

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

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PUBLIC SERVICE
COMMISSION

In the Matter of:

APPLICATION OF BIG RIVERS)
ELECTRIC CORPORATION, INC.)
FOR AN ADJUSTMENT OF RATES)

Case No. 2011-00036

ATTORNEY GENERAL'S INITIAL DATA REQUESTS
PUBLIC REDACTED VERSION

Comes now the intervenor, the Attorney General of the Commonwealth of Kentucky, by and through his Office of Rate Intervention, and submits these Initial Requests for Information to Big Rivers Electric Corporation, Inc. [hereinafter referred to as "BREC"] to be answered by the date specified in the Commission's Order of Procedure, and 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 witness who will be prepared to answer questions concerning each request.

(3) Please repeat the question to which each response is intended to refer. The Office of the Attorney General can provide counsel for BREC with an electronic version of these questions, upon request.

(4) 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.

(5) Each response shall be answered under oath or, for representatives of a public or private corporation or a partnership or association, be accompanied by a signed certification of the preparer or 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.

(6) If any request appears confusing, please request clarification directly from the Office of Attorney General.

(7) 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.

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

(9) 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 the Office of the Attorney General as soon as possible.

(10) As used herein, the words "document" or "documents" are to be construed broadly and shall mean the original of the same (and all non-identical copies or drafts thereof) and if the original is not available, the best copy available. These terms shall include all information recorded in any written, graphic or other tangible form and

shall include, without limiting the generality of the foregoing, all reports; memoranda; books or notebooks; written or recorded statements, interviews, affidavits and depositions; all letters or correspondence; telegrams, cables and telex messages; contracts, leases, insurance policies or other agreements; warnings and caution/hazard notices or labels; mechanical and electronic recordings and all information so stored, or transcripts of such recordings; calendars, appointment books, schedules, agendas and diary entries; notes or memoranda of conversations (telephonic or otherwise), meetings or conferences; legal pleadings and transcripts of legal proceedings; maps, models, charts, diagrams, graphs and other demonstrative materials; financial statements, annual reports, balance sheets and other accounting records; quotations or offers; bulletins, newsletters, pamphlets, brochures and all other similar publications; summaries or compilations of data; deeds, titles, or other instruments of ownership; blueprints and specifications; manuals, guidelines, regulations, procedures, policies and instructional materials of any type; photographs or pictures, film, microfilm and microfiche; videotapes; articles; announcements and notices of any type; surveys, studies, evaluations, tests and all research and development (R&D) materials; newspaper clippings and press releases; time cards, employee schedules or rosters, and other payroll records; cancelled checks, invoices, bills and receipts; and writings of any kind and all other tangible things upon which any handwriting, typing, printing, drawings, representations, graphic matter, magnetic or electrical impulses, or other forms of communication are recorded or produced, including audio and video recordings, computer stored information (whether or not in printout form), computer-


readable media or other electronically maintained or transmitted information, and all other rough drafts, revised drafts (including all handwritten notes or other marks on the same) and copies of documents as hereinbefore defined by whatever means made.

(11) 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.

(12) In the event any document called for has been destroyed or transferred beyond the control of the company, please 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.

(13) Please provide written responses, together with any and all exhibits pertaining thereto, in one or more bound volumes, separately indexed and tabbed by each response, in compliance with Kentucky Public Service Commission Regulations.

Respectfully submitted,
JACK CONWAY
ATTORNEY GENERAL



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Certificate of Service and Filing

Counsel certifies that an original and ten photocopies of the foregoing were served and filed by hand delivery to Jeff Derouen, Executive Director, Public Service Commission, 211 Sower Boulevard, Frankfort, Kentucky 40601; counsel further states that true and accurate copies of the foregoing were mailed via First Class U.S. Mail, postage pre-paid, to:

Mark A. Bailey
President and CEO
Big Rivers Electric Corporation
201 3rd St.
Henderson, KY 42420

Albert Yockey, Vice President,
Governmental Relations & Enterprise Risk Management
Big Rivers Electric Corporation
201 3rd St.
Henderson, KY 42420

Douglas L. Beresford
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Columbia Square
555 13th St., NW
Washington, D.C. 20004

Hon. James M. Miller
Sullivan, Mountjoy, Stainback & Miller, PSC
P.O. Box 727
Owensboro, KY 42302-0727

