

STOLL·KEENON·OGDEN

PLLC

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September 2, 2010

Mary Long Hard Brand and A district of the

<u>VIA HAND DELIVERY</u>

Jeff DeRouen
Executive Director
Kentucky Public Service Commission
211 Sower Boulevard
Frankfort, KY 40601

SEP 02 2010

PUBLIC SERVICE COMMISSION

RE: The Application of PPL Corporation, E.ON AG, E.ON US Investments Corp., E.ON U.S. LLC, Louisville Gas and Electric Company and Kentucky Utilities

Company for Approval of an Acquisition of Ownership and Control of Utilities

Case No. 2010-00204

Dear Mr. DeRouen:

Enclosed please find, for filing, the original and twelve copies of the September 2, 2010 Joint Supplemental Response to IBEW, Local 2100 Supplemental Data Requests Dated July 14, 2010 in the above-referenced matter.

Please return the additional file-stamped copies of each document via our office runner.

Should you have any questions please contact me at your convenience.

Yours very truly,

Kendrick R. Riggs

KRR:ec Enclosures

cc:

Parties of Record

COMMONWEALTH OF KENTUCKY BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

JOINT APPLICATION OF PPL CORPORATION,)	
E.ON AG, E.ON US INVESTMENTS CORP.,)	
E.ON U.S. LLC, LOUISVILLE GAS AND ELECTRIC)	CASE NO.
COMPANY AND KENTUCKY UTILITIES)	2010-00204
COMPANY FOR APPROVAL OF AN ACQUISITION)	
OF OWNERSHIP AND CONTROL OF UTILITIES)	

JOINT SUPPLEMENTAL RESPONSE OF
PPL CORPORATION, E.ON AG, E.ON US INVESTMENTS CORP.,
E.ON U.S. LLC, LOUISVILLE GAS AND ELECTRIC COMPANY AND
KENTUCKY UTILITIES COMPANY
TO THE
IBEW, LOCAL 2100 SUPPLEMENTAL DATA REQUESTS
DATED JULY 14, 2010

FILED: September 2, 2010

VERIFICATION

COMMONWEALTH OF KENTUCKY)	
)	SS
COUNTY OF JEFFERSON)	

The undersigned, **Lonnie E. Bellar**, being duly sworn, deposes and says he is Vice President of State Regulation and Rates of Louisville Gas and Electric Company and Kentucky Utilities Company, and an employee of E.ON U.S. Services Inc., that he has personal knowledge of the matters set forth in the Joint Supplemental Response to IBEW, Local 2100 Supplemental Data Requests 2-1 and 2-2, and the responses contained therein are true and correct to the best of his information, knowledge and belief.

LONNIE E. BELLAR

Subscribed and sworn to before me, a Notary Public in and before said County and State, this 2nd day of September, 2010.

Notary Public (SEAL)

My Commission Expires:

November 9, 2010

VERIFICATION

COMMONWEALTH OF PENNSYLVANIA)	
)	SS:
COUNTY OF LEHIGH)	

WILLIAM H. SPENCE, being duly sworn, deposes and says that he has read the foregoing responses and exhibits and knows the matters contained therein; that said matters are true and correct to the best of his knowledge and belief.

WILLIAM H. SPENCE

Subscribed and sworn to before me, a Notary Public in and for the above County and State, on this 31 st day of August, 2010.

Notary Public

COMMONWEALTH OF PENNSYLVANIA

Notarial Seal

Deborah A. Muhr, Notary Public
City of Allentown, Lehigh County
My Commission Expires July 16, 2012

My Commission Expires:

July 16, 2012

PPL CORPORATION, E.ON AG, E.ON US INVESTMENTS CORP., E.ON U.S. LLC, LOUISVILLE GAS AND ELECTRIC COMPANY AND KENTUCKY UTILITIES COMPANY

CASE NO. 2010-00204

September 2, 2010 Joint Supplemental Response to IBEW, Local 2100 Supplemental Data Requests
Dated July 14, 2010

Question No. 1

Responding Witness: Lonnie E. Bellar / William H. Spence

- Q-1. With respect to PPL's answer to Attorney General Question No. 64, if there is no current plan for workforce reductions, and no current plan to develop a workforce reduction, and LG&E already has implemented all best practices of which it has considered, and no best practices are being considered for implementation, and PPL is planning to keep the same management team in place, and the acquisition is not based upon assumptions of synergies being achieved that would result in workforce reduction, please articulate the business justification for PPL's refusal to enter into a commitment that there will be no workforce reductions as a direct consequence of the acquisition?
- A-1. PPL's answer to AG 1-64 refers to Regulatory Commitment No. 16 and provides that (a) PPL has no current plan to reduce the workforce of E.ON US., LG&E or KU as a result of the proposed acquisition, and (b) PPL has no current plan to develop a workforce reduction plan after the closing of the proposed acquisition.

PPL must reserve the flexibility to modify its business operations and those of LG&E and KU, including without limitation decreases or increases in workforce levels, to the extent modifications are warranted by future events that cannot now be foreseen. On a post-closing basis, PPL will continue to monitor the operations and customer service of LG&E and KU and adjust their operations if in PPL's business judgment such adjustments are necessary.

Based upon the Company's WFP, the staffing levels for Local 2100 will remain approximately flat over the three year period following the transaction.

PPL CORPORATION, E.ON AG, E.ON US INVESTMENTS CORP., E.ON U.S. LLC, LOUISVILLE GAS AND ELECTRIC COMPANY AND KENTUCKY UTILITIES COMPANY

CASE NO. 2010-00204

September 2, 2010 Joint Supplemental Response to IBEW, Local 2100 Supplemental Data Requests
Dated July 14, 2010

Question No. 2

Responding Witness: Lonnie E. Bellar / William H. Spence

- Q-2. With regard to the applicant's answer to IBEW Question 5, if no workforce reductions are planned, and there is no plan to develop a plan of workforce reductions based upon anticipated synergies, why is it necessary for the company to make commitments No. 27 and 28 which both offer assurances for continued quality of service if workforce reductions are implemented?
- A-2. Regulatory Commitments No. 27 and 28 are substantially similar to commitments that were adopted by the Commission in the two previous cases involving the acquisition of ownership and control of LG&E and KU, Case Nos. 2000 095 and 2001 104. The Joint Applicants believed that it would be consistent with the public interest to offer those commitments in this case as well. However, the Joint Applicants refer to their response to IBEW 2-1, which confirms that there are no current plans to implement or develop a workforce reduction plan, and that based upon the Company's WFP, the staffing levels for Local 2100 will remain approximately flat over the three year period following the transaction.