COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

VERIFIED JOINT APPLICATION OF LOUISVILLE GAS AND ELECTRIC COMPANY AND KENTUCKY UTILITIES COMPANY FOR A REGULATORY ACCOUNTING ORDER	)))	CASE NO. 2013-00171

COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION TO LOUISVILLE GAS AND ELECTRIC COMPANY AND KENTUCKY UTILITIES COMPANY

Louisville Gas and Electric Company ("LG&E") and Kentucky Utilities Company ("KU"), (collectively "the Companies"), pursuant to 807 KAR 5:001, are to file with the Commission one electronic copy and a paper copy of the following information, with a copy to all parties of record. The information requested herein is due on or before June 21, 2013. Responses to requests for information shall be filed in accordance with the electronic filing procedures set forth in 807 KAR 5:001, Section 8. Each response shall include the name of the witness responsible for responding to the questions related to the information provided.

Each response shall be answered under oath or, for representatives of a public or private corporation or a partnership or association or a governmental agency, be accompanied by a signed certification of the preparer or the person supervising the preparation of the response on behalf of the entity that the response is true and accurate to the best of that person's knowledge, information, and belief formed after a reasonable inquiry.

The Companies shall make timely amendment to any prior response if they obtain information which indicates that the response was incorrect when made or, though correct when made, is now incorrect in any material respect. For any request to which the Companies fail or refuse to furnish all or part of the requested information, they shall provide a written explanation of the specific grounds for their failure to completely and precisely respond.

Careful attention shall be given to copied material to ensure that it is legible. When the requested information has been previously provided in this proceeding in the requested format, reference may be made to the specific location of that information in responding to this request.

1. Identify the trustees or administrators of the LG&E Company Bargaining Employees' Retirement Plan and the LG&E and KU Retirement Plan.

2. The Companies have requested an order by August 5, 2013 in this matter. Provide the absolute latest date the Commission could approve the Companies' request in order for them to finalize the lump-sum payment program by year-end.

3. Refer to numbered paragraph 8 of the application which states:

> Until December 31, 2005, each employee hired by the Companies became eligible to participate in a defined benefit pension plan. Employees were enrolled in one of two plans. First, the LG&E Company Bargaining Employees' Retirement Plan ("LG&E Union Plan") was offered to LG&E's union employees. Second, the LG&E and KU Retirement Plan was offered to all other LG&E and KU employees (i.e., LG&E's non-union employees, all KU employees, LG&E and KU Services Company employees, and Western Kentucky Energy Corp. non-union employees). The Retirement Plans include active workers, retirees, and individuals who have left the Companies. Currently, there are approximately 2,800

participants in the LG&E Union Plan and approximately 5,300 in the LG&E and KU Retirement Plan.

a. Provide the current level of funding for each retirement plan.

b. Provide the expected level of funding for each retirement plan after the voluntary election.

c. State whether the purpose of the voluntary election is to improve pension funding, and if so, explain how the pension funding will be improved.

4. Refer to numbered paragraph 11 of the application which states "the Companies expect to create some savings over time."

a. Identify and quantify the savings that are referred to in this statement.

b. Define what time frame is being referred to in the statement.

5. Refer to numbered paragraph 16 of the application. Provide a comparison of the current corporate bond rates and 30-year Treasury rates, and the impact using corporate bond rates instead of 30-year Treasury rates will have on lump-sum payments to recipients.

6. Refer to numbered paragraph 19 of the application.

a. State whether the Companies still plan to proceed with the lump-sum payments if the Commission does not authorize regulatory treatment as requested. If so, explain.

b. Describe the eligibility requirements for terminated vested employees ("TVEs") to qualify for the lump-sum payment program.

c. State whether the approximately 1,500 eligible TVEs represent the total number of TVEs in the plans.

d. Provide the number of TVEs for each plan.

7. Refer to numbered paragraphs 21 and 22 of the application. Provide examples of the announcement letter and election kits to be sent to the TVEs.

8. Refer to numbered paragraph 23 of the application. State whether the companies have made preliminary calculations of the potential amount of the lump-sum payments under various take rates. Provide the results of the preliminary calculations.

9. Refer to numbered paragraph 24 of the application, which states, "The Companies will issue payments approximately four weeks after the election deadline to those individuals who elect to participate in the Lump-Sum Payment Option." If a TVE elects the Lump-Sum Payment Option, explain whether this option can be rolled-over to a TVE's personal retirement fund without penalty or tax effect.

10. Refer to numbered paragraph 25 of the application, which states, "...the 'take rate' for the Lump-Sum Payment Option will be between forty and sixty percent." Provide the number of TVEs within various age ranges (example, ages 26-30, ages 31-35, ages 36-40, etc.) that are eligible for voluntary election.

11. Provide separately for LG&E and KU the estimated impact on their 2013 earnings and rate of return if regulatory treatment is not granted and the lump-sum payments are made.

12. Refer to Exhibit D, pages 1 and 2, of the application.

a. Under the section titled "Estimated impact of lump sum window," provide the derivation of the amounts shown in the 100 percent column for "Projected benefit obligation settled" and "Fair value of assets settled."

b. Under the section titled "Amounts recognized in accumulated other comprehensive income," provide the derivation of the amounts shown for "Prior service cost" and "Unrecognized loss (gain)."

c. Under the section titled "One-time accounting impact," provide the derivation of the amounts shown for "Estimated settlement threshold" and "Percentage of obligation settled."

d. Under the section titled "One-time accounting impact," explain the line reference "Settlement accounting triggered?"

e. Under the section titled "One-time accounting impact," confirm that the line referenced as "One-time settlement charge" represents the estimated amount that the Companies are requesting be granted regulatory asset treatment for the take rates provided.

f. For each uniform take rate shown for each plan, provide the amount paid to participants that is in excess of the booked liability for the participants.

13. Refer to Exhibit E of the application. Identify and quantify window implementation costs.

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DATED JUN 10 2013

cc: Parties of Record

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