Hon. Michael L. Kurtz
Boehm, Kurtz & Lowry
36 E. 7th St.
Ste. 1510
Cincinnati, Ohio 45202

this 30th day of March, 2011



Assistant Attorney General

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I. REVENUE REQUIREMENTS

1. Please provide copies of June year-to-date financial, operating and/or statistical reports for 2006, 2007, 2008 and 2009 (when available).
2. Please provide copies of all presentations the Company made to rating agencies and/or investment firms between January 1, 2009 and the present.
3. Please provide copies of all studies the Company, its consultants or investment firms which the Company hired performed to assess: (a) Big Rivers' financial performance, (b) the performance of Big Rivers relative to other utilities, or (c) the adequacy of Big River's TIER, DSC and margins.
4. Please provide a copy of the Board of Directors minutes for the years 2007 to 2010.
5. Please explain in detail any major changes in accounting treatment for O&M expenses, retirements, replacements and removal costs instituted by the Company since the conclusion of Case No. 2007-00455 ("the Unwind Case").
6. Please provide a copy of each out-of-period accounting adjustment (i.e., journal entry) recorded during the test year, up through the present date, along with an explanation of each adjustment.
7. Please provide an analysis (description, dates and amounts) of any gains or losses on utility property sold from 2007 to date.
8. Provide the Company's Annual Reports filed with the Kentucky PSC from 2006 through 2010. If the 2010 report is not yet available, will the company agree to timely supplement its response hereto by providing a copy of the report when it is ready for filing?
9. Provide the monthly financial and operating reports for every month from January 2007 to the present.
10. Please supply a copy of Big Rivers' latest Ten-Year Load Forecast.
11. Please list all year end closing and adjusting accounting entries, both internal and those made by your external auditors for 2006 through 2010.
12. List each change in accounting principles made by the Company from 2005 to date. For each such change, state the revenue and/or expense or capital impact in this filing.
13. Please list all procedures the Company follows to ensure that there was a proper assignment

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of costs to the test period and that the test period only includes charges incurred during the test period.

14. Provide a copy of the Company's two most recent management letters and recommendations received from the Company's independent auditors.
15. List each internal audit completed, scheduled, or in progress at the Company from 2007 to date. For each, list the subject of audit, date of audit, date of report and title of report.
16. Provide a copy of the Company's most recent management and operations audit.
17. List each proposed pro forma entry which was considered in this filing but not made and state the reason(s) why the entry was not made.
18. State whether the revenue requirement includes any MISO-related or FERC costs. If so, explain in complete detail and provide figures, as needed.
19. Confidential information supplied in response to PSC 1-26 indicates CEO Mark Bailey received a ██████% salary increase during the test year. Moreover, his test year salary of \$██████ is approximately ██████% greater than the \$██████ he earned in 2007.
 - a. Provide a complete defense of such a massive increase in an era when many of BREC's customers are struggling to survive. Provide all documentation and studies justifying this increase;
 - b. Provide all rationale for why this information should remain confidential;
 - c. Provide a copy of the resolution of the Company's Board of Directors authorizing the CEO's salary increments for each of the past five (5) years; and
 - d. How does the company believe its ratepayers would react if it knew the CEO had received such a massive salary increase?
20. State whether the Company's revenue requirements include any MISO or FERC-related costs, fees, penalties, credits, or set-offs. If yes, identify exactly where in the filing they can be found.

Rate Base

21. Please provide an explanation of all items included in the following accounts (by subaccount if any) and provide the appropriate jurisdictional amounts for the years ended 2006 through 2010:
 - a. Other Accounts Receivable;
 - b. Accrued Utility Revenues;
 - c. Miscellaneous Deferred Debits;
 - d. Miscellaneous Current and Accrued Liabilities; and

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- e. Other Deferred Credits.
22. Please provide a comparison by month, or if not available, by quarter, of budgeted versus actual retirements for each month, from 2006 to date. Please explain any significant variations.
23. Customer Advances.
- a. What is the ratemaking treatment for customer advances proposed by the Company in its filing? Where is such proposal found in the filing?
 - b. Provide the monthly level of customer advances for the period December 2007 thru December 2009.
 - c. Provide the monthly interest expense paid by the Company on customer advances for the same period.
24. Customer Deposits.
- a. What is the ratemaking treatment for customer deposits proposed by the Company? Where is such proposal found in the filing?
 - b. Provide the monthly level of customer deposits for the period December 2007 thru December 2010.
 - c. Provide the monthly interest expense paid by the Company on customer deposits for the same period.
25. Customer Deposits.
- a. What is the contractual interest rate on customer deposits?
 - b. Identify the tariff or statute that establishes the interest rate.
 - c. Does the Company accrue interest on inactive customer deposits?
 - d. How often is interest on customer deposits paid?
 - e. Is interest on customer deposits paid by check, in the form of a bill credit, or credited as an addition to the customer deposit balance?
 - f. What is the Company's policy on customer deposits for collection, refund, and use as an offset against an uncollectible balance?
 - g. Provide a copy of the Company's policy(ies) relating to customer deposits.
26. For the test period and the preceding two 12-month periods, has the Company sold any property which had formerly been included in Plant Held for Future Use or devoted to utility service? If so, for each sale:
- 1. Describe the property sold;
 - 2. State whether, when and in what manner it had been included in rate base;
 - 3. Show the details of how the gain or loss was calculated;
 - 4. Indicate when the sale occurred;
 - 5. Explain how and whether the Company is amortizing such gain or loss, and if so, show how such amortization was computed.

