



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

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MAR 31 2009

PUBLIC SERVICE  
COMMISSION

**E.ON U.S. LLC**

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March 31, 2009

**Re: E.ON U.K. Ltd (formerly Powergen Ltd, formerly PowerGen plc), E.ON U.S. LLC (formerly LG&E Energy LLC, formerly LG&E Energy Corp.), Louisville Gas and Electric Company, and Kentucky Utilities Company (Case No. 2000-095) and E.ON AG, E.ON U.K. Ltd (formerly Powergen Ltd, formerly PowerGen plc), E.ON U.S. LLC (formerly LG&E Energy LLC, formerly LG&E Energy Corp.), Louisville Gas and Electric Company, and Kentucky Utilities Company (Case No. 2001-104)**

Dear Mr. Derouen:

Pursuant to the Commission's Orders in the aforementioned cases, E.ON AG ("E.ON"), E.ON U.K. Ltd (formerly Powergen Ltd, formerly PowerGen plc) ("E.ON U.K."), E.ON U.S. LLC (formerly LG&E Energy LLC, formerly LG&E Energy Corp.) ("E.ON U.S."), 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 under the aforementioned Orders.

To date, the Companies have filed the following information with the Commission, with references to the Order in Case No. 2000-095, unless otherwise indicated:

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- On February 13, 2009
  - Affirmation that the Companies' Value Delivery Team Best Practice Progress Reports were complete as of the filing of February 13, 2004 (*Summary of Findings No. 12, et. al.*);
  - Affirmation that reports on E.ON U.K.'s Cost of LG&E Energy Acquisition were complete with the December 31, 2001 report (*Summary of Findings No. 16, et. al.*);
  - LG&E's and KU's Respective Shares of Selected E.ON U.S. Financial Items (*Appendix B:Reporting Requirements-Quarterly No. 1*);
  - E.ON U.S. and Subsidiaries Employees by Payroll Assignment (*Appendix B:Reporting Requirements-Quarterly No. 2*); and
  - LG&E's Twelve Month Income Statement and Balance Sheet (*Summary of Findings, No. 8 and Appendix B:Reporting Requirements-Quarterly No. 3*).

Today, the Companies are submitting the following information to the Commission, with references to the Order in Case No. 2000-095, unless otherwise indicated:

- On March 31, 2009
  - Annual Expenditures for Economic Development and Charitable Contributions (*Summary of Findings No. 14*);
  - Annual Update Report on Economic Development Activities with the LG&E and KU Service Territories (*Summary of Findings No. 14*);
  - E.ON U.S.'s Share of E.ON's Total Assets, Operating Revenues, O&M, and Number of Employees filed pursuant to the Commission's Order in Case No. 2001-104 (*Appendix A:Reporting No. 21*);
  - LG&E's and KU's Prior Year SAIDI and SAIFI by Substation v. 5 Year Average with Variance Explanations (*Summary of Findings No. 11 and Appendix A:Service Quality and Reliability No. 5* plus electronic versions filed pursuant to the Commission's Order in Case No. 2001-104 - *Quality of Service*, page 31 and *Appendix A, Service Quality and Reliability, Commitment No. 31*) are no longer required per the

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Commission's Order on July 16, 2008 for the aforementioned cases;

**and**

- Three-Year Capital Budgets for LG&E and KU (*Summary of Findings No. 15*).

The aforementioned Commission Orders also directed the Companies to make additional annual filing requirements or to substitute selected Securities and Exchange Commission ("SEC") reports where applicable and available. During proceedings in late 2006 and early 2007, the Commission approved the conversion of the Companies' secured debt to unsecured debt which also revised the Companies' reporting requirements to the Commission. Specifically, pursuant to the proceedings in Case Nos. 2006-00390 (*The Application of Kentucky Utilities Company For An Order Authorizing The Issuance Of Securities And The Assumption Of Obligations*) and 2006-00445 (*The Application of Louisville Gas And Electric Company For An Order Authorizing The Issuance Of Securities And The Assumption Of Obligations*), the parties discussed the Companies' upcoming cessation of SEC periodic reporting requirements. The Companies agreed in the previously mentioned proceedings to provide the following comparable reports periodically to the Commission:

<b>Report</b>	<b>Frequency of Preparation</b>
Financial Statements	Monthly
Report of Former SEC Form 8-K-type Events	Monthly
Un-audited Financial Reports	Quarterly
FERC Form 3Q	Quarterly
Audited Financial Statements	Annually
SEC Form 20-F (E.ON AG)	Annually
FERC Form 1	Annually
FERC Form 2	Annually
FERC Form 60 (E.ON U.S. Services Inc.)	Annually

Please note that as of September 2007, due to delisting from the New York Stock Exchange and deregistration and termination of SEC periodic reporting obligations, E.ON no longer prepares an annual SEC Form 20-F.

