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PUBLIC SERVICE
COMMISSION

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

E.ON U.S. LLC
State Regulation and Rates
220 West Main Street
PO Box 32010
Louisville, Kentucky 40232
www.eon-us.com

July 6, 2010

Lonnie E. Bellar
Vice President
T 502-627-4830
F 502-217-2109
lonnie.bellar@eon-us.com

RE: *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*

Dear Mr. DeRouen:

Please find enclosed and accept for filing the original and twelve (12) copies of the Joint Responses 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 to the Request for Information of the IBEW, Local 2100 dated June 23, 2010, in the above-reference matter.

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

Sincerely,

Lonnie E. Bellar

cc: Parties of Record

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)	CASE NO.
COMPANY AND KENTUCKY UTILITIES)	2010-00204
COMPANY FOR APPROVAL OF AN ACQUISITION)	
OF OWNERSHIP AND CONTROL OF UTILITIES)	

JOINT RESPONSE 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
TO THE
IBEW, LOCAL 2100 REQUEST FOR INFORMATION
DATED JUNE 23, 2010

FILED: July 6, 2010

VERIFICATION

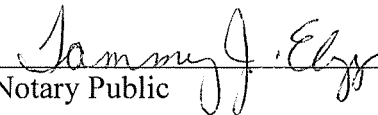
COMMONWEALTH OF KENTUCKY)
) SS:
COUNTY OF JEFFERSON)

The undersigned, **S. Bradford Rives**, being duly sworn, deposes and says he is Chief Financial Officer of E.ON U.S. LLC, Louisville Gas and Electric Company and Kentucky Utilities Company, and an employee of E.ON U.S. Services Inc., that he has personal knowledge of the matters set forth in the responses for which he is identified as the witness, and the answers contained therein are true and correct to the best of his information, knowledge and belief.



S. BRADFORD RIVES

Subscribed and sworn to before me, a Notary Public in and before said County and State,
this 1st day of July, 2010.

 (SEAL)
Notary Public

My Commission Expires:
November 9, 2010

VERIFICATION

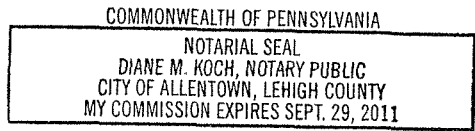
COMMONWEALTH OF PENNSYLVANIA)
) SS:
COUNTY OF LEHIGH)

PAUL A. FARR, being duly sworn, deposes and says that he has read the foregoing responses and exhibits and knows the matters contained therein; that said matters are true and correct to the best of his knowledge and belief.

[Signature]
PAUL A. FARR

Subscribed and sworn to before me, a Notary Public in and for the above County and State, on this 1 day of July, 2010.

[Signature]
Notary Public



My Commission Expires:
9/29/2011

VERIFICATION

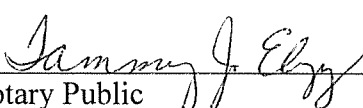
COMMONWEALTH OF KENTUCKY)
) SS:
COUNTY OF JEFFERSON)

The undersigned, **Lonnie E. Bellar**, being duly sworn, deposes and says he is Vice President of State Regulation and Rates of Louisville Gas and Electric Company and Kentucky Utilities Company, and an employee of E.ON U.S. Services Inc., that he has personal knowledge of the matters set forth in the responses for which he is identified as the witness, and answers contained therein are true and correct to the best of his information, knowledge and belief.



LONNIE E. BELLAR

Subscribed and sworn to before me, a Notary Public in and before said County and State,
this 2 day of July, 2010.

 (SEAL)

Notary Public

My Commission Expires:
November 9, 2010

VERIFICATION

STATE OF COLORADO)
) SS:
COUNTY OF PITKIN)

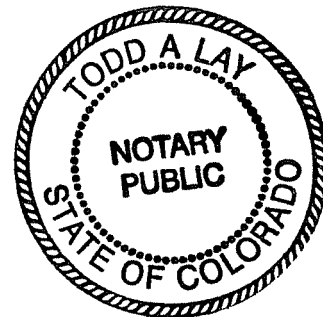
The undersigned, **Paul A. Coomes**, being duly sworn, deposes and says he is a Professor of Economics at the University of Louisville and a consulting economist, that he has personal knowledge of the matters set forth in the responses for which he is identified as the witness, and answers contained therein are true and correct to the best of his information, knowledge and belief.

