



a PPL company

RECEIVED

SEP 21 2018

PUBLIC SERVICE
COMMISSION

Ms. Gwen R. Pinson, Executive Director
Kentucky Public Service Commission
211 Sower Boulevard
Frankfort, Kentucky 40602-0615

Kentucky Utilities Company
State Regulation and Rates
220 West Main Street
PO Box 32010
Louisville, Kentucky 40232
www.lge-ku.com

September 19, 2018

Rick E. Lovekamp
Manager - Regulatory
Strategy/Policy
T 502-627-3780
rick.lovekamp@lge-ku.com

Re: *Application of Kentucky Utilities Company for an Order Authorizing the Restructure and Refinancing of Unsecured Debt and the Assumption of Obligations and for Amendment of Existing Authority - Case No. 2010-00206*

Dear Ms. Pinson:

Pursuant to Ordering Paragraph No. 9 of the Kentucky Public Service Commission's Order, dated September 30, 2010, in the aforementioned case, attached is a Form 8-K filed with the Securities and Exchange Commission ("SEC") on September 19, 2018.

Please confirm your receipt of this filing by placing the File Stamp of your Office with date received on the extra copy and returning it to me in the enclosed envelope. Should you have any questions regarding the information filed herewith, please call me or Don Harris at (502) 627-2021.

Sincerely,

A handwritten signature in blue ink that reads "Rick E. Lovekamp". The signature is fluid and cursive.

Rick E. Lovekamp

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

RECEIVED

SEP 21 2018

PUBLIC SERVICE
COMMISSION

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): September 19, 2018

<u>Commission File Number</u>	<u>Registrant; State of Incorporation; Address and Telephone Number</u>	<u>IRS Employer Identification No.</u>
1-11459	PPL Corporation (Exact name of Registrant as specified in its charter) (Pennsylvania) Two North Ninth Street Allentown, PA 18101-1179 (610) 774-5151	23-2758192
333-173665	LG&E and KU Energy LLC (Exact name of Registrant as specified in its charter) (Kentucky) 220 West Main Street Louisville, KY 40202-1377 (502) 627-2000	20-0523163
1-2893	Louisville Gas and Electric Company (Exact name of Registrant as specified in its charter) (Kentucky) 220 West Main Street Louisville, KY 40202-1377 (502) 627-2000	61-0264150
1-3464	Kentucky Utilities Company (Exact name of Registrant as specified in its charter) (Kentucky and Virginia) One Quality Street Lexington, KY 40507-1462 (502) 627-2000	61-0247570

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 under the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

- PPL Corporation
- LG&E and KU Energy LLC
- Louisville Gas and Electric Company
- Kentucky Utilities Company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

- PPL Corporation
 - LG&E and KU Energy LLC
 - Louisville Gas and Electric Company
 - Kentucky Utilities Company
-

Section 7 - Regulation FD

Item 7.01 Regulation FD Disclosure

and

Section 8 - Other Events

Item 8.01 Other Events

On September 19, 2018, Louisville Gas and Electric Company ("LG&E") and Kentucky Utilities Company ("KU" and, together with LG&E, the "Companies") announced that they anticipate filing requests with the Kentucky Public Service Commission ("KPSC") for increases in annual base rates. The applications are planned to be filed on or after September 28, 2018.

The planned applications will request increases in annual base electricity rates of approximately \$112 million at KU and an increase in annual base electricity and gas rates of approximately \$35 million and \$25 million, respectively, at LG&E. The proposed base rate increases would represent an increase of 6.9% in electricity rates at KU and increases of 3.0% and 7.5% in electricity and gas rates, respectively, at LG&E. The planned applications are to be based on a forecasted test year of May 1, 2019 through April 30, 2020 and a requested authorized return-on-equity of 10.42%.

