

COMMONWEALTH OF KENTUCKY

RECEIVED

BEFORE THE PUBLIC SERVICE COMMISSION

MAY 28 2010

In the Matter of:

PUBLIC SERVICE COMMISSION

THE JOINT APPLICATION OF )
PPL CORPORATION, E.ON AG, )
E.ON US INVESTMENTS 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

PETITION FOR CONFIDENTIAL PROTECTION

PPL Corporation ("PPL"), E.ON AG, E.ON US Investments Corp., E.ON U.S. LLC ("E.ON U.S."), Louisville Gas and Electric Company ("LG&E") and Kentucky Utilities Company ("KU") (collectively "Joint Applicants"), by counsel, petition the Kentucky Public Service Commission ("Commission") pursuant to 807 KAR 5:001 Section 7 to grant confidential protection to certain information relating to the Applicants' Joint Application for Approval of an Acquisition of Control of Utilities ("Joint Application").

In support of this petition, Applicants state as follows:

- 1. On April 28, 2010, PPL and E.ON AG announced that PPL and E.ON US Investments Corp. had entered into a Purchase and Sale Agreement, and solely for purposes of Article VI, Article IX and Article X thereof, E.ON AG for the sale of E.ON U.S. to PPL.
2. On May 28, 2010, concurrent with the filing of this Petition for Confidential Protection, the Joint Applicants are filing an application with the Commission pursuant to KRS 278.020(5) and (6). Attached to that application is the Purchase and Sale Agreement with Exhibits and Company Disclosure Schedules.

3. Certain categories of information of the Company Disclosure Schedules and related exhibits in the Purchase and Sale Agreement are considered to be confidential commercial and proprietary information. PPL became the purchaser of E.ON U.S. through a regimented negotiation process. Prior to beginning any negotiations, PPL signed a confidentiality agreement and in the course of the negotiations was provided the information in the Company Disclosure Schedules so that it could proceed through various sequences of the bidding process. Certain information in the Company Disclosure Schedules reflects the basis for PPL's valuation and ultimate purchase price of E.ON U.S. In the event that the Commission does not approve the transaction, or in the event that the transaction otherwise does not close, E.ON AG and E.ON U.S. would suffer harm if this information were made public and therefore accessible to other potential purchasers, as it would lessen competition in a subsequent bidding process and allow other potential purchasers to bid down the price of E.ON U.S. Further, PPL was provided this information only after expending time and money through the bidding process and agreeing to keep the information confidential. PPL plans to keep the information confidential following the consummation of the proposed acquisition. It would therefore also be harmed were subsequent potential purchasers able to obtain this information in the public realm. Therefore, all parties to the proposed acquisition would suffer harm if this information were made public. The Commonwealth of Kentucky may also suffer harm if this information is made public and the transaction fails to close, as competition in any subsequent bidding process would be lessened.

4. Under KRS 61.878(1)(c), commercial information, generally recognized as confidential, is protected if disclosure would cause competitive injury and permit competitors an unfair commercial advantage. Public disclosure of this information may cause competitive

injury to each of the Applicants and cause a lessening of competition in a subsequent bidding process in the event the Commission denies the Joint Application or the proposed acquisition otherwise fails to close.

5. The categories of confidential information in the Company Disclosure Schedules are:

(a) Company Disclosure Schedule §3.3 (Non-Contravention). This section contains confidential information regarding existing credit and financing information as well as proprietary information on technology arrangements.

(b) Company Disclosure Schedule §3.6(c) (Capitalization). This section contains confidential information regarding capitalization.

(c) Company Disclosure Schedule §3.8(b) (Absence of Company Material Adverse Effect). This section contains confidential information regarding several ongoing agreements and disputes.

(d) Company Disclosure Schedule §3.8(c) (Conduct in the Company Ordinary Course of Business). This section contains confidential information regarding ongoing proceedings before various regulatory agencies as well as forward-looking programs and procedures.

(e) Company Disclosure Schedule §3.9(f) (Taxes). This section contains confidential information regarding tax audits.

(f) Company Disclosure Schedule §3.9(k) (Taxes). This section contains confidential information regarding tax closing agreements, deferred intercompany gain, and change in accounting method.

(g) Company Disclosure Schedule §3.10 (Litigation). This section contains confidential information regarding pending and threatened litigation, and matters related to retirement and savings plans.