The Companies believe that E.ON AG's annual report, including audited annual financial statements and notes, provides information similar to the former SEC Form 20-F and shall provide a copy of such annual report to the Commission annually.

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Finally, the Companies are also required to file their General Description of Inter-company Transactions and Professional Employees Transferred (Case No. 2000-095 - *Appendix B: Reporting Requirements-Annual No. 3* and Case No. 2000-095 - *Appendix B: Reporting Requirements-Annual No. 4*). In previous years, pursuant to the Commission's Orders in Case Nos. 10296, 89-374, and 97-300, the Companies typically filed this information in June following the filing of a similar submittal with the Virginia State Corporation Commission ("VSCC") on April 30. Therefore, the Companies propose continuing this past practice for this reporting period.

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 a large initial "R" and "L".

Rick E. Lovekamp

**E.ON U.K. Ltd (formerly Powergen Ltd, formerly Powergen PLC), E.ON U.S. LLC (formerly LG&E Energy LLC, formerly LG&E Energy Corp.), LOUISVILLE GAS & ELECTRIC COMPANY, AND KENTUCKY UTILITIES COMPANY**

**CASE NO. 2000-095**

**Response to Summary of Findings, No. 14**

**“LG&E Energy, the LG&E Energy Foundation, LG&E and KU should report annually their actual expenditures for economic development activities and civic and charitable activities. In addition, LG&E and KU should annually file a written update report concerning economic development within their respective service areas.”**

There were 144 new and expanding companies in the E.ON U.S. service territory during the year 2008. The investment totaled approximately \$799 million resulting in 2,706 jobs. Announcements in the municipalities E.ON U.S. serves reflected an additional 14 locations. Some of the projects representatives were actively involved in included Fuel Total Systems, Project Eagle, Eaton Corporation, Got.Print, Paddington Bear, ZAP, Swift, Project Line, Project Columbus, Project Pine, Project Black Beauty, Project Flatbed, Project Neveu, BR Products, Flowers Food, WL Plastics, Project Cherry Blossom and Project Cowbell.

E.ON U.S. maintains strong commitments to investing in the communities served. We work daily with local officials and site selectors in determining costs, size, pressure, and construction for new developments. Community development and site development are a continuous goal of our economic development team. In continuing those efforts, we assisted the Kentucky Association of Economic Development (“KAED”) with a strategic action plan for Bell and Corbin Counties. Additionally, E.ON U.S. has been a Platinum Sponsor and provided leadership to the KAED for many years. The sponsorship has assisted with educational training which enables our communities to be more prepared and attract new business investment. Furthermore, KAED provides a platform to promote policies and legislation designed to enhance economic development. In 2008, E.ON U.S. partnered with KAED to fund a study examining site selectors’ outlook for Kentucky as a business destination. This research is now being used to develop a marketing partnership program to aggressively promote Kentucky.

E.ON U.S.’ “Get Connected” theme brought together Kentucky's finest communities and premier industrial and commercial real estate professionals to make business connections. The importance of unique relationships with brokers, developers, engineers, consultants, architects and contractors (service providers) is invaluable. The economic development team hosted site selectors in Atlanta, Georgia and Louisville, Kentucky. Our service territory communities showcased their area to service providers that have affiliations in Cincinnati, New York, Atlanta, Dallas, Chicago, and California.

E.ON U.S. representatives attended the Area Development Consultant Forum and the SEDC Consultant Forum, which are programs provided to meet site selectors and

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**CASE NO. 2000-095**

**Response to Summary of Findings, No. 14**

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understand processes, expectations and networking for potential projects. Representatives attended and hosted dinners at the Industrial Asset Management Council (IAMC) Forum. IAMC is a membership organization of 300 real estate executives and their suppliers. These missions 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 E.ON U.S.

The E.ON U.S. economic development team took the lead and supplied communities with an avenue to market their areas at the Medical Design and Manufacturing Show held in Anaheim, California; The International Manufacturing Technology Show in Chicago, Illinois; and the World Data Exposition in Orlando, Florida. Calls were made on all leads within two weeks and follow up communication is made periodically until a final location decision is made.

