

Robert M. Conroy
Vice President
State Regulation and Rates
O 502-627-3324
robert.conroy@lge-ku.com



Linda C. Bridwell, PE
Executive Director
Kentucky Public Service Commission
Frankfort, Kentucky 40601-8294

June 14, 2023

RE: Electronic Joint Application of PPL Corporation, E.ON AG, E.ON US Investment 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. Bridwell:

Pursuant to the Kentucky Public Service Commission ("Commission")'s Order dated September 30, 2010, in the above referenced case, Louisville Gas and Electric Company ("LG&E"), Kentucky Utilities Company ("KU") and LG&E and KU Energy LLC ("LKE") (together the "Company") submit this letter to advise that LKE's lease of the office space at the building located 220 West Main Street, Louisville, Kentucky, will expire on December 31, 2025. The Company recently received a "best and final" offer from its current landlord to extend that lease beyond 2025. As a result, and in consideration of other options, LKE and LG&E's headquarters will be relocated by December 31, 2025, to the office building at 820 West Broadway in downtown Louisville, Kentucky, known as the Broadway Office Complex. Many of the Company's employees will be relocated to the Broadway Office Complex to better align operations, bringing the total number of employees to approximately 900 at this location. This office facility will be updated to better accommodate the additional employees and provide more functional working spaces. In addition, it is our hope that the increased use of this facility at this location will promote the economic development of the surrounding area in downtown Louisville.

However, there is not sufficient space within existing Company facilities to accommodate the remaining Company employees, including employees of LG&E and KU Services Company ("LKS") as well as Kentucky-based employees of PPL Services Corporation ("PPLS") who provide services to LG&E and KU.

Following consideration of several options for office space due to the expiration of the current lease of the building on West Main Street, PPLS, after consulting with the Company, has determined that purchasing the office building and supporting real estate at 2701 Eastpoint Parkway, Louisville, Kentucky, for \$16,525,000 is the most cost-effective option to accommodate the remaining

Linda C. Bridwell
June 14, 2023

workforce. An additional \$9 million is expected to be invested at this location to support the information technology, cybersecurity, technical and other physical needs for the use of this facility. The transaction is expected to close by the end of September this year. The building is appropriately sized to accommodate up to 400 PPLS and LKS employees expected to begin work at this location in 2025.

Ultimately, the Company expects to acquire a portion of this facility from PPLS upon finalization of its resource needs and subject to Commission review or approval. The post COVID-19 workspace conditions and requirements will continue to evolve. The workplace is no longer homogenous. Ownership of this facility will provide LG&E and KU the same operational flexibility, as they presently have with other Company-owned office facilities, to adjust over time and provide employees a supportive place to work that appropriately balances cost with the benefits of both a remote/hybrid work environment and the collaborative spaces to work interactively with each other.

Before making any financial commitment to secure ownership shares in this office building, LG&E and KU intend to file a petition for declaratory order with the Commission by the end of this year with respect to the application of KRS 278.020(1)(a) to the purchase of a portion of this facility and supporting real estate, which does not involve the construction of the facility and does not involve a sufficient capital outlay to materially affect the existing financial condition of either utility. Alternatively, if the Commission disagrees, LG&E and KU would request a CPCN to acquire a portion of the building from PPL Services on the basis that it is the reasonable least-cost option. Taking action now allows for the orderly transition of employees from the current LG&E Center to their respective new locations, the timely acquisition of an ideal building, additional time to finalize respective ownership shares and the Commission time to consider any petition or the CPCN noted above.

In accordance with 807 KAR 5:001, Section 8 and the Commission's Order of July 22, 2021, in Case No. 2020-00085, I certify that the electronic filing has been transmitted to the Commission on June 14, 2023.

Should you have any questions, please contact me at your convenience.

Sincerely,



Robert M. Conroy

cc: John R. Crockett, III, President
Rick E. Lovekamp, Manager Regulatory Strategy/Policy
Allyson K. Sturgeon, Vice President and Deputy General Counsel – Regulatory