



Lexington-Fayette Urban County Government
DEPARTMENT OF LAW

Jim Newberry
Mayor

Logan Askew
Commissioner

June 21, 2010

Mr. Jeff Derouen
Executive Director
Public Service Commission
211 Sower Boulevard
P.O. Box 615
Frankfort, Kentucky 40602-0615

RECEIVED

JUN 22 2010

PUBLIC SERVICE
COMMISSION

Re: Case No. 2010-00204
(Notice of Intent - PPL Corporation Acquisition)

Dear Mr. Derouen:

Please find enclosed herewith for filing an original and 12 copies of Lexington-Fayette Urban County Government's Requests for Information in the referenced matter.

Yours truly,

David J. Barberie
Attorney Senior

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COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

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

RECEIVED

JUN 22 2010

PUBLIC SERVICE
COMMISSION

**LEXINGTON-FAYETTE URBAN COUNTY
GOVERNMENT'S REQUESTS FOR INFORMATION**

Comes now the Lexington-Fayette Urban County Government ("Lexington"), by counsel and pursuant to the Public Service Commission's Scheduling Order, and submits its Requests for Information to the Joint Applicants to be answered in accord with the following:

(1) In each case where a request seeks data provided in response to a staff request, reference to the appropriate request item will be deemed a satisfactory response.

(2) Please identify the company witness who will be prepared to answer questions concerning each request.

(3) These requests shall be deemed continuing so as to require further and supplemental responses if the company receives or generates additional information within the scope of these requests between the time of the response and the time of any hearing conducted hereon.

(4) If any request appears confusing, please request clarification directly from legal counsel for Lexington.

(5) To the extent that the specific document, workpaper or information as requested does not exist, but a similar document, workpaper or information does exist, provide the similar document, workpaper, or information.

(6) To the extent that any request may be answered by way of a computer printout, please identify each variable contained in the printout that would not be self evident to a person not familiar with the printout.

(7) If the company has objections to any request on the grounds that the requested information is proprietary in nature, or for any other reason, please notify legal counsel for Lexington as soon as possible.

(8) For any document withheld on the basis of privilege, state the following: date; author; addressee; indicated or blind copies; all persons to whom distributed, shown, or explained; and, the nature and legal basis for the privilege asserted.

(9) In the event any document called for has been destroyed or transferred beyond the control of the company state: the identity of the person by whom it was destroyed or transferred, and the person authorizing the destruction or transfer; the time, place, and method of destruction or transfer; and, the reason(s) for its destruction or transfer. If destroyed or disposed of by operation of a retention policy, state the retention policy.

**LEXINGTON-FAYETTE URBAN COUNTY
GOVERNMENT'S REQUESTS FOR INFORMATION**

1. What is the current estimate of the closing date for the acquisition?
2. Are the Joint Applicants willing to accept additional conditions or commitments placed on them by the Commission in order to have the acquisition approved?
3. How many employees did Kentucky Utilities have at the end of calendar year 2009? For each of the last 10 years, list the number of employees at the start of the year, the number of positions eliminated, the number of positions added, and the number of new employees gained as a result of any mergers.
4. How many employees does Kentucky Utilities currently have? For all such employees, provide a job title and description of duties.
 - a. Do the Joint Applicants anticipate a reduction in any of the employees if the acquisition is approved? If so, please explain how many, why, and which types of employees are to be reduced. Please provide a copy of any and all documents that demonstrate a requirement that the number of employees will remain substantially the same if the acquisition is approved.
 - b. Are the Joint Applicants willing to accept a condition as part of the approval of the proposed acquisition that they will not substantially reduce the existing level of employees provided in the responses above? If so, for what period of time? In the event that such a condition is unacceptable, please state why.
5. Do the Joint Applicants anticipate that there will be any consolidation of management, workforce, facilities, customer service center(s), financial services operations, etc., if the acquisition is approved? If so, please explain in detail, particularly as to Kentucky Utilities.
6. Explain in detail any and all of the differences in management, services, performance, etc., that any of the Joint Applicants anticipate will result if the acquisition is approved?
7. What rate of growth in customers, net income and dividends has been projected for Kentucky Utilities by the Joint Applicants?
8. Provide a copy of each newsletter or other communication sent to employees of Kentucky Utilities regarding the acquisition.
9. List each collective bargaining agreement currently in force with any union representing Kentucky Utilities employees, and its term.
10. Provide all studies, reports or calculations either commissioned or prepared internally by any of the Joint Applicants which discuss the valuation of Kentucky Utilities or LG&E.

11. Provide all studies, reports or calculations in the possession of the Joint Applicants or their related companies, regardless of source, which analyze anticipated revenue streams from Kentucky Utilities or LG&E.

