



PPL companies

Mr. Jeff DeRouen  
Executive Director  
Kentucky Public Service Commission  
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LG&E and KU Energy LLC  
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March 30, 2012

**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 Company, and Kentucky Utilities Company for Approval of an Acquisition of Ownership and Control of Utilities (Case No. 2010-00204)**

Dear Mr. DeRouen:

Pursuant to the Commission's Orders in the aforementioned case, LG&E and KU Energy LLC ("LKE"), Louisville Gas and Electric Company ("LG&E"), and Kentucky Utilities Company ("KU") (collectively "the Companies") hereby submit an original and four (4) copies of selected annual filings required in the above referenced matter.

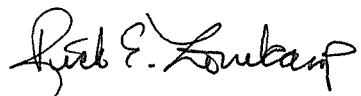
The Companies are submitting the following information to the Commission:

- Annual Expenditures for Economic Development and Charitable Contributions;
- Annual Update Report on Economic Development Activities with the LG&E and KU Service Territories;
- LKE's Share of PPL Corporation Total Assets, Operating Revenues, O&M, and Number of Employees;
- LG&E's and KU's Service Quality and Reliability Reports; and
- Three-Year Capital Budgets for LG&E and KU

Mr. Jeff DeRouen  
March 30, 2012

Please confirm your receipt of this information by placing the File Stamp of your Office on the enclosed extra copy and returning it in the enclosed self-addressed envelope. Should you require any additional information about these matters, please contact me or Don Harris at 502-627-2021.

Sincerely,

A handwritten signature in black ink, appearing to read "Rick E. Lovekamp". The signature is written in a cursive, flowing style.

Rick E. Lovekamp

**Louisville Gas and Electric Company**  
**Kentucky Utilities Company**  
**LG&E and KU Foundation Inc.**  
**Schedule of Charitable Contributions**  
**December 31, 2011**  
**(\$ 000's)**

Submitted pursuant to the Commission's Order in Case No. 2010-00204  
*Response to Appendix C, Commitment Nos. 1, 36, and 38*

Year	LG&E	KU	Foundation
	Actual	Actual	Actual
1997	147	388	1,176
1998	135	453	1,261
1999	102	107	2,312
2000	146	52	2,275
2001	160	48	2,207
2002	64	144	2,794
2003	178	95	1,185
2004	184	157	2,158
2005	641	259	1,268
2006	1,551	605	923
2007	1,148	478	1,029
2008	1,010	428	873
2009	867	532	768
2010	1,640	716	666
2011	1,859	1,055	679

**Louisville Gas & Electric Company**  
**Kentucky Utilities Company**  
**Schedule of Economic Development Expenditures <sup>1</sup>**  
**December 31, 2011**  
**(\$ 000's)**

**Submitted pursuant to the Commission's Order in Case No. 2010-00204**  
**Response to Appendix C, Commitment Nos. 1 and 38**

Year	LG&E	KU
	Actual	Actual
1997	842	1,296
1998	571	1,111
1999	576	1,359
2000 <sup>2</sup>	681	988
2001	991	1,475
2002	996	1,451
2003	896	1,401
2004	863	1,361
2005	1,031	1,546
2006	1,130	1,698
2007	1,184	1,775
2008	1,175	1,761
2009	1,267	1,901
2010	1,286	1,930
2011	1,295	1,942

- Note(s):**
- 1.- Economic development includes those activities to retain existing businesses and industries, to expand existing businesses and industries, and to attract new businesses and industries.
  - 2.- In the filing for 2000, the results were inadvertently reversed and, consequently, showed \$681,000 for KU and \$988,000 for LG&E. The 2000 results were corrected with the March 2003 filing which provided data through the year-ending December 31, 2002.

