjust-ments	Pro Forma Combined ($ mm)	Pro Forma Combined
Common stock equity*	27,437	65.39	3,442	31.25	(3,289)	27,590	48

Preferred stock	0	0	135	1.23	0	135	0
Long-term debt (including current portion)	8,285	19.74	5,496	49.90	7,271**	21,052	36
Short-term debt	6,240	14.87	1,941	17.62	0	8,181	14
Total	41,962	100.00	11,014	100.00	3,982	56,958	100

* Common stock equity includes common stock (i.e., amounts received equal to the par or stated value of the common stock), additional paid-in capital and retained earnings, and minority interests of E.ON of $5.7 billion and of Powergen of $153 million.
** The adjustment for long-term debt is based on the assumption that the Acquisition is fully financed with debt, although the ultimate financial structure for the transaction has not been finalized.

E.ON is financially sound and as shown above, its capital structure on a pro forma basis as of December 31, 2001 would be comprised of 48.44% equity, 0.24% preferred stock and 51.32% debt.

E.ON's fundamental financial strength is also reflected in its very favorable credit ratings. E.ON's long-term debt rating of Aa2 and short-term rating of Prime-1 have been confirmed by Moody's Investors Service. The outlook for the rating has been changed from negative to stable after announcement of the Acquisition. Standard & Poor's gives E.ON a long-term senior debt rating of AA- and a short-term debt rating of A-1+./12 These very good ratings underscore the E.ON Group's sound financial condition.

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11 Unless specifically noted, the pro forma information included in the Application does not reflect the divestiture of the TBD Subsidiaries.

12 See footnote 6, supra.

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2. Powergen's Current Capital Structure

Powergen's capital structure is also shown in the table above. Moody's has placed the Baa1/Prime-2 issuer ratings of Powergen on review for possible upgrade reflecting the anticipated support it will receive from becoming a core part of the E.ON Group. Standard & Poor's has given Powergen a senior debt rating of BBB+, a corporate credit rating of BBB and a short-term issuer rating of A-2 and has placed the ratings on credit watch positive pending the Acquisition.

3. LG&E Energy's Current Capital Structure

The capital structures of the Utility Subsidiaries as of December 31, 2001 are shown in the table below. The capital structure of LG&E Energy as of

December 31, 2001 is provided separately in Exhibit FS-9.

	LG&E ($ mm)	LG&E (%)	KU ($ mm)	KU (%)
Common stock equity	838	53.04	735	58.15
Preferred stock	95	6.02	40	3.16
Long-term debt (including current portion)	617	39.04	489	38.69
Short-term debt	30	1.90	0	0
Total	1,580	100.00	1,264	100.00

Each of LG&E Energy, LG&E Capital Corp., LG&E and KU has a corporate credit rating of BBB+ from Standard & Poor's. In addition, LG&E Energy has an issuer rating from Moody's of A3. Moody's has confirmed the ratings of LG&E and KU at their present levels of A2. All Moody's and S&P ratings for LG&E Energy and LG&E Capital Corp. and S&P ratings for LG&E and KU are on credit watch for upgrade as a result of the Acquisition announcement. Fitch IBCA has given LG&E Energy an implied senior unsecured debt rating of BBB+ and has given the senior unsecured debt of LG&E Capital Corp. a rating of BBB+ and the senior secured debt of LG&E and KU ratings of A+. Fitch IBCA has placed LG&E Energy and LG&E Capital Corp. on credit watch positive, and LG&E and KU on credit watch evolving, all following the Acquisition announcement.

D. Proposed Financing Program

After the Acquisition, E.ON expects to hold LG&E Energy through two direct and indirect wholly-owned subsidiaries, E.ON US and PUSIC. LG&E and KU will remain first-tier subsidiaries of LG&E Energy and will keep their names and headquarters locations. This corporate structure will take into account international tax considerations and separate the U.S. utility operations of LG&E and KU from the other businesses of the E.ON Group and the Powergen Group. To preserve the economic benefits of the financing structure currently in place, Powergen will continue to own the Powergen Financing Entities. Powergen will become an indirect subsidiary of E.ON and its management team will remain responsible for the development and operation of LG&E's and KU