



PPL companies

Ms. Gwen R. Pinson, Executive Director
Kentucky Public Service Commission
211 Sower Boulevard
P. O. Box 615
Frankfort, KY 40602-0615

March 29, 2019

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 Ms. Pinson:

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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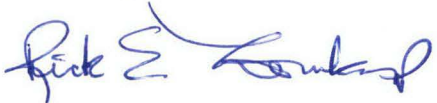
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Ms. Gwen R. Pinson, Executive Director
March 29, 2019

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 blue ink, appearing to read "Rick E. Lovekamp". The signature is fluid and cursive, with a large initial "R" and "L".

Rick E. Lovekamp

**Louisville Gas and Electric Company
Kentucky Utilities Company
LG&E and KU Foundation Inc.
Schedule of Charitable Contributions
December 31, 2018
(\$ 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
2013	2,619	1,246	839
2014	2,920	1,597	697
2015	3,972	1,651	781
2016	4,086	1,538	627
2017	3,241	1,527	625
2018 ¹	9,466	5,434	601

1 - Beginning in 2019, all charitable contributions to 501(c)(3) organizations will be made by the LG&E and KU foundation. In December 2018, contributions of \$6 million and \$4 million were made by LG&E and KU, respectively, to the LG&E and KU Foundation as funding for such future charitable contributions. Contributions to other 501(c) organizations will continue to be made by each utility.

Louisville Gas & Electric Company
Kentucky Utilities Company
Schedule of Economic Development Expenditures ¹
December 31, 2018
(\$ 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
2013	1,294	1,942
2014	1,220	1,826
2015	1,194	2,366
2016	1,081	1,940
2017	1,218	2,017
2018	1,174	2,229

- 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 2018, there were 189 new and expanding announcements in the LG&E and KU service territories. The investments totaled almost \$2.3 billion and resulted in 7,549 jobs. Announced projects included Blue Star Plastics, Global Win Wickliffe, Leggett & Platt, Outdoor Venture Corporation, Sister Schubert's Rolls, The Bardstown Bourbon Co., Pounds of Plastic, HB Sealing Products, Linak US, Sunstrand and UPS Supply Chain Solutions. There were an additional 15 announcements representing \$149 million of investment and 500 jobs in municipalities where LG&E and KU provide wholesale electricity.

The LG&E and KU economic development website is regularly updated to include economic development incentives, tariff changes, regional business parks, company announcements/expansions and additional relevant information for site consultants and developers to review. Sites and buildings are marketed on our website through the 'SelectKentucky' database, which is governed by the Kentucky Cabinet for Economic Development (KCED). The database showcases communities, sites, buildings and aerial photography for consultants, real estate professionals and companies reviewing expansion and new location alternatives. The database is user-friendly and provides demographics on each property. LG&E and KU regularly evaluates the economic development website as the utility industry continues to transform.

In 2018, LG&E and KU continued to promote its business solar program and community solar programs to help attract companies with sustainability goals. The Archdiocese of Louisville announced a partnership with LG&E to operate the first solar array under the company's business solar program. The solar array is expected to produce about 30 kilowatts of power or about 45,000 kWh per year, which is enough energy to power about four typical residential homes for one year. The Archdiocese will receive bill credits based on the system's monthly production.

LG&E and KU maintains a strong leadership position in preparing communities for economic opportunities. LG&E and KU work in tandem with local, regional and statewide officials to ensure adequate electric and natural gas facilities are available to support new developments. The economic development team continues to provide board leadership to the Kentucky Association for Economic Development (KAED), including chairing the KAED Foundation board. KAED is the chief vehicle through which economic development professionals build skills, advocate issues and share best practices. The team plays an integral role in the development of training programs, the sharing of best practices and providing ideas for an enhanced public policy program to increase support for economic development throughout Kentucky. In 2018, LG&E and KU became founding investors in the KAED Product Development Initiative (PDI). The PDI is designed to mitigate site inventory challenges via strategic investment to enhance quantity and quality of product, to address lack of capital in the market and to encourage collaboration among Kentucky economic developers and stakeholders. The economic development team also serves on key committee positions to support economic development within Kentucky.

