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PUBLIC SERVICE  
COMMISSION



Kent A. Chandler  
Executive Director  
Kentucky Public Service Commission  
211 Sower Boulevard  
P. O. Box 615  
Frankfort, KY 40602-0615

March 31, 2020

**RE: Joint 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. Chandler:

Pursuant to the September 30, 2010 Order of the Kentucky Public Service Commission ("Commission") in Case No. 2010-00204, Louisville Gas and Electric Company ("LG&E") and Kentucky Utilities Company ("KU") (jointly the "Companies") hereby notify the Commission of changes in research and development funding. This notification is being made pursuant to Appendix C, Commitment No. 30 to the Commission's Order dated September 30, 2010 in the above-captioned proceeding. Also, pursuant to the Commission's Order dated March 16, 2020 for Case No. 2020-00085, specifically Ordering Paragraph No. 4, the Companies are submitting this information via e-mail to [PSCED@ky.gov](mailto:PSCED@ky.gov).

Should you require any additional information about these matters, please contact me or Don Harris at 502-627-2021.

Sincerely,

A handwritten signature in blue ink that reads "Rick E. Lovekamp".

Rick E. Lovekamp

**LG&E and KU Energy LLC**  
State Regulation and Rates  
220 West Main Street  
PO Box 32010  
Louisville, Kentucky 40232  
[www.lge-ku.com](http://www.lge-ku.com)

Rick E. Lovekamp  
Manager - Regulatory  
Strategy/Policy  
T 502-627-3780  
[rick.lovekamp@lge-ku.com](mailto:rick.lovekamp@lge-ku.com)

**LG&E and KU Energy LLC, Louisville Gas and Electric Company, and Kentucky Utilities Company**

**CASE NO. 2010-00204**

**Response to Appendix C, Commitment No. 30**

**“E.ON US, LG&E, and KU commit to notifying the Commission in writing 30 days prior to any material changes in their participation in funding for research and development. Material changes include, but are not limited to, any change in funding equal to or greater than 5 percent of any individual company’s previous year’s budget for research and development. The written notification shall include an explanation and the reasons for the change in policy. This commitment does not apply to LG&E’s and KU’s participation in or commitments to FutureGen”**

Louisville Gas and Electric (LG&E) and Kentucky Utilities Company (KU) (collectively the “Companies”) continues to fund memberships in research projects from the Electric Power Research Institute (EPRI). The Companies support a portfolio of projects that help staff to minimize operations and maintenance costs, reduce fuel consumption, improve accuracy of emissions monitoring, prevent equipment failures, decrease outages, lower capital expenditures, and track emerging technologies.

In 2019, the Companies spent \$5.2 million on R&D and are forecasting a decrease to \$4.8 million in 2020. This 7 percent decrease from 2019 is primarily due to renegotiation of membership terms with EPRI, which has allowed the Companies to increase research participation while simultaneously lowering costs to ratepayers. The Companies will continue to monitor new issues and technologies that would justify future R&D spend.