



PPL companies

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

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COMMISSION

LG&E and KU Energy LLC
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October 30, 2015

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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:

Pursuant to the Commission's Order of September 30, 2010, in the above-referenced proceeding, Louisville Gas and Electric Company and Kentucky Utilities Company (collectively "the Companies") hereby file an update on the adoption and implementation of best practices at the Companies pursuant to Appendix C, Regulatory Commitment No. 12 of that Order.

Please place the file stamp of your Office on the enclosed additional copy of this notice and return it in the envelope provided.

Should you have any questions, please do not hesitate to contact me.

Sincerely,

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

Rick E. Lovekamp

On November 1, 2010, Louisville Gas and Electric Company (“LG&E”) and Kentucky Utilities Company (“KU”) (collectively “the Companies”) became indirect wholly owned subsidiaries of PPL Corporation (“PPL”), when PPL acquired all of the outstanding limited liability company interests in the Companies’ direct parent, LG&E and KU Energy LLC (“LKE”) from E.ON US Investments Corp. LKE, a Kentucky limited liability company, also owns LG&E and KU, utilities engaged in the generation, transmission, distribution and sale of electric energy in Kentucky, Virginia, and Tennessee. Following the acquisition, the Company’s business has not changed. LG&E and KU are continuing as subsidiaries of LKE, which is now an intermediary holding company in the PPL group of companies.

The Companies have continued working together with PPL to seek best practice approaches to specific areas of their utility operations and shared services divisions. Following is a summary of best practice initiatives that have been implemented or are currently in process.

Customer Service

The customer services operational teams continued their exchange on best practices for managing holistic operations and customer experiences. The teams met in person and/or by telephone conference to compare processes, share and review metrics, exchange experiences with vendors and discuss ideas for their operations. The areas interacting included customer service, low income customer issues, energy efficiency program, smart grid strategy, quality assurance, revenue collections, facility services, corporate security, and admin and contract services.

The Energy Efficiency leadership teams continue to share industry trends and best practices within the energy efficiency and Smart Meter space. This practice continues to enhance cross-company knowledge with positive insights into process, program, and evaluation improvements.

These efforts have reaffirmed LKE’s business processes and customer offered programs are comparable in nature to PPL and verified a similar culture of safety, commitment to customer service, and operational discipline.

Operations

The electric transmission and distribution operations teams continued to focus on safety, reliability, emergency restoration, technology, and fleet. These collaborative efforts continue to validate LKE’s existing business processes, and confirmed a similar culture of safety, commitment to customer service and operational focus.

The Safety function conducts monthly WebEx meetings to communicate legislative changes, industry trends, incident reviews, and best practices. These meetings allow LKE and PPL to share information and increase efficiency.

LKE and PPL continue to provide each other with a solid network of contacts to discuss topics applicable to the industry and efforts to enhance safety performance.

Information Technology

LKE's IT organization continues to deliver best in class service and flexible business-driven technology solutions and to facilitate the sharing of IT topics and processes with PPL.

Some of the shared initiatives include: access to the PPL Hosted Cognos Disclosure Management ("CDM") and Hyperion Financial Management ("HFM") applications now used by LKE's Financial Reporting department and Wall Street Suites ("WSS") used by LKE's Treasury department; defined user provisioning between PPL and the LKE Companies for shared applications using service-oriented architecture ("SOA") technology; pursuit of a joint Unified Communications Strategy development project with Accenture; use of a joint information security awareness annual training module; security threat information sharing; shared information security vision, mission and strategic principles; and LKE hosting of the PPL Alternate Data Center. The Companies and PPL continue to optimize combined spend for IT Vendors and have participated in joint IT Vendor workshops.

In July 2014, Eric Slavinsky, CIO at LG&E and KU, was named the chief information officer for all PPL Corporation domestic operations. In addition, this change in the IT organization led to an expansion of the current role of LG&E and KU's Director of IT Infrastructure to support all IT infrastructure and operations across PPL domestic operations, effective in June 2015. This new role as Director of IT – Enterprise Infrastructure will be responsible for leading an effort to consolidate technology infrastructure throughout PPL. While this position will be based in Louisville, KY, the Director will spend time in both Louisville and Allentown, PA and will have direct reports from LG&E and KU as well as the PPL Services IT organization. The IT organization is continuing to identify and analyze the various systems to ensure the Companies are providing the best value for customers and shareholders. The Companies are aware of the sophisticated cyberattacks across all industries and are committed to protecting the Companies assets and customers information. A new position, Corporate Information Security Officer will be filled and this role will coordinate cyber responsibilities for all of PPL, including the United Kingdom. This position will report to Eric Slavinsky, but is expected to be based in Allentown, PA. Directors of IT Security and Compliance at LG&E and KU and PPL Services will report to this new position.

The IT organization is continuing to work to identify additional opportunities to optimize its workforce across domestic operations. Through this process, the IT organization expects to implement specialist teams that will work on applications across the corporate structure to provide best in class service to succeed in an ever-challenging IT environment.

Procurement

On-going collaboration between the groups continues by leveraging individual company strengths, industry best practices and focused spend aggregation opportunities across PPL and LKE. The Companies' Supply Chain group is expected to provide significant support for the domestic IT PPL organization for the procurement of IT-related goods and services, which should increase the buying power of the Companies.

Other Areas

LKE's Financial Reporting department continues to coordinate joint U.S. Securities and Exchange Commission ("SEC") filings for its three SEC registrants, including LG&E and KU, along with PPL's two Pennsylvania registrants. Through this process, LKE personnel collaborate on technical accounting matters and best practices for monitoring and implementing technical developments with their counterparts in Pennsylvania.

LKE's Sarbanes-Oxley (SOX) Compliance department has worked with its respective counterparts at other PPL subsidiaries to pursue best practices. A centralized function for SOX program governance was created to improve accountability, transparency and consistency. Additionally, approaches to SOX walkthroughs and testing were aligned to reduce redundant testing and improve external auditor reliance.

Attorneys for PPL and LKE participate in routine status calls to discuss legal matters impacting the entities and a variety of legal topics. Individual LKE attorneys participate in regular communications with PPL counterparts to discuss specialty subject areas, including regulatory issues, litigation, and general corporate matters.

LKE's Corporate Communications department continues to collaborate with PPL regularly on news and information for employees across the PPL, enterprise, particularly for PPL's quarterly employee/retiree magazine, Dimensions. In addition, the communications groups continue to meet on an as needed basis to discuss content and forms of corporate and employee communications.