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27. The following questions are related to the Company's policies regarding accounting for CWIP, plant in service and depreciation:
- a. For each item of CWIP which the Company has transferred into utility plant in service for purposes of this filing, has a full 12 months of depreciation expense been included in the cost of service?
 - b. For each item of CWIP which the company has transferred into utility plant in service for the purposes of this filing, has an amount representing a full 12 months of depreciation expense been added to the total accumulated depreciation by which rate base is reduced?
28. For plant construction projects representing plant additions costing more than \$1 million added during 2006 - to date, please state the following:
- a. Description of project.
 - b. Any economic feasibility studies done regarding the project.
 - c. Any related cost savings achieved as a result of adding the addition.
 - d. Whether the project was for replacement, for new growth, environmental, or other.
 - e. Description of why the project was necessary.
29. Explain in detail the Company's procedure for accruing AFUDC and provide examples of AFUDC accrued from 2006 to date. Discuss specifically how the Company computes the AFUDC rate, and computes AFUDC monthly. Show examples of each calculation. Also provide references to PSC Orders which authorize or approve the calculation methods used by the Company.
30. Identify how much of the Company's materials and supplies balance at from 2007 to date is related to construction activities.

Expenses

31. Please provide a copy of the Company's five-year (or shorter if 5 years is not prepared) operating, maintenance, and capital budgets prepared for each year from 2007 to the most recent available.
32. For the budgets supplied in response to the preceding question, please provide a description of all variations from actual expense levels which are due to known and certain changes, providing supporting documentation. Indicate all variations from actual levels which result from the application of inflation or escalation factors. In those instances where inflation or escalation factors were utilized, explain the derivation of the factors used in each case. If a single factor was used, a summary description will suffice.

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33. Please indicate, if known and quantifiable, any anticipated changes in jurisdictional allocation factors and the impacts thereof on the test period in this case.
34. Indicate the number of, and expenses related to, temporary or seasonal employees included in jurisdictional expenses from 2007 to the present.
35. Please provide a schedule showing the percentage of increase in salaries and wages for both union and non-union employees for the test period and the three preceding 12-month periods. Break out non-union employees between CEO, executives making more than \$150,000 and management making less than \$150,000.
36. Please provide jurisdictional totals and amounts by payee, and an explanation of the services provided, for all amounts charged to outside services during the years 2007 through 2010.
37. Please provide copies of any studies or analyses prepared by or for the Company regarding the level of the Company's wages compared to the wages paid by other utilities, service companies, or any other entity.
38. Please provide the FICA wage base dollars included in total wages paid for the years 2007 to 2010.
39. Please provide the FICA wage base for the test period and explain its derivation.
40. Please provide the percent of wages, employee benefits, overheads by type, employment taxes and other expenses charged to O&M on the basis of labor dollars (by the various labor categories, if possible) for the years 2007 to 2010. Please indicate the causes of any differences between the percentages if over 3 percent from year to year.
41. State whether the filing includes any provision for corporate performance awards. If so, list the dollar amount for each program. Identify into which accounts and in what amounts it has been accrued.
42. Does overtime include normal pay plus premium or just premium? Identify the level of premium pay for the years 2007 to 2010.
43. Please provide a copy of any Company labor productivity analyses which have been performed during the past three years.
44. Please provide a copy of the Company's most recent pension plan and post-retirement benefits actuarial studies.
45. With regard to pension expense:
 - a. Please provide the most recent actuarial study.

