

**Louisville Gas and Electric Company
Kentucky Utilities Company
LG&E and KU Foundation Inc.
Schedule of Charitable Contributions
December 31, 2022
(\$ 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	9,466	5,434	601
2019 ¹	8,473	5,863	3,828
2020	308	265	4,825
2021	426	287	5,100
2022	502	201	5,735

1 - Beginning in 2019, all charitable contributions to 501(c)(3) organizations will be made by the LG&E and KU foundation. In December 2019, contributions of \$8 million and \$5 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 and Electric Company
Kentucky Utilities Company
Schedule of Economic Development Expenditures ¹
December 31, 2022
(\$ 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
2019	1,225	2,261
2020	1,278	2,170
2021	1,700	2,900
2022	1,680	2,907

- 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

Direct support for customers

2022 concludes the best two-year period for announced private-sector investment and job creation in Kentucky history, according to Governor Beshear. This year, 248 projects announced plans to invest \$10.5 billion and create 16,000 full-time jobs. These figures position 2022 as Kentucky's second highest year for new investment behind 2021. The average wages of these jobs increased by 11.5% over 2021 to \$26.78/hour before benefits.

LG&E and KU's Economic Development (ED) team actively works to help entice companies to remain, expand or relocate to the commonwealth. In 2022, we helped Kentucky break records for new jobs and investment. Through our close relationships with existing customers and partnerships with state and local leaders, more than \$3 billion in capital investment, and 5,200 new jobs were announced in our service territories last year. This data for job creation and investment growth crossed many business sectors, most notably, manufacturing. The automotive industry, particularly Electric Vehicle (EV) battery production, remains strong in Kentucky. Other traditional sectors continue to grow, including healthcare, logistics and distribution, metals, agri-tech and food/beverage production. Lastly, with 95% of the world's bourbon distilled here, the spirits industry is the toast of Kentucky's economy. Across the commonwealth, more than thirty projects plan to invest \$2.18 billion in bourbon production, warehousing and tourism.

The company is a member of the Electric Highway Coalition, a partnership of over 60 U.S. utilities established to support the development of a seamless network of rapid electric vehicle charging stations connecting major highway systems. The company secured a contract with Enel X in late 2022 for EV fast charging equipment, network, and maintenance for the company-owned fast charging stations which aligns with the expressed goals of the Electric Highway Coalition. The company is working with Enel X and electric distribution operations to install the equipment at four locations in 2023.

In support of a company focus on sustainability and empowering customers with renewable energy options, we are continuing our support of a Renewable Choice Calculator (RCC). The calculator helps customers better navigate LG&E and KU's renewable energy offerings. The RCC allows customers to easily calculate how they can support 100% renewable energy (equal to their monthly energy use) by combining renewable energy certificates (RECs) from the Green Energy Program and shares from the Solar Share Program. Best of all, the calculation provides these options at only a ~5% bill increase for large commercial customers, and \$1 per day for residential and small

commercial customers. Further in 2022, section 5 of the solar array in Simpsonville was constructed following 100% subscription and section 6 is currently at 31% subscribed.

Our economic development programs and strategies, known as Opportunity Kentucky, include grants and bill credits for business customers. The Opportunity Kentucky [bill credit](#), also known as the Economic Development Rider (EDR), provides incentives to new and existing customers, enabling them to grow their operations and create new jobs. In 2022, LG&E and KU provided \$3,199,909 in bill credits for Phoenix Paper, Central Motor Wheel of America, Manchester Tank, North American Stainless, Hendrickson and UPS.

LG&E and KU Key Account Managers (KAM) are essential to economic development efforts not only by supporting new industry but as importantly for the retention and growth of current customers. In 2022, KAMs continued to learn more about state and local incentives which encourage growth. The team learned new ways to leverage excellent customer service into the creation of additional development opportunities for our customers and community partners. Further, the newest staff attended the Kentucky Association for Economic Development (KAED) conference as well as the Kentucky Institute for Economic Development (KIED).

Leadership

The LG&E and KU ED team works in tandem with local, regional, and statewide officials to provide leadership for strategic planning, support evaluation of new land and building opportunities, to ensure adequate electric and natural gas facilities and support new economic development projects.