Effective January 1, 2018, the Tax Cuts and Jobs Act ("TCJA") reduced the maximum federal corporate income tax rate from 35% to 21% and included other changes to the U.S. tax code. Earlier this year, the KPSC approved a TCJA bill credit, a temporary rate mechanism that provides a monthly credit to customers' bills to reflect the benefits and associated impacts of the TCJA. Certain elements of the TCJA bill credit remain before the KPSC for a final ruling. As contemplated in the prior proceeding, the Companies' planned application seeks to include applicable changes associated with the TCJA in the calculation of the proposed base rates and to terminate the TCJA bill credit mechanism when the new base rates go into effect.

A hearing on the applications may be scheduled in the first quarter 2019. Subject to KPSC approval, the requested rates would become effective on May 1, 2019.

The proceedings have been designated as KPSC Case No. 2018-00294 for KU and Case No. 2018-00295 for LG&E.

LG&E and KU cannot predict the outcome of these proceedings.

A copy of the Companies' press release is furnished as Exhibit 99.1 to this report.

Section 9 - Financial Statements and Exhibits

Item 9.01 Financial Statements and Exhibits

(d) Exhibits

[99.1](#) - Press release, dated September 19, 2018, of Louisville Gas and Electric Company and Kentucky Utilities Company.

Statements in this report regarding future events and their timing, including the proposed transactions contemplated by the Companies, as well as statements as to future costs or expenses, regulation, corporate strategy and performance, are "forward-looking statements" within the meaning of the federal securities laws. Although the Companies believe that the expectations and assumptions reflected in these forward-looking statements are reasonable, these expectations, assumptions and statements are subject to a number of risks and uncertainties, and actual results may differ materially from the results discussed in the statements. The following are among the important factors that could cause actual results to differ materially from the forward-looking statements: the progress or course of construction or installation; receipt of necessary government permits, approvals, rate relief and regulatory cost recovery; market demand and prices for electricity or gas; political, regulatory or economic conditions in states and regions where the Company conducts business; and new state or federal legislation, including new environmental legislation or regulation. Any such forward-looking statements should be considered in light of such important factors and in conjunction with PPL Corporation's, LG&E and KU Energy LLC's and the Company's Form 10-K and other reports on file with the Securities and Exchange Commission.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, each Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

PPL CORPORATION

By: /s/ Stephen K. Breininger
Stephen K. Breininger
Vice President and Controller

LG&E AND KU ENERGY LLC

By: /s/ John R. Crockett III
John R. Crockett III
General Counsel, Chief Compliance
Officer and Corporate Secretary

LOUISVILLE GAS AND ELECTRIC COMPANY

By: /s/ John R. Crockett III
John R. Crockett III
General Counsel, Chief Compliance
Officer and Corporate Secretary

KENTUCKY UTILITIES COMPANY

By: /s/ John R. Crockett III
John R. Crockett III
General Counsel, Chief Compliance
Officer and Corporate Secretary

Dated: September 19, 2018.

September 19, 2018

LG&E and KU making system-wide enhancements to further improve safe, reliable service

Utilities also propose a Green Energy tariff to help grow renewable energy, drive economic development

(LOUISVILLE, Ky.) - Most folks don't realize the convenience of their natural gas and electric service until it's not there. Fortunately, customers of Louisville Gas and Electric Company and Kentucky Utilities Company have continued to experience safer, more reliable service thanks to additional improvements in the companies' energy infrastructure. Overall, from January 2018 to October 2019, LG&E and KU are investing \$2.2 billion in areas such as equipment that detects outages, stronger poles and wires, and more durable gas lines.

"We are continually enhancing our system to ensure we are providing our customers safe and reliable service now and for years to come," said Paul W. Thompson, chairman, CEO and president of LG&E and KU. "We want to provide the best possible value and service while offering our customers tools to manage their energy usage and options that offer energy choices and drive economic development."

Electric grid investments

As a result of investments in the utilities' system, customers are experiencing improvements in reliability. In the last seven years, LG&E and KU have seen interruptions in electric service decline by 35 percent. While this figure does not include interruptions from extreme storms, such as the July 2018 storm that was the fifth largest in the utilities' history, it demonstrates results for customers. Additionally, when outages do occur, they are now 34 percent shorter in duration compared to 2010.