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- b. Please identify the amount of pension expense included for the years 2007 to 2010. Please provide workpapers showing the derivation of these amounts.
 - c. Please state whether the pension expense provided in part b, includes interest charges or earnings based on the time of payment. If yes, please identify the amount and provide workpapers or supporting documentation.
 - d. Please state the frequency with which pension contributions are made and the relationship of the payment date(s) to the period for which the contribution is being made. If the pension contributions are paid to the parent or service company, please identify both Company payment date(s) and the date(s) on which the contribution is actually made by the affiliate.
 - e. Please identify where pension expense has been included in the last working capital study and how the pension contribution date was recognized in determining the lag days for that category.
 - f. Please describe and quantify the effects FASB 87, 88 and 158 had on the pension plans for the Company for the years 2007 to 2010.
46. What rate of interest is the Company currently earning on its pension plan fund balance?
47. Has the Company considered reducing the amount of post retirement health care, dental and life insurance coverage? If yes, provide details of any proposed reductions. If no, provide an explanation of why not.
48. Provide a complete copy of any and all actuarial reports prepared by or for the Company during the past three years concerning the cost of post retirement benefits other than pensions.
49. Post Retirement benefits other than pensions (OPEB's).
- a. Please provide complete workpapers showing the derivation of OPEB expense for the years 2007 to 2010.
 - b. Please show all assumptions and the basis of all calculations.
50. List expense amounts for workers compensation insurance and claims for each year 2007 to 2010. Indicate in which expense accounts these items are recorded.
51. Please state whether any amounts have been booked during the test period by the Company for the liability created pursuant to any employment severance compensation agreements.
52. Please list all steps the Company has taken to reduce the cost of medical insurance.
- a. Does the Company's insurance coverage require a coordination of benefits and, if so, how does it function?

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- b. Does the Company plan require a co-pay percentage by the employee? If so, what is the percentage and has it increased over the past three years? State the various levels over the past three years.
53. Provide the following information for the total company operations. If any amounts were allocated, show a calculation of the factor used to allocate each amount.
- a. An analysis of Miscellaneous General expenses for the test period. Include a complete breakdown of this account, including industry association dues, stockholder and debt service expenses, institutional advertising, conservation advertising, rate department load studies, director's fees and expenses, dues and subscriptions, and miscellaneous expenses. Provide detailed workpapers supporting this analysis. At a minimum, the workpapers should show the account number, date, vendor, reference (i.e., voucher no., etc.), dollar amount, and brief description of each expenditure of \$500 or more.
 - b. An analysis of Other Income Deductions for the test period. Include a complete breakdown of this account including donations, civic activities, political activities and other, and provide detailed workpapers supporting this analysis. At a minimum, the workpapers should show the account number, date, vendor, reference (i.e., voucher no., etc.), dollar amount, and brief description of each expenditure of \$500 or more.
54. Provide a detailed analysis of expenses incurred during the test period for professional services, including legal, engineering, accounting and other, and provide all workpapers supporting the analysis. At a minimum, the workpapers should show the payee, dollar amount, reference (i.e., voucher no., etc.), account charged, hourly rates and time charged to the company according to each invoice, and a description of the services provided.
55. Provide a detailed analysis of contributions for charitable and political purposes (in cash or services), if any, recorded in accounts other than Other Income Deductions. Show the amount of the expenditure, the recipient of the contribution, and the specific account charged. If amounts are allocated, show a calculation of the factor used to allocate each amount. Detailed analysis is not required for amounts less than \$100, provided the items are grouped by classes.
56. Describe Big Rivers' lobbying activities and provide a schedule showing the name, salary, affiliation, all company-paid or reimbursed expenses or allowances, and the account charged for each individual whose principal function is lobbying on the local, state, or national level. If any amounts are allocated, show a calculation of the factor used to allocate each amount.
57. List each athletic and employee association to which the Company contributes, the associated amounts for the test period and preceding year and the accounts charged. State how the Company has treated these expenses in the test period.