**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. 1**

During 2011, there were 211 new and expanding companies in the LG&E and KU service territories. The investment totaled \$1,834,498,866 resulting in 9,351 jobs. Announcements in the municipalities LG&E and KU serve reflected an additional two (2) locations. Some of the projects which representatives were actively involved in include INDATUS, Millennium Forge, Cardinal Aluminum, Alltech, Veteran's Hospital, Louisville Plate & Glass, Westport LTD, Parker Commercial, Champ, Flame Run, Motor Coach, Peak 10, Carbide, Magna Seating, Humana, UFLEX, Asahi Forge, American Doors, CMWA, Meggitt Aircraft Breaking, Clopay Plastics, Dow Corning, North American Stainless, Neogen Corp, Ford Motor Company, Mesa Foods, Hitachi Automotive, Senko USA, Riverview Coal and Walle Corp.

LG&E & KU implemented an economic development incentive for companies locating on Brownfield sites with a .5MW load and for new companies utilizing 1MW load. The approved companies will receive a discount on demand charges for five years.

LG&E and KU have \$383,140 invested to support the development of industrial land in two Kentucky communities. The commitment of the zero interest loans has enabled these communities to continue economic development activities. The team's involvement in statewide activities to better prepare students and existing workers is a vital part for all communities to be successful. Our team is especially involved in these efforts and continues to market all communities within its service territory.

The LG&E and KU site selection web site is continuously updated and displays new facts as a marketing tool for consultants to use. Sites, buildings, economic development incentives, tariffs, regional parks and more are updated on the website periodically. Foreign Investments, Questline Newsletter, Ask the Expert and press releases are available to keep our service territory professionals current. Our team maintains a board position with the Utility Economic Development Association. This organization assists utility professionals in understanding the ever changing U.S. electric and gas business. Our web site is modified, as the utility industry changes and develops.

Company representatives closely monitored key economic data and trends during 2011 and continued integration of social networking tools, such as LinkedIn to network with site selection consultants. The team continued active participation in the Industrial Asset Management Council (IAMC) Forum. IAMC is a membership organization of more than 200 real estate executives. These objectives are designed to build relationships with companies, consultants and real estate developers, as well as updating them on the new and ever-changing developments within the state and with LG&E and KU.

**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. 1**

LG&E and KU's team maintained its strong leadership position in preparing communities for economic opportunities in 2011. The company worked in tandem with local, regional and statewide officials to ensure adequate electric and natural gas facilities were available to support new developments. In addition, the company continued to provide leadership to the Kentucky Association for Economic Development (KAED). KAED is the chief vehicle through which economic development professionals build skills, advocate issues and share expertise. The economic development team played an integral role in the development of training programs, the sharing of best practices and provided ideas for an enhanced public policy program to increase support for economic development throughout the commonwealth. The economic development team members served on the board and in key committee positions to support Kentucky's growth in the 21<sup>st</sup> century.

KAED's KentuckyUnited team promotes Kentucky as a business destination. LG&E and KU are partners in the KentuckyUnited marketing effort to attract and promote its communities to site selectors and companies interested in expanding their facilities. Through this effort the team participated in missions to New York, New Jersey, Atlanta, Detroit, Dallas and Chicago.

LG&E and KU team members are resourceful constituents as Kentucky designs and implements new strategies to help regions grow. Increasingly the team is called upon to provide advice and implement new programs, like the Kentucky Workforce Investment Board's Work Ready Community Program. This program will promote communities and position them for new business investment. Our participation in cutting edge conferences by such groups as the International Economic Development Council and Utility Economic Development Association gives us a continuing reservoir of ideas to assist mayors, county judges and other officials. The team has assisted with strategic planning in Hart and Crittenden Counties, and facilitated the Kentucky Small Business Advocacy Board's strategic plan.

In November the KPSC approved three new and five expanded programs that will offer residential and commercial customers more options to reduce and better manage their energy use. Our energy-saving programs are part of the companies' continued efforts to help customers use energy more wisely, offset annual customer energy demand growth and mitigate the potential customer rate impacts. The team educates, promotes and encourages customers to utilize these programs and prepare for the pending federal environmental regulations.