For years, the LG&E-KU economic development has provided leadership to the Kentucky Association for Economic Development (KAED). The KAED is the chief vehicle through which economic-development professionals build skills, advocate issues, and share best practices. Playing an integral role in the development of training programs and providing ideas for an enhancement in public policies, the ED team works to increase support for economic development throughout the commonwealth. The ED and KAM teams also supports the association's membership efforts that range from the effectiveness of professional development courses to conference programming and sponsorships, and the establishment of a new certification program. LG&E and KU was instrumental in the creation of a utility partnership to support product development (real estate) which culminated in House Bill 745. This pilot program was codified into law in 2022 with a \$200 million appropriation and the creation of the Kentucky Product Development Initiative (KPDI).

As part of our community engagement and leadership responsibilities, the ED and KAM teams provided board service and participated in planning activities/events for the following:

- Greater Louisville Inc.
- Louisville Forward
- Kentucky Association for Economic Development and KentuckyUnited
- Kentucky Institute for Economic Development
- Kentucky Association of Manufacturers
- Henderson EDC

- Louisville Certified Commercial and Industrial Managers
- Lexington Industrial Authority
- Bluegrass Tomorrow
- Bluegrass Higher Education Consortium
- Southeast Kentucky Economic Development Corporation
- Commerce Lexington
- Bluegrass Alliance
- Jeffersontown Economic Development Authority
- Jeffersontown Chamber of Commerce
- Shelby County Industrial Foundation
- Kentucky Chamber Workforce Board
- Easter Seals of Western Kentucky
- Ballard County Economic Development
- GRADD Economic Development Council
- Frankfort YMCA and YMCA of Central Kentucky

LG&E and KU representatives closely monitor key economic data and forecasts through participation in national organizations such as the Utility Economic Development Association, the Site Selectors Guild, the Industrial Asset Management Council, the Southern Economic Development Council, and the International Economic Development Council. These organizations provide insight into new and ever-changing trends, prospect interactions, professional development, education, and serve to cultivate key relationships with decision makers.

Marketing and positioning for success

In 2022, Site Selection Magazine, an international publication focused on economic development, named LG&E and KU among an elite group of Top 20 utilities in the U.S. for corporate facility investment and job creation in 2021. The evaluation included a field of approximately 3,300 electric utilities across the country. In naming a utility to the Top 20, Site Selection Magazine evaluates project investments in the service territories and calculates those projects' jobs and capital investment numbers on a cumulative and per-capita basis. The publication also considers questionnaire responses from utility economic developers about the energy companies' website tools and data; innovative programs and incentives for business (including sustainability programs); and the utilities' own job-creating infrastructure and facility investment trends.

KentuckyUnited is a KAED initiative which promotes the state as a business destination for new and expanding businesses. As partners in the KentuckyUnited marketing effort, LG&E and KU work to promote communities to site selectors and companies interested in expanding their facilities. The company also participated in site-selector events with the Area Development Forum, the Southern Economic Development Council, as well as proactive marketing events with Commerce Lexington and Greater Louisville Inc. We also co-hosted two FAM (familiarization) tours in 2022, one in collaboration with Greater Louisville Inc. and another with the Kentucky Cabinet for Economic Development (KCED).

Our online marketing platform, [OpportunityKY](#), helps site selectors and prospects evaluate communities and business parks with GIS mapping and quantitative data analysis. In addition, it includes overviews about the team, our programs and on-going customer support. This website is in collaboration with the Kentucky Cabinet for Economic Development and utilizes a tool called ZoomProspector. It specifically showcases each community's available commercial and industrial real estate within the LG&E and KU service territory. Intentional promotion of the OpportunityKY tagline and URL yielded strong digital analytics, verifying internet traffic to our website and social media posts. Visit: [OpportunityKY](#) and lge-ku.com/economic-development for a full overview of our economic development services.

To better engage site-selection consultants and their respective clients, the company issues a quarterly e-newsletter. It updates consultants on industrial sites in our service territory, educates them on our widening array of sustainability offerings, and celebrates new and expanding businesses in the LG&E and KU service area. In addition, the company successfully continued a series of digital advertisements targeting site-selection consultants as well as consumers. We found that the latter resulted in higher customer satisfaction with the company, from the realization that LG&E-KU engages in ED activities. The company also promotes Kentucky as a great destination to grow or expand a business in a variety of digital, social, and print advertisements.

Real estate inventory development

The Opportunity Kentucky fund, previously referred to as a “matching grant fund,” was established to help communities proactively address land and building inventory shortages. It provides grants for due diligence, site development, workforce studies and more. The goal of this fund is to help communities increase industrial inventory, mitigate site risks, improve marketability of real estate, and attract businesses and job-growth opportunities. LG&E and KU has also completed and continues to reassess a site identification study to help our communities understand where land opportunities exist. This process allows us to maintain a list of high potential sites for future reference, as existing real estate is sold or leased and maintains a pipeline of preparation activities for communities to focus on.