Paul A. Coomes
PAUL A. COOMES

Subscribed and sworn to before me, a Notary Public in and before said County and State, this 2 day of JULY, 2010.

Todd A. Lay (SEAL)
Notary Public

My Commission Expires:
1-25-2011



**PPL CORPORATION, E.ON AG, E.ON US INVESTMENTS CORP.,
E.ON U.S. LLC, LOUISVILLE GAS AND ELECTRIC COMPANY AND
KENTUCKY UTILITIES COMPANY**

CASE NO. 2010-00204

**Joint Response to IBEW, Local 2100 Request for Information
Dated June 23, 2010**

Question No. 1

Responding Witness: S. Bradford Rives / William H. Spence

- Q-1. Given the announced intention for acquisition of the parties, what practical reasons prohibit PPL from undertaking a formal analysis of any potential synergies and benefits from the acquisition, for review of the Commission and the parties, prior to PSC approval of the acquisition?
- A-1. Please see response to KPSC 1-18.

**PPL CORPORATION, E.ON AG, E.ON US INVESTMENTS CORP.,
E.ON U.S. LLC, LOUISVILLE GAS AND ELECTRIC COMPANY AND
KENTUCKY UTILITIES COMPANY**

CASE NO. 2010-00204

**Joint Response to IBEW, Local 2100 Request for Information
Dated June 23, 2010**

Question No. 2

Responding Witness: S. Bradford Rives

Q-2. Propounded to LG&E: In the years of ownership by PowerGen and E.ON, are there any best practices of which the Company is aware that have not been implemented with regard to the following:

- (A) Determining the appropriate size of the operational workforce (defined as those job categories filled by union employees) to attain maximum efficiency, at the lowest cost while providing for both service and safety?
- (B) Subcontracting non-core business functions to be performed by contractors with individuals not employed by LG&E.
- (C) Changes to employment retirement plans, with regard to benefits, retirement age, early retirement or other options.

If the Company has considered other best practices, which may be implemented in the future, identify each of the practices, according to the categories above, and what anticipated impact they would have if implemented.

Produce any studies performed by LG&E of best practices which have not been implemented, but may be available for future consideration by PPL if the acquisition is approved.

A-2. (A) No.

(B) No.

(C) During the relevant period, E.ON U.S. has considered and made various changes to employment retirement plans. The Company has worked closely with its long-standing benefit consultant to insure its benefits are reasonable and competitive while considering national trends and financial consequences. It expects to continue to do so.

**PPL CORPORATION, E.ON AG, E.ON US INVESTMENTS CORP.,
E.ON U.S. LLC, LOUISVILLE GAS AND ELECTRIC COMPANY AND
KENTUCKY UTILITIES COMPANY**

CASE NO. 2010-00204

**Joint Response to IBEW, Local 2100 Request for Information
Dated June 23, 2010**

Question No. 3

Responding Witness: S. Bradford Rives / William H. Spence

Q-3. With regard to any best practices identified in 2 above, state whether any of these practices have been a subject of discussion with PPL. If so, state the following:

(A) The name and title of the individuals conducting the discussions;

(B) The best practices that were being discussed;

(C) The outcome of the discussions.

Produce a copy of any minutes, memoranda, emails or other documents pertaining to the review and discussion of potential best practices between the parties.

A-3. No, there have been no discussions regarding best practices with PPL.

**PPL CORPORATION, E.ON AG, E.ON US INVESTMENTS CORP.,
E.ON U.S. LLC, LOUISVILLE GAS AND ELECTRIC COMPANY AND
KENTUCKY UTILITIES COMPANY**

