



PPL companies

Mr. Jeff DeRouen
Executive Director
Kentucky Public Service Commission
211 Sower Boulevard
P. O. Box 615
Frankfort, KY 40602-0615

March 28, 2013

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. 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 Charitable Contributions and Economic Development;
- 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

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Mr. Jeff DeRouen
March 28, 2013

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 fluid and cursive, with the first name "Rick" being the most prominent.

Rick E. Lovekamp

Louisville Gas and Electric Company
Kentucky Utilities Company
LG&E and KU Foundation Inc.
Schedule of Charitable Contributions
December 31, 2012
(\$ 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	1,271
1999	102	107	2,312
2000	146	52	2,295
2001	160	48	2,207
2002	64	144	2,158
2003	178	95	1,185
2004	184	157	2,158
2005	641	259	1,268
2006	1,551	605	923
2007	1,148	478	1,028
2008	1,010	428	873
2009	867	532	768
2010	1,640	716	666
2011	1,859	1,055	679
2012	2,259	1,111	762

Louisville Gas & Electric Company
Kentucky Utilities Company
Schedule of Economic Development Expenditures ¹
December 31, 2012
(\$ 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 ²	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
2012	1,167	1,752

- 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 2012, there were 229 new and expanding companies in the LG&E and KU (collectively, “the Companies”) service territories. The investment totaled \$1,708,072,487 resulting in 9,279 jobs. Announcements in the municipalities LG&E and KU serve reflected an additional 27 locations. Some of the projects which representatives were actively involved in include Florida Tile, Taica Corporation, Bingham McCutchen LLP, Baton LLC, Thunder Tool, Amazon Inc., Osram Sylvania, Xact Associates LLC and Berry Plastics.

The LG&E & KU economic development (EDR) incentive for companies locating on Brownfield sites with a 0.5MW load and for new companies utilizing 1MW load allows for a discount on demand charges for five years. Presently there are two companies benefiting from the EDR: Millennium Forge of Louisville and Flex Films of Elizabethtown.

LG&E and KU have \$381,140 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, despite the recession’s slow recovery.

LG&E and KU continuously provides marketing for properties in all communities within its service territory through the new Location One Information System (LOIS). LOIS is a web-based interface with dynamic reports including Google mapping technologies, demographic thematic maps, business information, local GIS custom layers and reports from the Economic and Social Research Institute for sites, buildings and community profiles. Launched in June 2012, this tool allows for project customization including the employers, commute times, population within radius and incomes of households.

The LG&E and KU site selection web site is continuously updated and displays new facts as a marketing tool for consultants. Sites, buildings, economic development incentives, tariffs, regional parks and more are updated on the website as changes occur. Foreign Investments, Questline, Ask the Expert and press releases are available to keep our service territory professionals current. The web site is modified as the utility industry changes and develops.

Company representatives closely monitored key economic data and trends during 2012. LG&E and KU continued active participation in the Industrial Asset Management Council (IAMC) Forums. 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. The Companies also maintain a board position with the Utility Economic Development Association (UEDA). This organization assists utility professionals in understanding the ever changing U.S. electric and gas business.

LG&E and KU maintained its strong leadership position in preparing communities for economic opportunities in 2012. The Companies 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 Companies continue 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 21st century.

KAED's KentuckyUnited 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. In this effort, the company participated in missions to Massachusetts, New York, Illinois, Maine, Georgia and Texas.

The Companies are increasingly called upon as a resource to design and implement new programs and strategies. During 2012, LG&E and KU worked closely with the Kentucky Workforce Investment Board as it ramped up the new Work Ready Community program. This program is geared toward ensuring local communities meet standards of excellence in education, skills and technology thus improving marketability to site selection consultants as preferred destinations for business investment. The Companies greatly increased our ability to partner with mayors, county judges and other officials as they seek to implement strategies to grow jobs and businesses through cutting edge training provided by groups such as the National Association of Workforce Boards UEDA, KAED, IAMC and the National Workforce Association.

The Companies economic development representatives are also active in the KY Institute for Economic Development, World Trade Center KY, Bluegrass Workforce Investment Board, Northwest KY Forward, Bluegrass Kiwanis, Louisville Airport Improvement Project, KY Higher Education Assistance Authority, Lexington Housing Authority, Madison County Strategic Plan Leadership Team, Bluegrass Tomorrow, Bluegrass Higher Education Consortium, Business and Education Network, KY Council of Economic Education, KY Chamber of Commerce, Southeast KY Economic Development Corporation, KY Workforce Investment Board, Bluegrass South, Commerce Lexington, Greater Louisville Inc., Bluegrass Alliance 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, 2012 as stipulated in the aforementioned Commission's Order:

	LG&E and KU Energy LLC
Total Assets	25.3%
Operating Revenues	22.5%
Operating and Maintenance Expense	27.4%
Number of Employees	18.6%

**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).

**Louisville Gas and Electric Company
Kentucky Utilities Company
Three-Year Capital Budgets
[\$ 000,000's]**

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

	2013	2014	2015	Change from Prior Report [Increase; (Decrease)]	
				2013	2014
Louisville Gas and Electric Company -					
Generation	\$ 462.0	\$ 447.0	\$ 380.0	\$ (61) ¹	\$ (122) ¹
Transmission	59.0	31.0	19.0	\$ 3	\$ (3)
Distribution	141.0	137.0	163.0	\$ (18) ²	\$ (11)
Cust Svc, Sales & Mkting (incl Metering)	7.0	10.0	9.0	\$ (1) ³	\$ 3
Information Technology	12.0	12.0	11.0	\$ (3) ⁴	\$ (3) ⁴
Other	6.0	3.0	3.0	\$ 1	\$ 1
Total	\$ 687	\$ 640	\$ 585	\$ (79)	\$ (136)
Kentucky Utilities Company -					
Generation	\$ 620.0	\$ 527.0	\$ 400.0	\$ (10)	\$ (101) ¹
Transmission	48.0	36.0	40.0	\$ (2)	\$ (17) ⁵
Distribution	88.0	85.0	95.0	\$ (6)	\$ 1
Cust Svc, Sales & Mkting (incl Metering)	6.0	9.0	10.0	\$ 0	\$ 1
Information Technology	14.0	13.0	13.0	\$ (1)	\$ (1)
Other	8.0	4.0	4.0	\$ 2	\$ (1) ⁶
Total	\$ 784	\$ 674	\$ 562	\$ (17)	\$ (119)

Notes

1. Revised scope and cost estimates related to Environmental Compliance spending at the Mill Creek and Cane Run generating facilities
2. Timelines changed for system projects
3. Reduction in DSM Capital
4. Reduction in various Information Technology projects
5. Projects initially planned for 2014 moved to later years
6. Financial system upgrade moved from 2014 to 2013