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January 8, 2018

VIA ELECTRONIC SUBMISSION

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

RE: Kentucky Industrial Utility Customers, Inc., Complainant, v. Kentucky Utilities Company, Louisville Gas and Electric Company, Kentucky Power Company, and Duke Energy Kentucky, Inc., Defendants
Case No. 2017-00477

Dear Ms. Pinson:

Please find enclosed and accept for filing the *Answer and Offer of Satisfaction* of Kentucky Utilities Company ("KU") in response to the *Complaint and Petition for the Establishment of a Regulatory Liability to Provide Consumers a Rate Reduction Because of Tax Expense Savings* filed by the Kentucky Industrial Utility Customers, Inc. in the above-referenced matter.

KU acknowledges the Commission's Order issued on January 5, 2018 granting KU and the other named utilities an extension of time to either satisfy the matters complained of or file a written answer and testimony no later than January 26, 2018. KU was planning to file its answer by January 8, 2018 and had prepared and nearly completed the enclosed *Answer and Offer of Satisfaction* when the Commission's order was issued.

KU desires to determine whether the issues raised in the Complaint can be resolved efficiently and expeditiously, and, accordingly, is tendering an Offer of Satisfaction with its Answer. The Offer of Satisfaction is described in further detail at the conclusion of the Answer. KU is filing a separate motion requesting an informal conference for the purpose of discussing the *Answer and Offer of Satisfaction*.

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This is to certify that Kentucky Utilities Company's January 8, 2018 electronic filing of its *Answer and Offer of Satisfaction* is a true and accurate copy of the same document being filed in paper medium; that the electronic filing has been transmitted to the Commission on January 8, 2018; that there are currently no parties that the Commission has excused from participation by electronic means in this proceeding; and that an original and six copies in paper medium of the *Answer and Offer of Satisfaction* are being mailed to the Commission on January 8, 2018, by first class United States mail, postage prepaid.

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

Yours very truly,

A handwritten signature in blue ink that reads "Kendrick R. Riggs". The signature is fluid and cursive, with the first name being the most prominent.

Kendrick R. Riggs

KRR: ec
Enclosures as mentioned