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January 8, 2013

Patrick R. Hughes, Esquire
Dressman, Benzinger & LaVelle PSC
207 Thomas More Parkway
Crestview Hills, KY 41017-3423

John M. Dosker, Esquire
Stand Energy Corporation
1077 Celestial Street
Rookwood Building, Suite 110
Cincinnati, OH 45202-1629

RE: Case No. 2012-00222
Louisville Gas & Electric Company

Dear Messrs. Hughes and Dosker:

On December 19, 2012, the Commission received a letter from Larry Freeman, Executive Vice-President of Stand Energy Corporation ("Stand Energy"). Although the letter was addressed to two Commission Staff Counsel, it related to the substance of certain issues then pending in the above-referenced Louisville Gas and Electric Company ("LG&E") rate case, and for that reason the letter was included in the official record of this case.

Mr. Freeman's letter first comments on certain issues that were discussed during settlement negotiations that were held among the parties to the LG&E rate case during the course of an informal conference at the Commission's offices. Due to the confidential nature of settlement negotiations, no response will be made to the substance of Mr. Freeman's comments on these issues.

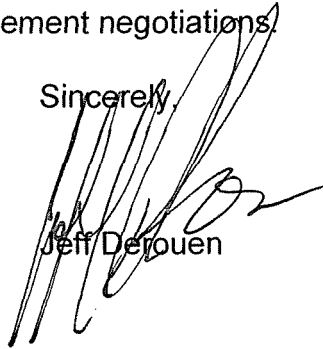
Next, Mr. Freeman requests that we "look into" his claim that LG&E presented sworn testimony at the LG&E rate hearing that was contrary to its prior statements during the settlement negotiations. On this point we note that one of Stand Energy's counsel, Mr. Dosker, was present during the hearing in question and despite having the opportunity to cross-examine LG&E's witnesses and to present Stand Energy's own testimony, he did not do so. At the end of the hearing, Mr. Dosker (and all other parties'

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counsel) stated under oath that they were not aware of any reason why the unanimous Settlement Agreement should not be approved in its entirety by the Commission. Mr. Hughes was not present at the hearing, but he did file a post-hearing affidavit stating that he, too, was unaware of any reason why the Commission should not accept the Settlement Agreement.

Based on these sworn statements of Stand Energy's counsel, there is no basis for Commission Staff to "look into" Mr. Freeman's claims that misrepresentations were made to Stand Energy during the settlement negotiations.

Sincerely,

A handwritten signature in black ink, appearing to read "Jeff Derouen", written over the word "Sincerely,".

Jeff Derouen

RR/kar

cc: Parties of Record