CASE NO. 2010-00204

**Joint Response to IBEW, Local 2100 Request for Information
Dated June 23, 2010**

Question No. 4

Responding Witness: William H. Spence

- Q-4. Propounded to PPL: What best practices have been implemented by PPL in its other power generating facilities, among operational employees, which are not in place at LG&E and which may be considered for implementation upon acquisition? For each such practice, identify the following:
- (A) The nature of the practice and how it differs from the current operational management practices used at LG&E.
 - (B) Identify the utilities where such practices are employed within the PPL structure.
 - (C) Will best practices for the management of the operational workforce be a part of the proposed formal analysis of potential synergies and benefits from the acquisition which the Company proposes to undertake and file with the Commission within 60 days after the acquisition? If so, state the following:
 - 1. Would the best practices review include a determination about whether the current level of staffing of operational employees can be done more efficiently through reducing the employee complement through either attrition, subcontracting or lay-offs?
 - 2. Would the best practices review include a determination about employee benefits such as medical insurance and other forms of employee insurance coverages?
 - 3. Whether such review would include operational employee retirement benefits and the current standards in place for qualification of those benefits?
- A-4. PPL Corporation has not conducted an analysis of differences, if any, between best practices at PPL Corporation and best practices at LG&E.

**PPL CORPORATION, E.ON AG, E.ON US INVESTMENTS CORP.,
E.ON U.S. LLC, LOUISVILLE GAS AND ELECTRIC COMPANY AND
KENTUCKY UTILITIES COMPANY**

CASE NO. 2010-00204

**Joint Response to IBEW, Local 2100 Request for Information
Dated June 23, 2010**

Question No. 5

Responding Witness: S. Bradford Rives / William H. Spence

- Q-5. Regarding the proposed commitments No. 27 and 28, both of which mention the impact resulting from workforce reductions arising from implementation of best practices, exactly what commitment are the companies undertaking above and beyond the typical prudent decision making related to staffing levels and the impact on operations and customer service which are normally undertaken?
- A-5. Regulatory Commitments Nos. 27 and 28 formalize the longstanding, prudent decision making of E.ON U.S., LG&E, and KU related to the impacts of workforce reductions on customer service and customer satisfaction. By making those commitments, PPL, E.ON U.S., LG&E, and KU are ensuring that LG&E's and KU's excellent track record for customer service and customer satisfaction will continue, unchanged, after consummation of the proposed acquisition.

**PPL CORPORATION, E.ON AG, E.ON US INVESTMENTS CORP.,
E.ON U.S. LLC, LOUISVILLE GAS AND ELECTRIC COMPANY AND
KENTUCKY UTILITIES COMPANY**

CASE NO. 2010-00204

**Joint Response to IBEW, Local 2100 Request for Information
Dated June 23, 2010**

Question No. 6

Responding Witness: William H. Spence

- Q-6. With regard to the commitment to maintain a sound and constructive relationship with labor organizations in commitment 11, for the existing labor contracts at PPL's existing facilities, state the following:
- (A) Identify each labor relationship that has existed between PPL and its employees in the last ten years.
 - (B) For each labor relationship identified above, state the number of contractual grievances that were filed for 2007, 2008 and 2009 under each contract.
 - (C) State the total number of outstanding and unresolved grievances under each of the contracts identified above as of March 2010.
 - (D) State the number of labor arbitration hearings which have been conducted, and resulted in an award, under each of the contracts identified above. For the same time period, for any NLRB charges filed in 2007 – 2009, state the nature of the charge and its disposition.
- A-6. (A) PPL through its subsidiaries has existing relationships with over 100 labor groups at its facilities. PPL's largest relationship (as determined by number of member-employees) is IBEW Local 1600. Currently, approximately 90% of PPL's employees subject to union contracts are members of IBEW Local 1600.
- (B) Due to the total number of labor relationships PPL has at its existing facilities, PPL limits the scope of its response to IBEW Local 1600. For the year 2007, PPL received 299 written grievances from members of IBEW Local 1600. For the year 2008, PPL received 420 written grievances from members of IBEW Local 1600 and for the year 2009, 353 written grievances.
 - (C) Due to the total number of labor relationships PPL has at its existing facilities, PPL limits the scope of its response to IBEW Local 1600. As of July 1, 2010,

the total number of open grievances with members of IBEW Local 1600 is 1,152.

(D) Due to the total number of labor relationships PPL has at its existing facilities, PPL limits the scope of its response to IBEW Local 1600. Please see the table immediately below.