Our economic development representatives are also active in the KY Institute for Economic Development, World Trade Center KY, Entrepreneurial Leadership Institute, Bluegrass Workforce Investment Board, Northwest KY Forward, Bluegrass Kiwanis, Louisville Airport Improvement Project, KY Higher Education Assistance Authority, KY Council of Economic Education, KY Chamber of Commerce, Southeast KY Economic Development Corporation, KY Workforce Investment Board, Commerce Lexington, Greater Louisville Inc, Lexington-Fayette County Revenue Bond Review Committee, Lexmark Teacher Academy and many of the local industrial foundations, chambers and authorities.

**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. 19**

The following information is LG&E and KU Energy LLC's proportionate share of selected PPL Corporation financial and operating numbers for the year-ended December 31, 2011 as stipulated in the aforementioned Commission's Order:

	<b>LG&amp;E and KU Energy LLC</b>
Total Assets	24.8%
Operating Revenues	21.9%
Operating and Maintenance Expense	28.2%
Number of Employees	18.0%

**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. 29**

Appendix C, Commitment No. 29 specifies that the Companies submit the periodic reporting of “various reliability and service quality measurements”. However, in Administrative Case No 2006-00494, *An Investigation of the Reliability Measures of Kentucky’s Jurisdictional Electric Distribution Utilities and Certain Reliability Maintenance Practices*, dated October 26, 2007, the Companies are required to file similar reports and therefore were relieved on this reporting requirement (also see Commission’s Order dated July 16, 2008 for Case Nos. 2000-00095 and 2001-00104).



**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. 1**

The filing of the current Three-Year Capital Budget information is being submitted in response to Case No. 2010-00204, Appendix C, Commitment No. 1 which stipulates that the Companies will comply with all previous merger, change of control, and holding company Orders. However, more specifically, Case No. 2000-095, Summary of Findings No. 15 requires the Companies to annually file their current 3-year capital budgets, including an explanation for any reductions in the capital budget items greater than 10 percent.

**Louisville Gas and Electric Company**  
**Kentucky Utilities Company**  
**Case No. 2010-00204 - Response to Appendix C, Commitment No. 1**  
**Three-Year Capital Budgets**  
**[ \$ 000,000's ]**

				<b>Change from Prior Report</b> <b>[ Increase; (Decrease) ]</b>	
	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2012</u>	<u>2013</u>
<b>Louisville Gas and Electric Company -</b>					
Generation	\$ 378.5	\$ 522.6	\$ 568.7	\$ 38.0	\$ (58.6) <sup>1</sup>
Transmission	26.9	57.0	34.7	10.7	42.6
Distribution	131.4	158.9	147.5	3.3	24.0
Cust Svc, Sales & Mkting (incl Metering)	5.1	7.8	7.7	(4.8) <sup>2</sup>	(0.5)
Information Technology	11.2	15.0	14.9	(1.3) <sup>3</sup>	(2.4) <sup>3</sup>
Other	3.5	5.4	2.1	(3.2) <sup>4</sup>	2.2
<b>Total</b>	<b>\$ 556.5</b>	<b>\$ 766.7</b>	<b>\$ 775.7</b>	<b>\$ 42.6</b>	<b>\$ 7.4</b>
<b>Kentucky Utilities Company -</b>					
Generation	\$ 507.8	\$ 629.9	\$ 627.9	\$ 38.6	\$ 163.2
Transmission	57.0	49.6	53.6	22.0	(3.8)
Distribution	75.9	93.3	84.4	(6.4)	(1.2)
Cust Svc, Sales & Mkting (incl Metering)	4.3	6.1	8.1	(4.3) <sup>2</sup>	(0.2)
Information Technology	13.1	15.1	13.9	0.1	(0.5)
Other	4.7	6.2	5.2	(1.1) <sup>4</sup>	3.7
<b>Total</b>	<b>\$ 662.7</b>	<b>\$ 800.1</b>	<b>\$ 793.1</b>	<b>\$ 48.7</b>	<b>\$ 161.2</b>

**Notes**

1. Revised scope related to Environmental Compliance spending
2. Customer Education Center removed from budget
3. Reduction in various Information Technology projects
4. System upgrades moved from 2012 to 2013