Meetings were held with Mayors and Judges across the state to discuss economic development issues in their areas. Team members have facilitated Lexington's Destination 2040 visioning; facilitated Georgetown/Scott County's Chamber planning retreat; taught strategic planning at the Kentucky Institute for Economic Development; and served in many roles to support our communities.

The company continued to support communities through its zero interest loan program. Under this program, communities access funds to help make payments to primary lenders while they market property and buildings to prospective clients. Once a sale is made, E.ON U.S. receives repayment. The company extended loans for three communities in 2008, with the current zero interest loans to communities amounting to \$411,140.

E.ON's web site is continuously updated and displays new facts as a marketing tool for consultants to use. Sites, buildings and regional parks are updated on the website periodically. Foreign Investments, Questline Newsletter, Ask the Expert and E.ON U.S. Press Releases are available to keep our service territory professionals current. Our team maintains a board position with the Utility Economic Development Association. This organization assists professionals in targeting the competition and modifying our web site, as the utility industry changes and develops.

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**CASE NO. 2000-095**

**Response to Summary of Findings, No. 14**

**“LG&E Energy, the LG&E Energy Foundation, LG&E and KU should report annually their actual expenditures for economic development activities and civic and charitable activities. In addition, LG&E and KU should annually file a written update report concerning economic development within their respective service areas.”**

Our economic development representatives are very active in the Bluegrass Works Summit Entrepreneurial Leadership Institute, Kiwanis, Kentucky World Trade Center, Louisville Airport Improvement Project, International Economic Development Council, Kentucky State Chamber of Commerce, Southeast Kentucky Economic Development Corporation, Lexington Partnership for Workforce Development, Commonwealth Ventures, Leadership Lexington, Leadership Kentucky, Louisville Housing Partnership, Bluegrass Workforce Investment Board, LexLinc and many of the local industrial foundations, chambers and authorities. Representatives hold Chairperson and director positions, as well as leadership positions in many areas of these programs across the state.

**Louisville Gas & Electric Company**  
**Kentucky Utilities Company**  
**E.ON U.S. LLC Foundation (formerly LG&E Energy Foundation)**  
**Schedule of Charitable Contributions**  
**December 31, 2008**  
**(\$ 000's)**

Submitted pursuant to the Commission's Order in Case No. 2000-095  
*Summary of Findings*, No. 14

Year	LG&E	KU	Foundation
	Actual	Actual	Actual
1997	147	388	1,176
1998	135	453	1,261
1999	102	107	2,312
2000	146	52	2,275
2001	160	48	2,207
2002	64	144	2,794
2003	178	95	1,185
2004	184	157	2,158
2005	641	259	1,268
2006	1,551	605	923
2007	1,148	478	1,029
2008	1,010	428	873



**Louisville Gas & Electric Company  
Kentucky Utilities Company  
Schedule of Economic Development Expenditures <sup>1</sup>  
December 31, 2008  
(\$ 000's)**

**Submitted pursuant to the Commission's Order in Case No. 2000-095  
Summary of Findings, No. 14**

Year	LG&E	KU
	Actual	Actual
1997	842	1,296
1998	571	1,111
1999	576	1,359
2000 <sup>2</sup>	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

- 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.

**E.ON AG, E.ON U.K. Ltd (formerly Powergen Ltd, formerly Powergen PLC), E.ON U.S. LLC (formerly LG&E Energy LLC, formerly LG&E Energy Corp.), LOUISVILLE GAS & ELECTRIC COMPANY, AND KENTUCKY UTILITIES COMPANY**

**CASE NO. 2001-104**

**Response to Appendix A, Reporting, No. 21**

**“E.ON commits to providing an annual report to the Commission detailing LG&E Energy’s proportionate share of E.ON’s total assets, total operating revenues, operating and maintenance expenses, and number of employees. In the event LG&E Energy remains a subsidiary of PowerGen, this annual report will reflect LG&E Energy’s proportionate share of PowerGen’s total assets, total operating revenues, operating and maintenance expenses, and the number of employees.”**

Beginning in 2003, E.ON U.S. LLC was no longer a subsidiary of E.ON U.K. Ltd. Accordingly, please see the attached table, the year-ended December 31, 2008, entitled *E.ON U.S.’s Proportionate Share of Selected E.ON AG Financial and Operating Numbers*.