Year	# of Arbitrations:	Disposition:
2007	1 arbitration heard	Split Decision
2008	2 arbitrations heard	Company prevailed on both
2009	8 arbitrations heard	Company prevailed on 7; Split Decision on 1

**PPL CORPORATION, E.ON AG, E.ON US INVESTMENTS CORP.,
E.ON U.S. LLC, LOUISVILLE GAS AND ELECTRIC COMPANY AND
KENTUCKY UTILITIES COMPANY**

CASE NO. 2010-00204

**Joint Response to IBEW, Local 2100 Request for Information
Dated June 23, 2010**

Question No. 7

Responding Witness: William H. Spence

- Q-7. Regarding commitment No. 16, what does the word “planned” mean? Are the companies committing that are no current plans to lay off any employees at the time of the acquisition, but the subject will be open for complete review and implementation by the parties after the acquisition is approved?
- A-7. Please see response to AG 1-64.

**PPL CORPORATION, E.ON AG, E.ON US INVESTMENTS CORP.,
E.ON U.S. LLC, LOUISVILLE GAS AND ELECTRIC COMPANY AND
KENTUCKY UTILITIES COMPANY**

CASE NO. 2010-00204

**Joint Response to IBEW, Local 2100 Request for Information
Dated June 23, 2010**

Question No. 8

Responding Witness: William H. Spence

- Q-8. With regard to commitment No. 16, will the company remove the word “planned” and agree that there will be no workforce reductions of operational employees, at LG&E and KU, as a result of synergies achieved through the merger?
- A-8. Please see response to AG 1-53. For this reason, the Joint Applicants do not believe that different or additional commitments regarding workforce reductions are necessary or appropriate.

**PPL CORPORATION, E.ON AG, E.ON US INVESTMENTS CORP.,
E.ON U.S. LLC, LOUISVILLE GAS AND ELECTRIC COMPANY AND
KENTUCKY UTILITIES COMPANY**

CASE NO. 2010-00204

**Joint Response to IBEW, Local 2100 Request for Information
Dated June 23, 2010**

Question No. 9

Responding Witness: William H. Spence

- Q-9. With regard to the proposed commitment in No. 11, is it PPL's commitment that with regard to any union organizing activity of employees within the acquired companies, management will publicly state to affected employees that it will remain neutral in regard to the organizing campaign, and that the employer will not hold captive employee meetings explaining the benefits, responsibilities or detriments of union representation, and will assure that its managers, including supervisors, take no position contrary to neutrality?
- A-9. PPL will comply with the commitments set forth in Regulatory Commitment No. 11. In accordance with these commitments, PPL is committed to maintaining the status quo by honoring the Neutrality Agreement between LG&E and IBEW Local 2100 which was most recently renewed in November 2008.

**PPL CORPORATION, E.ON AG, E.ON US INVESTMENTS CORP.,
E.ON U.S. LLC, LOUISVILLE GAS AND ELECTRIC COMPANY AND
KENTUCKY UTILITIES COMPANY**

CASE NO. 2010-00204

**Joint Response to IBEW, Local 2100 Request for Information
Dated June 23, 2010**

Question No. 10

Responding Witness: William H. Spence

- Q-10. With respect to the commitments proposed in No. 11, does PPL acknowledge that it will become a successor employer of the acquired companies, as that term is understood according to the National Labor Relations Act, and will continue to extend recognition both to the existing bargaining units and labor agreements in place?
- A-10. PPL will comply and will cause LG&E and KU to comply with their respective obligations under the National Labor Relations Act, in accordance with the advice of counsel.

**PPL CORPORATION, E.ON AG, E.ON US INVESTMENTS CORP.,
E.ON U.S. LLC, LOUISVILLE GAS AND ELECTRIC COMPANY AND
KENTUCKY UTILITIES COMPANY**

CASE NO. 2010-00204

**Joint Response to IBEW, Local 2100 Request for Information
Dated June 23, 2010**

Question No. 11

Responding Witness: William H. Spence

Q-11. In regard to the other electric/gas generating facilities under union contract with PPL, state the following:

(A) With regard to each facility, state whether the company in the last 10 years has subcontracted operational work that resulted in the reduction of bargaining unit jobs, either by lay-offs or attrition.

(B) For each facility identified in (A), state the nature of the work which is now being performed by subcontractors for each facility.

(C) For each facility identified in (A), state the number of union positions which have been eliminated through subcontracting practices, both as a raw number and percentage of the union workforce that existed at the time subcontracting practices were undertaken.

(D) With regard to the facilities identified in (A), state whether the company engaged in decisional bargaining with the union, over proposed subcontract work, as opposed to effects bargaining over the impact.