In 2022, Opportunity Kentucky grants supported the following development projects within the service territory.

Grants paid in 2022	
Versailles-Edgewood Farms Site Acquisition	\$250,000
London-Greer Industrial Park Pump Station	\$130,000
Eddyville Industrial Park Site Grading	\$172,560
Committed Grants – Not Yet Paid	
Lawrenceburg-Site development grant	\$100,000
Winchester Industrial Park-KPDI Match	\$100,000

Also, LG&E and KU continued its long-term commitment to Bracken County through an investment of \$232,910 in zero-interest loans to assist in the development of industrial land in the

community. This support has ensured the community-maintained opportunities to attract jobs and investments in areas of economic hardship and increased global competition.

2022 has been a strong year for the utility's OpportunityKY Fund. It partners well with the Kentucky Product Development Initiative ([KPDI](#)). The KY Cabinet for Economic Development (KCED) and the Kentucky Association for Economic Development (KAED) rolled out funding applications in July for site development as part of [House Bill 745](#) legislation, which was passed this last legislative session. It is a bill to codify the KPDI pilot program (a funding effort for communities to prepare sites to attract new business), passed through the Kentucky legislature with unanimous approval, and Governor Beshear signed it into law. Along with the bill, the state budget appropriated \$100 million for community site development projects and another \$100 million for large industrial development. The initiative will continue to leverage community investments as local matching will be required to secure state funding.

The ED team was deployed to assist local economic development partners with each application and will continue as site visits and work is approved.

- There were twenty-seven applications from communities in the LG&E and KU service territory, representing more than \$20 million in grant requests from the program. As such, OpportunityKY Fund requests are expected to increase through the end of 2022 for communities in need of matching dollars for the KPDI.
- The ED team joined the third-party consulting firm, Site Selection Group, on visits to 16 LKE communities.

Finally, it should be noted that the annual payments scheduled to be received as a result of the service territory settlement (Case No. [2019-00370](#)) with Big Rivers in Meade County, associated with the Nucor Steel Mill announcement, are not a part of this annual report. LG&E and KU anticipates receiving the first annual payment from the settlement January 2024.

**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, 2022 as stipulated in the aforementioned Commission's Order:

	LG&E and KU Energy LLC
Total Assets	45.6%
Operating Revenues	48.2%
Operating and Maintenance Expense	40.0%
Number of Employees	27.1%

**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**

				Change from Prior Report	
	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2023</u>	<u>2024</u>
Louisville Gas and Electric Company -					
Generation	\$ 38 1	\$ 117	\$ 383	\$ (13)	\$ 61
Distribution	\$ 161 2	\$ 163 3	\$ 204	\$ (43)	\$ (87)
Transmission	\$ 5 4	\$ 23	\$ 28	\$ (14)	\$ 4
Environmental	\$ 42	\$ 20	\$ 0	\$ 17	\$ 0
Other	\$ 118	\$ 95	\$ 86	\$ 32	\$ 11
Total	<u>\$ 364</u>	<u>\$ 418</u>	<u>\$ 701</u>	<u>\$ (22)</u>	<u>\$ (10)</u>
Kentucky Utilities Company -					
Generation	\$ 76	\$ 169	\$ 465	\$ 10	\$ 67
Distribution	152	117 5	114	\$ 19	\$ (22)
Transmission	165	91 6	82	\$ 26	\$ (45)
Environmental	73	23	0	\$ 14	\$ 9
Other	116	133	117	\$ 30	\$ 36
Total	<u>\$ 582</u>	<u>\$ 533</u>	<u>\$ 779</u>	<u>\$ 100</u>	<u>\$ 46</u>

Notes

1. 2023 LG&E Generation decrease primarily due to the reprioritizaion of capital spend among current generating units to better align with proposed new generation investment as filed in Case No. 2022-00402.
2. 2024 LG&E Distribution delayed project spending and gas related reduction in the Glendale project estimate.
3. 2024 LG&E Distribution delayed project spending and gas related delay in the Bullitt County Pipeline project due to permitting delays.
4. 2023 LG&E Transmission reduction primarily related to delayed spending on proactive replacements.
5. 2024 KU Distribution delayed project spending.