KAED's KentuckyUnited initiative promotes the state as a business destination for new and expanding businesses. LG&E and KU partners in the KentuckyUnited marketing effort to attract and promote its communities to site selectors and companies interested in expanding their facilities. Additionally, the economic development team provided leadership on the steering committee. LG&E and KU participated in business development missions to Texas, New York and Illinois, and in-state consultant events in Covington and Lexington, Kentucky.

In 2018, LG&E and KU economic development team directly marketed Kentucky's amenities nationwide by hosting a booth at the Medical Design Manufacturers trade show in Anaheim, CA. Lexington, Lebanon, Carrollton, Danville, Northern KY, KAED and KCED participated in this marketing endeavor. The economic development team also hosted a booth at the International Manufacturing Technology Show in Chicago, IL. Danville, Louisville, Campbellsville, Bowling Green, KAED and KCED participated in this marketing event. The trade shows provided state and community partners access to thousands of growing businesses.

LG&E and KU continued its long-term commitment to Bracken County and Marion County through an investment of \$358,550 in zero-interest loans to assist in the development of industrial land within these communities. This support has ensured these communities maintained opportunities to attract jobs and investments in areas of economic hardship and increased global competition.

The LG&E and KU economic development rider (EDR) is designed to promote economic development efforts and encourage brownfield development. In 2018, the EDR assisted eight companies with \$1,660,642 in demand reduction credits on their electric utility bill, and assisted in the positive location/expansion decision. Companies included Berry Plastics, Custom Food Products, Flex Films, Hendrickson, North American Stainless, Toyota, Brady Worldwide and KY Kingdom.

LG&E and KU representatives closely monitored key economic data and trends. The economic development team continued to participate in the Industrial Asset Management Council (IAMC) Forum. IAMC is a membership organization of more than 400 real estate executives, including consultants, developers and businesses. The participation presents opportunities to discuss the new and ever-changing developments within the state and with LG&E and KU, in addition to cultivating relationships. The team maintained a board position with the Utility Economic Development Association (UEDA), which helps utility professionals stay engaged in the dynamic world of economic development. This organization is the only investor-owned utility group in the country devoted to economic development best practices.

Finally, LG&E and KU economic development representatives were active in many economic and community organizations throughout the state either through board service, or as a participant in planning activities and events. These organizations include: Greater Louisville Inc.; KY Institute for Economic Development; World Trade Center KY; Richmond Industrial Development Corporation; KYNDLE; Bluegrass Kiwanis; KY Higher Education Assistance Authority/Student Loan Corp.; Lexington Housing Authority; Bluegrass Tomorrow; Bluegrass Higher Education Consortium; Business and Education Network; Southeast KY Economic Development Corporation; Commerce Lexington; Louisville Forward; Bluegrass Alliance; Jeffersontown Economic Development Authority; Taylor County Industrial Foundation; and many local industrial organizations, 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, 2018 as stipulated in the aforementioned Commission's Order:

	LG&E and KU Energy LLC
Total Assets	35.5%
Operating Revenues	41.3%
Operating and Maintenance Expense	42.8%
Number of Employees	28.2%

**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
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**

	<u>2019</u>	<u>2020</u>	<u>2021</u>	Change from Prior Report	
				[Increase; (Decrease)]	
				<u>2019</u>	<u>2020</u>
Louisville Gas and Electric Company -					
Generation	\$ 107	\$ 62	\$ 93	\$ (1)	\$ 27
Distribution	287	239	262	\$ 22	\$ 6
Transmission	37	34	42	\$ 1	\$ (2)
Environmental	71	39	54	\$ (12) ¹	\$ 1
Other	47	49	46	\$ (50) ²	\$ (45) ²
Total	\$ 549	\$ 423	\$ 497	\$ (40)	\$ (13)
Kentucky Utilities Company -					
Generation	\$ 161	\$ 95	100	\$ 16	\$ 6
Distribution	145	131	133	\$ 22	\$ 4
Transmission	132	156	182	\$ (1)	\$ 2
Environmental	127	73	55	\$ 19	\$ 20
Other	45	48	47	\$ (54) ²	\$ (47) ²
Total	\$ 610	\$ 503	\$ 517	\$ 2	\$ (15)

Notes

1. Trimble County projects (Coal Combustion Residuals Treatment and Process Water System) and Mill Creek Process Water were lower in the 2019 BP due to the majority of work being completed in 2018.
2. The Certificates of Public Convenience and Necessity for full deployments of Advanced Metering Systems was not approved by the Commission.