A-11. (A) In the last 10 years, PPL has not subcontracted any operational work that resulted in the reduction of bargaining unit jobs.

(B) Not applicable

(C) Not applicable.

(D) Not applicable.

**PPL CORPORATION, E.ON AG, E.ON US INVESTMENTS CORP.,
E.ON U.S. LLC, LOUISVILLE GAS AND ELECTRIC COMPANY AND
KENTUCKY UTILITIES COMPANY**

CASE NO. 2010-00204

**Joint Response to IBEW, Local 2100 Request for Information
Dated June 23, 2010**

Question No. 12

Responding Witness: William H. Spence

- Q-12. With regard to existing retirement and pension plans for operational employees at the company's other facilities, produce a copy of both the summary plan description and the underlying ERISA or other plan document.
- A-12. Please see enclosed CD in folder titled Question No. 12.

**PPL CORPORATION, E.ON AG, E.ON US INVESTMENTS CORP.,
E.ON U.S. LLC, LOUISVILLE GAS AND ELECTRIC COMPANY AND
KENTUCKY UTILITIES COMPANY**

CASE NO. 2010-00204

**Joint Response to IBEW, Local 2100 Request for Information
Dated June 23, 2010**

Question No. 13

Responding Witness: William H. Spence

- Q-13. Has PPL undertaken an analysis of what impact recently passed federal healthcare reform legislation will have on its continuation of employer contribution to employee health care plans? If such an analysis has been undertaken, state the following:
- (A) What decisions have been reached by PPL about the impact of the legislation on the continuation or reduction of employer healthcare contributions?
 - (B) Produce a copy of any documents that reflect the PPL analysis and any decisions which have been made.
- A-13. PPL has not completed such an analysis and therefore no decisions have been made.

**PPL CORPORATION, E.ON AG, E.ON US INVESTMENTS CORP.,
E.ON U.S. LLC, LOUISVILLE GAS AND ELECTRIC COMPANY AND
KENTUCKY UTILITIES COMPANY**

CASE NO. 2010-00204

**Joint Response to IBEW, Local 2100 Request for Information
Dated June 23, 2010**

Question No. 14

Responding Witness: William H. Spence

- Q-14. With regard to capital projects that will be undertaken in the future by the acquired companies, will PPL pursue a low cost strategy that permits building contractors to utilize out of state employees in order to reduce wages and benefits?
- A-14. PPL expects the operations of KU and LG&E to continue to be managed by the existing management team consistent with their past practice.

**PPL CORPORATION, E.ON AG, E.ON US INVESTMENTS CORP.,
E.ON U.S. LLC, LOUISVILLE GAS AND ELECTRIC COMPANY AND
KENTUCKY UTILITIES COMPANY**

CASE NO. 2010-00204

**Joint Response to IBEW, Local 2100 Request for Information
Dated June 23, 2010**

Question No. 15

Responding Witness: Paul A. Coomes

- Q-15. With regard to the testimony of economist Paul Coomes, in his review of the economic impact of retention of current employees, does Dr. Coomes recognize that a lowest cost capital project contracting strategy, that permits a large percentage or majority of workers to be imported from out of state in order to decrease wages and benefits payments, has a negative economic impact on keeping rate payer money in payroll to local Kentucky based employees?
- A-15. Certainly, taken in isolation of other important factors, hiring more Kentucky construction workers results in more payroll dollars circulating in Kentucky. Presumably, out-of-state construction workers are hired when their skills cannot feasibly be obtained in-state, or when their skills can be obtained at a lower cost than for in-state workers. This implies that hiring only Kentucky residents would result in higher labor costs for a project, resulting in higher energy rates for customers. The higher labor costs would, over the construction period, increase the total disposable income of Kentucky residents. However, over the decades in which the capital costs are recovered from energy rate-payers, the resulting higher energy costs would lower disposable incomes of customers in the region. There are hundreds of construction jobs germane to this discussion, but there are hundreds of thousands of energy customers. So, it would be hard to make the case that lower construction labor costs due to using some out-of-state workers would have, on net, a negative impact on the regional economy.

