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April 2, 2010

VIA HAND DELIVERY

Jeff DeRouen
Executive Director
Kentucky Public Service Commission
211 Sower Boulevard
Frankfort, KY 40601

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PUBLIC SERVICE
COMMISSION

**RE: Application of Louisville Gas and Electric Company for an Adjustment of
Electric and Gas Base Rates**
Case No. 2009-00549

Dear Mr. DeRouen:

Enclosed please find and accept for filing the original and ten copies of Louisville Gas and Electric Company's Response to Attorney General's Supplemental Requests for Information, Question No. 16 in the above-referenced matter. Please confirm your receipt of this filing by placing the stamp of your Office with the date received on the enclosed additional copies and return them to me in the enclosed self-addressed stamped envelope.

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

Yours very truly,

Kendrick R. Riggs

KRR:ec

cc: Parties of Record

400001.134411/625178.1

LOUISVILLE GAS AND ELECTRIC COMPANY

CASE NO. 2009-00549

**Response to Attorney General's Supplemental Requests for Information
Dated March 26, 2010**

Question No. 16

Responding Witness: Counsel

- Q-16. Refer to Response to AG 1-28. Provide Management's responses to all findings in each of these audits.
- A-16. On April 8, 2010 LGE expects to provide a response to this request for information that includes the subject of the report, date of report, company audited and approximately 140 responses of Management to the recommendations in internal audit reports.

Certain internal audits are conducted at the direction, and with the oversight of counsel, for the purpose of investigating possible actions or claims against third parties in anticipation of litigation or rendering legal advice concerning assessing the Company's compliance with specific laws, regulations or legal policies affecting the Company's business and to facilitate legal advice concerning the same. The recommendations of the internal auditor in such audits are also made in consultation with advice of counsel for the same purposes. Disclosure of Management's response to such audits necessarily requires the Company to reveal the contents of communications with counsel and the mental impressions of counsel, which information is protected from disclosure by the attorney-client privilege and the work product doctrine. A privilege log will be provided as part of the April 8, 2010 response.