(h) Company Disclosure Schedule §§3.12(a), (b), (d), (f), and (g); and 5.6(a), (c), and (h) (Employee Benefits). These sections contain confidential human resource information on employee benefits, including, but not limited to, information on retirement plans, collective bargaining agreements, pension plans, savings plans, severance agreements, and disability plans.

(i) Company Disclosure Schedule §3.12(e) (Employee Benefit Plans). This section contains confidential human resource information on several employee benefit plans.

- (j) Company Disclosure Schedule §3.13(a) (Labor). This section contains confidential information on labor agreements, including collective bargaining.
- (k) Company Disclosure Schedule §3.13(b) (Labor). This section contains confidential information on labor-related litigation matters and charges.
- (l) Company Disclosure Schedule §3.14 (Intellectual Property). This section contains confidential information on intellectual property, including pending and threatened litigation.
- (m) Company Disclosure Schedule §§3.15(a) and (b) (Material Contracts). This section contains confidential information on material contracts, including, but not limited to, leases and reimbursement, intercompany loan agreements, credit facilities, pollution control bond loan agreements, pollution control facilities, medium-term note documents, termination documents, documents relating to E.ON U.S.'s sale of former mid-stream gas gathering and processing activities, interest rate swap agreements, and power marketing and fuel contracts.
- (n) Company Disclosure Schedule §3.16 (Environment). This section contains confidential information on various environmental claims, including, but not limited to, pending and threatened environmental actions, permit challenges, and notices of violation.
- (o) Company Disclosure Schedule §3.17 (Affiliate Transactions). This section contains confidential commercial information on E.ON U.S.'s various affiliate companies.
- (p) Company Disclosure Schedule §3.18 (Insurance). This section contains confidential information on various insurance policies including, but not limited to, directors and officers liability insurance, employment practices liability insurance, fiduciary and employee benefit liability insurance, pension and welfare benefit plans, fiduciary liability excess insurance, excess liability insurance, excess workers' compensation insurance, pollution insurance, and aviation and marine liability insurance.
- (q) Company Disclosure Schedule §3.22 (Credit Support Arrangements). This section contains confidential information on credit support arrangements including, but not limited to, letters of credit and financial guaranty insurance policies.
- (r) Company Disclosure Schedule §3.25 (WKE Matters). This section contains confidential information related to WKE, including WKE Unwind Transaction Documents, BREC Financing Agreements, City Agreements, Smelter Agreements, Closing Certificates, legal opinions, closing memorandums, and indemnification claims.
- (s) Company Disclosure Schedule §5.1(a) (Covenants). This section contains various confidential information, including, but not limited to, forward-looking

plans, pension plan contributions, medical plan contributions, contract matters, rate cases, pending litigation, and collateral liens.

6. This information is treated as highly confidential by the Applicants, and is not widely disseminated even among the Applicants' employees. Only personnel with a business reason to use this confidential information are permitted to view it, including the senior management, directors, and those employees engaged in the preparation of the Purchase and Sale Agreement and the various regulatory approvals.

7. If the Commission disagrees with the Applicants that this information is exempt from disclosure as confidential commercial information, however, it must hold an evidentiary hearing to protect the due process rights of the Applicants and supply the Commission with a complete record to enable it to reach a decision with regard to this matter.

8. Applicants do not object to disclosure of the confidential information, pursuant to a protective agreement, to intervenors with a legitimate interest in reviewing the confidential information for the purpose of commenting on the Joint Application.

9. In accordance with the provisions of 807 KAR 5:001(7), the Applicants are filing with the Commission one (1) set of the confidential information provided as part of its Joint Application with the information highlighted and marked confidential and ten (10) sets of the Joint Application with the confidential information redacted.

**WHEREFORE**, PPL Corporation, E.ON AG, E.ON US Investments Corp., E.ON U.S. LLC, Louisville Gas and Electric Company and Kentucky Utilities Company respectfully request that the Commission grant confidential protection for the information at issue, or schedule an evidentiary hearing on all factual issues while maintaining the confidentiality of the information pending the outcome of the hearing.

Dated: May 28, 2010

Respectfully submitted,



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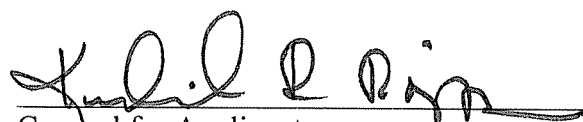
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**CERTIFICATE OF SERVICE**

This is to certify that the foregoing Petition for Confidential Protection was served on the following by U.S. Mail, postage prepaid, this 28<sup>th</sup> day of May, 2010.

Office of the Attorney General  
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