**PPL CORPORATION, E.ON AG, E.ON US INVESTMENTS CORP.,
E.ON U.S. LLC, LOUISVILLE GAS AND ELECTRIC COMPANY AND
KENTUCKY UTILITIES COMPANY**

CASE NO. 2010-00204

**Joint Response to IBEW, Local 2100 Request for Information
Dated June 23, 2010**

Question No. 16

Responding Witness: William H. Spence

- Q-16. Will the company undertake a commitment that for any future capital construction projects, whether new or upon existing facilities, it will insist upon conditions with contractors which give hiring preferences and priority to qualified local residents?
- A-16. Please see response to AG 1-53. For this reason, the Joint Applicants do not believe that different or additional commitments regarding future capital construction projects are necessary or appropriate.

**PPL CORPORATION, E.ON AG, E.ON US INVESTMENTS CORP.,
E.ON U.S. LLC, LOUISVILLE GAS AND ELECTRIC COMPANY AND
KENTUCKY UTILITIES COMPANY**

CASE NO. 2010-00204

**Joint Response to IBEW, Local 2100 Request for Information
Dated June 23, 2010**

Question No. 17

Responding Witness: Paul A. Farr / William H. Spence

Q-17. For all capital construction projects undertaken by PPL in the last 10 years, whether for new or existing facilities, state the following:

(A) State the total number of projects undertaken by PPL.

(B) State the number of projects which were performed under a project labor agreement negotiated with labor unions.

A-17. (A) PPL is a holding company and does not undertake capital construction projects. Those projects are undertaken by various operating affiliates of PPL.

(B) Not applicable.

**PPL CORPORATION, E.ON AG, E.ON US INVESTMENTS CORP.,
E.ON U.S. LLC, LOUISVILLE GAS AND ELECTRIC COMPANY AND
KENTUCKY UTILITIES COMPANY**

CASE NO. 2010-00204

**Joint Response to IBEW, Local 2100 Request for Information
Dated June 23, 2010**

Question No. 18

Responding Witness: Paul A. Coomes

- Q-18. With regard to Dr. Coomes testimony, will he recognize that subcontracting of bargaining unit jobs, for the purposes of having the work performed for lower wages and benefit payments, has an offsetting negative economic impact in the community to the lower operating costs realized by the company?
- A-18. To the extent that subcontracting lowers wages and benefits there would be commensurately less disposable income available in the regional economy during that pay period. However, paying higher wages and benefits would result in higher energy rates for customers, which would also lower disposable income in the region. There are hundreds of bargaining unit jobs germane to this discussion, but there are hundreds of thousands of energy customers. So, it would be hard to make the case that lower labor costs in the energy business have, on net, a negative impact on the regional economy.

**PPL CORPORATION, E.ON AG, E.ON US INVESTMENTS CORP.,
E.ON U.S. LLC, LOUISVILLE GAS AND ELECTRIC COMPANY AND
KENTUCKY UTILITIES COMPANY**

CASE NO. 2010-00204

**Joint Response to IBEW, Local 2100 Request for Information
Dated June 23, 2010**

Question No. 19

Responding Witness: Lonnie E. Bellar / William H. Spence

- Q-19. Will the applicant be initiating proceedings before the Siting Board for acquisition of the 25% ownership of Trimble County I and Trimble County II?
- A-19. No. LG&E owns 75% of Trimble County I and LG&E and KU collectively own 75% of Trimble County II. The Illinois Municipal Electric Agency ("IMEA") and the Indiana Municipal Power Agency ("IMPA") collectively own 25% of both Trimble County I and Trimble County II. LG&E, KU, IMEA, and IMPA entered into Participation Agreements that reflect these ownership interests.

**PPL CORPORATION, E.ON AG, E.ON US INVESTMENTS CORP.,
E.ON U.S. LLC, LOUISVILLE GAS AND ELECTRIC COMPANY AND
KENTUCKY UTILITIES COMPANY**