**E.ON AG, E.ON U.K. Ltd (formerly Powergen LTD, formerly PowerGen plc) and E.ON U.S. LLC  
(formerly LG&E Energy LLC, formerly LG&E Energy Corp)  
Case No. 2000-095 - Appendix A, Reporting Requirements To Be Filed Annually, No. 3  
Case No. 2001-104 - Appendix A, Reporting, No. 21  
E.ON U.S. LLC's Proportionate Share of Selected E.ON AG Financial and Operating Numbers  
Income Statement Numbers are TME December 31, 2008  
Employee Number is as of Decemnber 31, 2008**

	<b>E.ON U.S. LLC</b>
Total Assets	4.9%
Total Operating Revenues	2.2%
Total Operating and Maintenance Expenses	5.9%
Number of Employees	3.3%

**E.ON AG, E.ON U.K. Ltd (formerly Powergen Ltd, formerly Powergen PLC), E.ON  
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LOUISVILLE GAS & ELECTRIC COMPANY, AND KENTUCKY UTILITIES  
COMPANY**

**CASE NO. 2001-104**

**Response to *Quality of Service*, page 31**

**“LG&E and KU will be required to file quarterly outage reports...” reflecting  
“...the previous 12 months of data...” at the substation level. “To reduce the  
volume of paper filed and to allow better analysis of the data provided, the required  
outage reports should be filed electronically in a format to be mutually agreed upon  
by the Commission and the Applicants.”**

**Response to Appendix A, Service Quality and Reliability, No. 31**

**“LG&E and KU commit to periodically filing the various reliability and service  
quality measurements they currently maintain, to enable the Commission to  
monitor their commitment that reliability and service quality will not suffer as a  
result of the acquisition.”**

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, requires Louisville Gas and Electric Company (“LG&E”) and Kentucky Utilities Company (“KU”) (collectively the “Companies”) to file similar reports in response to this reporting requirement. Therefore, in the Commission's Order on July 16, 2008 for Case Nos. 2000-00095 and 2001-00104, the Companies were relieved of the obligations associated with this reporting requirement.

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ELECTRIC COMPANY, AND KENTUCKY UTILITIES COMPANY**

**CASE NO. 2000-095**

**Response to Summary of Findings, No. 15**

**“LG&E and KU should annually file their current 3-year capital budgets, including  
an explanation for any reductions in the capital budget items greater than 10  
percent.”**

Please see the attached table entitled *Three-Year Capital Budgets*.

**E.ON U.K. Ltd (formerly Powergen LTD, formerly Powergen plc), E.ON U.S. LLC (formerly LG&E Energy LLC, formerly LG&E Energy Corp. ), Louisville Gas and Electric Company, and Kentucky Utilities Company**  
**Case No. 2000-095 - Response to Summary of Findings, No. 15**  
**Three-Year Capital Budgets**  
**[ \$ 000,000's ]**

				Change from Prior Report [ Increase; (Decrease) ]	
	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2009</u>	<u>2010</u>
<b>Louisville Gas &amp; Electric Company -</b>					
Generation	\$ 68.7	\$ 64.6	\$ 138.9	\$ (37.4) <sup>1</sup>	\$ (57.9) <sup>1</sup>
Transmission	16.0	8.6	18.5	4.4	(1.6) <sup>2</sup>
Distribution	96.5	102.6	117.4	(0.5)	3.9
Cust Svc, Sales & Mkting (incl Metering)	3.9	3.9	9.4	0.2	(0.1)
Information Technology	13.4	9.3	10.4	0.2	(0.9)
Other	2.4	2.2	2.7	(1.3) <sup>3</sup>	(0.3) <sup>3</sup>
<b>Total</b>	<b>\$ 201.0</b>	<b>\$ 191.3</b>	<b>\$ 297.4</b>	<b>\$ (34.4)</b>	<b>\$ (56.9)</b>
<b>Kentucky Utilities Company -</b>					
Generation	\$ 395.0	\$ 233.4	\$ 219.6	\$ 153.6	\$ 66.2
Transmission	39.7	37.1	33.0	3.8	11.1
Distribution	68.1	77.4	80.6	(7.4) <sup>4</sup>	3.9
Cust Svc, Sales & Mkting (incl Metering)	2.5	2.6	8.6	0.3	0.2
Information Technology	14.4	11.0	9.5	0.0	0.3
Other	2.4	2.0	1.8	(0.5) <sup>3</sup>	0.5
<b>Total</b>	<b>\$ 522.1</b>	<b>\$ 363.5</b>	<b>\$ 353.0</b>	<b>\$ 150.0</b>	<b>\$ 82.1</b>

**Note(s) -**

1. Delays in Ohio Falls rehabilitation and future capacity additions. Delay in precipitator rebuild at Cane Run to 2012.
2. Area studies removed
3. Cancellation of Commodity Trading System upgrades
4. New business