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58. List the dollar value of discounts for service and merchandise the Company provides to employees.
 - a. Provide these amounts for the test period;
 - b. Show in what accounts and amounts such expense was recorded; and
 - c. What employees are eligible to receive such discounts?
59. List all Company owned automobiles, other than service vehicles, and state the Company's policy for charging employees for the personal use of these automobiles and the Company policy of reporting the personal usage of these automobiles for Federal income tax purposes.
60. Does the Company maintain any recreational sites for the use of the public and/or Company employees? If so, please:
 - a. Identify each site and the type of recreational facility.
 - b. State whether each site is for public use or exclusively for employee use.
 - c. For each site identified in (a) above, state the amount of expense incurred during the test period to maintain it.
61. For the test period list all payments made for employee gifts, employee awards, employee luncheons and dinners, employee picnics and all other similar type items. For each, list the dollar amount paid, the payee, the account charged and state the purpose. Provide copies of invoices which exceed \$2500.00.
62. Identify all expenses incurred during the test period for athletic events, tickets, sky boxes and all sporting activities.
 - a. Specifically identify the activity, dollar amount and account charged.
 - b. Provide copies of paid vouchers and invoices supporting these expenditures.
63. With regard to research and development (R&D) expenditures, please provide:
 - a. A monthly breakdown of the R&D expenses by project included for the years 2007 to 2010.
 - b. A comparison of actual vs. budgeted expenditures for 2007 to 2010.
 - c. A detailed explanation of the causes of any increase in expenditure levels from 2005 to 2006; 2006 to 2007; 2007 to 2008; 2008 to 2009; and 2009 to 2010. State why any and all such increases were necessary and reasonable.
 - d. A summary description of each of the R&D projects identified and the benefit to be derived by ratepayers.
 - e. Please provide the costs by project for each year of 2007 to 2010.
64. With regard to R&D projects, do the Company's regulated operations realize any royalties,

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profits from commercialization, or other forms or reimbursement or funding? If yes, please identify the amounts of all such items in the years 2007 to 2010.

65. With regard to all capital and expense accounts included in the filing, please provide:
- a. A monthly breakdown of the expense by capital project and/or expense account included in the years 2007 to 2010.
 - b. A comparison of actual vs. budgeted expenditures in the years 2007 to 2010.
 - c. A detailed explanation of the causes of any increase in expense levels from 2005 to 2006; 2006 to 2007; 2007 to 2008; 2008 to 2009; and 2009 to 2010 and why any and all such increases were necessary and reasonable.
 - d. A summary description of each of the capital projects identified and the benefit to be derived by ratepayers.
 - e. Please provide the costs by project for the years 2007 to 2010.
66. Please provide a detailed analysis of all charges booked during the test period for advertising expenditures. Include a complete breakdown, including but not limited to these categories: (a) sales or promotional; (b) institutional; (c) conservation related; (d) rate case; and (e) other. The analysis should specify the account charged, the purpose of the expenditure and the expected benefit to be derived.
67. For each advertising expense over \$5,000 recorded by the Company during the test period, state the payee, amount, date and purpose. Also provide a copy of the associated invoice and a copy of (or if a non-print ad, the text of) each advertisement.
68. Are there any advertising costs being incurred by the Company which cannot be identified with a specific advertisement? If so, please itemize and describe each such cost, and list the associated amounts in the years 2007 to 2010.
69. Breakdown the Company's advertising expense for the test period into its components, i.e., labor, overhead, materials and fees to agencies, etc.
70. Does the Company have any studies as to the effectiveness of its advertising and marketing programs? If so, describe by name, date and contents each study the Company has. Provide a copy of all such studies in the last three years.
71. Please list the trend in advertising expense per dollar of revenue for the period 2005 to 2010. If the Company has not made this calculation, please supply the information necessary to make it.
72. Please provide a listing of and a copy of any and all Commission Orders the Company has reviewed or relied upon in preparation of its filing in this case concerning the ratemaking treatment of costs for each distinct type of advertising expense it incurs, including but not limited to these categories: (a) sales or promotional, (b) institutional, (c) conservation

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- related, (d) rate case, and (e) other.
73. List any antitrust expense included in the test period.
 74. Does the Company's proposed rate increase include any claim for attrition or suppression of sales?
 - a. If so, please reference where this is presented.
 - b. Provide a complete copy of any and all attrition studies or analyses prepared by or for the Company during the period 2006 through 2007.
 75. List and describe in detail any cost-saving programs implemented 2005 through the present.
 - a. For each program listed in response to this request, show the anticipated and achieved savings. Include calculations of savings amounts and explain any assumptions used in such calculations.
 - b. Provide the cost-benefit analyses for each such program.
 - c. Show the impact of any such cost-saving programs on the test period.
 76. Provide a complete explanation of any and all expense reduction goals (cost savings programs) the Company had concerning the development of the budgets in the years 2005 to 2010.
 77. List for the test period, the amount of country club initiation fees, annual dues and expenses which were paid and to what account these fees were charged.
 - a. For each payment list the individual whose name the membership is in or who uses the club, his (her) title, and name of the country club.
 78. Provide a copy of the Annual Report of EEI and every other organization of which Company was/is a dues-paying member during in the years 2007 to 2010.
 79. Provide a copy of the formula used to compute, and the actual calculation of the Company's EEI dues in the years 2007 to 2010. Also, provide a complete copy of invoices received from EEI for dues for these years.
 80. Please provide any documents in the Company's possession that show how EEI spends the dues it collects, including the percentage that goes to legislative advocacy, legislative policy research, regulatory advocacy, regulatory policy research, advertising, marketing, utility operations and engineering, finance legal, planning and customer service, and public relations.
 81. Has the Company included in test period operating expense any amount for EEI Media Communications? If so, state the amount, indicate in which account this has been recorded,