CASE NO. 2010-00204

**Joint Response to IBEW, Local 2100 Request for Information
Dated June 23, 2010**

Question No. 20

Responding Witness: Lonnie E. Bellar / William H. Spence

- Q-20. Will PPL agree to regulatory commitments made by LG&E to the Siting Board in the Trimble County II case related to assuring local jobs for local workers in any future capital construction projects?
- A-20. In its order regarding *In the Matter of: Joint Application of Louisville Gas and Electric Company and Kentucky Utilities Company for a Certificate of Public Convenience and Necessity, and a Site Compatibility Certificate, for the Expansion of the Trimble County Generating Station*, Case No. 2004-00507 (Ky. PSC November 1, 2005) (“TC2 Order”), the Commission noted that the Greater Louisville Building and Construction Trades Council (the “Unions”) requested a commitment regarding certain hiring practices. *See* TC2 Order at 6. The Commission, however, recognized that while it “would like to see the construction jobs for the plant filled by Kentucky workers,” it was bound by its “statutory mandate . . . to maintain low rates for utility customers.” *Id.* Therefore, it stated that the commitment requested by the Unions was not appropriate. *See id.* The Commission did “strongly encourage the Companies to provide as many jobs as possible to Kentucky citizens.” *Id.* Therefore, there are no regulatory commitments related to assuring local jobs for local workers in any future capital construction projects to which PPL could agree or decline to agree.

**PPL CORPORATION, E.ON AG, E.ON US INVESTMENTS CORP.,
E.ON U.S. LLC, LOUISVILLE GAS AND ELECTRIC COMPANY AND
KENTUCKY UTILITIES COMPANY**

CASE NO. 2010-00204

**Joint Response to IBEW, Local 2100 Request for Information
Dated June 23, 2010**

Question No. 21

Responding Witness: Lonnie E. Bellar / William H. Spence

- Q-21. Identify specifically which of the commitments undertaken by LG&E at the time would be acceptable. For any commitment not acceptable to PPL, state why not.
- A-21. The Joint Applicants assume that this question refers back to the Trimble County 2 issues raised in Question No. 20. In its TC2 Order, the only condition the Commission placed was:

The Commission, therefore, will require the Companies to monitor the accuracy of their forecasts and advise us immediately if they notice any material divergence between their energy and peak forecasts and actual usage that could call into question the advisability of further pursuit of construction of TC2. Upon such a report, any party to this case, or the Commission on its own motion, may reopen this case to determine if further action is warranted.

TC2 Order at 6. LG&E and KU have complied with this condition throughout the construction of Trimble County 2.

**PPL CORPORATION, E.ON AG, E.ON US INVESTMENTS CORP.,
E.ON U.S. LLC, LOUISVILLE GAS AND ELECTRIC COMPANY AND
KENTUCKY UTILITIES COMPANY**

CASE NO. 2010-00204

**Joint Response to IBEW, Local 2100 Request for Information
Dated June 23, 2010**

Question No. 22

Responding Witness: Lonnie E. Bellar / William H. Spence

Q-22. Does LG&E have a written plan outlining a projected timetable for hiring employees as either (1) new hires for newly created positions and (2) new hires to fill vacancies from anticipated retirements in an aging workforce? If so, has PPL undertaken a review of this plan as a part of its acquisition discussions?

Produce a copy of any plan for projected replacement of employees. Produce documents related to PPL's evaluation or review of the LG&E plan, or any review done by PPL.

A-22. Yes, LG&E has such a written plan. No, PPL has not undertaken a review of the plan at this time. Production of this information to requesting party would place LG&E at a complete disadvantage in future contract negotiations. The request therefore does not seek information relevant to the proposed transaction, but commercially sensitive information for the financial advantage of the party requesting the information. The Commission has previously held that these proceedings should not be used as a vehicle for discovery of other possible proceedings.

**PPL CORPORATION, E.ON AG, E.ON US INVESTMENTS CORP.,
E.ON U.S. LLC, LOUISVILLE GAS AND ELECTRIC COMPANY AND
KENTUCKY UTILITIES COMPANY**

CASE NO. 2010-00204

**Joint Response to IBEW, Local 2100 Request for Information
Dated June 23, 2010**

Question No. 23

Responding Witness: William H. Spence

Q-23. Has PPL undertaken any review of LG&E safety practices for operational employees? If so, has PPL had any discussion with LG&E about the possible best practices or other changes that may be implemented to the safety program for operational employees?

Produce any documents related to PPL's review or analysis of existing LG&E safety practices.

A-23. PPL is aware of the LG&E/KU's excellent safety record as evidenced by the RIIR of 1.76 and 1.09 in 2008 and 2009. PPL has not had any discussions about possible best practices or other changes that may be implemented to the safety program for operational employees.