Key to more improvements in reliability are continued investments in smart restoration-detection equipment on the electric distribution system and similar equipment on the high-voltage transmission system. Reliability has steadily improved by replacing older transmission equipment - including aging wooden poles with more durable steel poles - and installing newer circuit breakers and other components essential for reliable service. Those investments, along with cycle-based vegetation management and the utilities' hazardous tree removal program that removes dead and decaying trees that potentially could fall into LG&E and KU electric lines, continue to help reduce outages.

Natural gas system investments

Likewise on the natural gas system, LG&E is upgrading many of its aging natural gas pipes from older steel to longer-lasting plastic pipes. A pipeline project in Bullitt County will enhance reliability in that region and will support economic development. And to meet federal regulations that enhance safety, LG&E is replacing some gas lines with more consistently sized pipes to facilitate the use of enhanced pipeline inspection tools.

Power plant investments

LG&E and KU are investing in power plant projects to improve overall generation performance and reliability. New cooling towers are being built at Ghent Generating Station, a replacement gas line is being installed for the combustion turbines at E.W. Brown Generating Station, as well as ongoing inspections and maintenance to ensure the units continue to operate at optimal levels. A dewatering plant at Mill Creek Generating Station will allow the company to beneficially use coal combustion residuals to produce gypsum suitable for commercial applications such as wallboard, reducing reliance on the landfill

and the overall impact on the environment. The savings from beneficial use are then passed back to customers.

Proposed “Green Tariff” supports renewable energy growth and economic development

LG&E and KU are proposing offering a business-attracting “Green Tariff.” In a rate review filing that the utilities will make on Sept. 28, LG&E and KU will request a tariff to further promote renewable energy growth and economic development in Kentucky.

Currently, LG&E and KU own and operate Kentucky’s largest universal solar array, producing 10 megawatts of solar-generated energy at E.W. Brown. They also have business solar offerings for commercial and industrial customers, a subscription-based community solar program called Solar Share, and a Green Energy program allowing the utilities to purchase regional renewable energy credits on a customer’s behalf.

The proposed Green Tariff will roll the utilities’ business solar options and Green Energy program into one tariff and provide a third option for purchasing renewable power to make it easier for those wishing to participate in these programs. Additionally, the utilities are requesting enhancements to Solar Share, including the ability to transfer ownership of their shares.

“Green tariffs are used to attract new businesses and jobs. Companies such as Apple, Google, Amazon Web Services, Walmart and Target are all examples of companies that have taken advantage of green tariffs,” Thompson said. “We are fortunate in Kentucky to have some of the lowest energy rates in the country, but we still need more options and a Green Tariff to attract companies interested in a greener environment.”

To continue these investments in safe, reliable service and enhance services and offerings for customers, LG&E will request a cost-based rate increase of 14 cents per day for residential electric customers and 16 cents per day for its residential natural gas customers. KU will request an increase of 32 cents per day for its residential customers. When new rates go into effect, all benefits associated with the Tax Cuts and Jobs Act will be reflected in the companies’ base rates, rather than as a line item on customer bills.

LG&E and KU work to ensure their customers receive reasonably priced energy. KU’s current average electric residential rate is approximately 23 percent lower than other similar U.S. utilities, and LG&E’s current average electric residential rate is approximately 18 percent lower. If approved as requested, LG&E and KUs’ rates would remain among the lowest in the nation.

###

Louisville Gas and Electric Company and Kentucky Utilities Company, part of the PPL Corporation (NYSE: PPL) family of companies, are regulated utilities that serve nearly 1.3 million customers and have consistently ranked among the best companies for customer service in the United States. LG&E serves 326,000 natural gas and 411,000 electric customers in Louisville and 16 surrounding counties. KU serves 553,000 customers in 77 Kentucky counties and five counties in Virginia. More information is available at www.lge-ku.com and www.pplweb.com.