12. Describe in detail any and all of the anticipated changes (if any), from an operational perspective, that will result to Kentucky Utilities as a result of the acquisition.

13. Explain in detail what differences, if any, that the Joint Applicants anticipate the typical Kentucky Utility customer will notice or experience as a result of the acquisition. To the extent that any particular type of customer is expected to have a different experience as result of such approval, please explain in detail what and how.

14. Describe in detail all of the benefits, if any, to Kentucky Utility's ratepayers that are anticipated to result from the acquisition. Are these benefits in any way measurable or quantifiable? List specific examples, if possible.

15. Can Kentucky Utilities' ratepayers expect any enhancement over the current existing level of service as a result of an approval of the acquisition? If so, please provide a detailed response that includes the specific benefit or benefits to be provided broken down by the type of customer (i.e., residential or business). List specific examples, if possible.

a. More specifically, will Lexington obtain any additional benefit or benefits (level of maintenance, service, types or numbers of products, etc.) as a result of the acquisition? If so, please provide a detailed response that includes the specific benefit or benefits to be provided.

16. From the perspective of each type of Kentucky Utilities customer, how and why is it better for the acquisition to be approved than for the current ownership structure to be maintained?

17. The Joint Applicants make a number of representations regarding continued technical, managerial, and financial capability. Please provide as much detail as possible, including documentation and specific examples, of all known technical, managerial, and financial changes that will result from the approval of the change of control, with a focus on Kentucky Utilities.

a. What guarantees, if any, do the ratepayers have that the Joint Applicants will stand by these representations?

b. Are the Joint Applicants willing to make these representations enforceable by entering into conditions pertaining to them as part of the approval of the proposed acquisition? If so, please explain in detail how such conditions should be stated to best ensure meaningful enforceability. If not, please state why the Joint Applicants are not willing to do so.

18. Does the Application contain an exhaustive list of all the ways in which the acquisition is "consistent with the public interest" in accordance with KRS 278.020 or KRS 278.218? If not, please describe in greater detail in what ways the acquisition is consistent with the public interest.

19. Provide all analyses performed by any of the Joint Applicants that describe or quantify the benefits to be achieved by any of them through the acquisition.

20. Do the Joint Applicants believe that the acquisition, if approved, will be value enhancing? If so, in what ways, to whom, and in what amounts?

21. Provide all Board of Director minutes, and information provided to the Board of Directors of any of the Joint Applicants, in which the change of control is discussed.

22. State whether the Joint Applicants intend to seek recovery of the expenses associated with this proceeding from Kentucky Utilities' ratepayers, including, but not limited to, legal, professional and consulting expenses. If rate recovery for such costs is contemplated as a possibility, please provide an accounting of such costs to date, broken out by category of cost.

23. State whether the Joint Applicants would agree to a "most favored nations clause" condition as part of the approval of the proposed transfer that would require them to agree to meet or exceed the conditions placed upon any of the Joint Applicants as the result of the approval of the proposed transfer in other jurisdictions.

24. Describe in detail, in what ways (if any) the change of control is anticipated by the Joint Applicants to impact any ongoing Commission case involving Kentucky Utilities.

25. Will the acquisition in any way increase the current level of risk borne by Kentucky Utilities?

26. Are the Joint Applicants aware that Kentucky Utilities currently has a franchise agreement with Lexington?

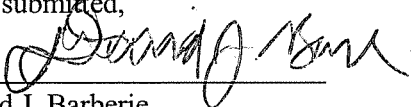
a. Do the Joint Applicants intend to follow the provisions of said franchise agreement? If the answer is "no" as to any particular provision of the franchise agreement, please list each such provision and explain why it will not be followed.

b. What guarantees does Lexington have that the Joint Applicants will honor the provisions of the franchise agreement?

27. Will any of the Kentucky-based Joint Applicants engage in non-regulated activities or in any way provide non-regulated service? If so, generally describe all such activities or services in detail and indicate the extent to which each such Applicant engages in or provides such activities or services.

Respectfully submitted,

BY: _____


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FILING NOTICE AND CERTIFICATE

I hereby certify that an original and twelve (12) copies of Lexington's Initial Requests for Information were served and filed by first class U.S. Mail delivery, postage prepaid, to Jeff Derouen, Executive Director, Public Service Commission, P.O. Box 615, 211 Sower Boulevard, Frankfort, Kentucky 40602-0615; furthermore, it was served on the following by mailing a copy by first class U.S. Mail delivery, postage prepaid, and/or by electronic means, as further indicated below, all on this the 21st day of June 2010:

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URBAN COUNTY GOVERNMENT

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