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PPL companies

Gwen R. Pinson  
Executive Director  
Kentucky Public Service Commission  
211 Sower Boulevard  
Frankfort, KY 40601

October 31, 2019

**LG&E and KU Energy LLC**  
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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 Ms. Pinson:

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,

*Rick E. Lovekamp by Dan Harris / DOA*

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 and Virginia.

Since 2010, LG&E and KU have continued working with PPL and other affiliates to seek best practice approaches to specific areas of their utility operations and shared services divisions. The sharing of best practices at the beginning of this acquisition provided savings for each entity. This practice now serves as a way for each entity to share knowledge as they work on providing reliable, safe energy at a reasonable cost to our customers and best-in-sector returns to our shareowners. 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 its exchange around managing its comprehensive operations and customer experiences. The teams met face-to-face or by telephone conference. They compared processes, reviewed metrics, shared organizational structure, and discussed experiences with vendors and system functionality.

The advanced meter leadership team continues to exchange industry movements and best practices within the smart meter space. This practice continues to promote cross-company knowledge with positive insights into process, program, and evaluation.

These efforts continue to validate our shared core values around safety, commitment to customer service, operational discipline, and performance excellence.

#### ***Operations***

The electric transmission and distribution operations teams continued collaborative efforts on safety, reliability, operations, emergency restoration and fleet management. 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***

The Companies and PPL continue to optimize combined spend for IT vendors, participate in joint IT vendor workshops, optimize use of similar reporting systems, and share lessons learned. An overall PPL cyber security framework enables implementation of information protection strategies based on risk and asset profiles.

***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.

***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. Additionally, LKE and PPL personnel collaborate on technical accounting matters at FERC to ensure consistent practices across the enterprise.

The funds set aside for pensions by LG&E and KU are held in a master trust that includes the assets of PPL's other domestic pension plan assets. By consolidating the funds, the trust is able to negotiate lower investment management fees than would be possible by LG&E and KU alone.

LKE and PPL personnel continue to collaborate on federal and state tax matters to ensure compliance with various laws and regulations. Most recently, this included collaborations on both federal and state tax reform.

LKE's Sarbanes-Oxley ("SOX") Compliance department continues to work with its respective counterparts at other PPL subsidiaries to pursue best practices. A centralized function for SOX program governance continues to improve accountability, transparency and consistency.

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 and 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.