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and provide a citation to any and all Commission Orders or other authority upon which the Company is relying for the inclusion of such expense in the test period.

82. Is the Company relying upon any NARUC reports or other studies for the exclusion from or inclusion in rates of a portion of its EEI dues? If so, please provide a copy of such report and indicate how the report's recommendations have been included in its filing.
83. List all travel and entertainment expenses incurred in the test period by Company employees in relation to EEI and other industry association activities. Show accounts, amounts, descriptions, person, job title and reason for the expense. Provide a copy of employee time and expense reports and invoices documenting such expenses.
84. Do any of the Company's personnel actively participate on Committees and/or any other work for any industry organization to which the Company belongs?
 - a. If so, state specifically which employees participate, how they are compensated for their time (amount and source of compensation), and the purpose and accomplishments of any such association related work.
 - b. List any and all reimbursements received from industry associations, for work performed for such organizations by Company employees.
85. Please provide copies of all expense reports (or similar documents) which exceed \$1,000 which Company officers submitted for reimbursement of business or personal expenses in the years 2007 to 2010.
86. For each injury and damage claim settled in the years 2007 to 2010, in which the settlement exceeded \$10,000, list by year each such claim, the basis for the claim, the dollar amount of the claim paid and the associated legal fees. Please include in your response the amount of injuries and damages expense for each of the last three years.
87. Itemize each component of insurance expense included in the test period, and provide comparative information the amount of injuries and damages expense in the years 2007 to 2010. Indicate the accounts and amounts in which each item of insurance expense is recorded.
 - a. For any component of the Company's insurance expense which has fluctuated by more than 10% or \$10,000 from one year to the next, provide an explanation as to the cause of such fluctuation.
88. Itemize the legal services expenses included in the years 2007 to 2010 for rate case- related work. For each distinct item state: payee; amount; account; purpose; docket, case, or proceeding reference; and describe briefly the nature of the case or legal service received.
89. Please itemize the amount of non-rate case legal expense for 2006 to date. For each distinct

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item over \$5,000 show payee, amount, account and indicate what services were performed and what the subject matter of the services was.

- a. Provide copies of all invoices which exceed \$10,000. This should be the complete document including a detailed description of work performed.
90. List all fees during the years 2008 to 2010, and during the test period, for maintaining lines of credit. List such fees for each line of credit which the Company maintains. Indicate in which account such fees are recorded.
 91. Does the Company employ a fringe-benefit or overhead factor to assign overhead costs to specific projects? If so, state what these factors were in the years 2007 to 2010 and show in detail how they were calculated.
 92. List and describe all maintenance programs and expenses which have been deferred into the test period from prior years, and for each item, explain the Company's reason for such deferral.
 93. List all merchandise-related revenue, expense and rate base items included in the test period by account and amount.
 94. List each abnormal or non-recurring charge or credit which occurred in the years 2007 to 2010, which exceeded \$10,000.00.
 - a. For each such charge or credit, state the basis and dollar amount of each.
 - b. Provide copies of invoices, journal entries or other documentation to support each such abnormal or non-recurring item.
 95. Itemize all expenses over \$5,000 recorded by the Company in the years 2007 to 2010 for General Office Expense. For each, state the payee, amount, date, purpose and subaccount. Also provide a copy of the associated invoice for amounts over \$10,000.
 96. List by account the Company's annual O&M expenses for the ten years ending in 2010. For each account having a variance over the prior year exceeding 10%, explain the cause of such variance, listing and describing each significant causative item and the associated dollar amount.
 97. List and describe any and all penalties and fines in the test period and the preceding three calendar years. Indicate in which account all such items were recorded.
 98. List all productivity savings expected to be realized by the Company as a result of increased employee experience.

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99. List each facility, location and asset which is included as rental expense. For each item include a description, the annual or monthly rental rate, the account and amount included in the base and test period expense.
100. Provide detailed support for any Management Fees included in the filing. Provide this in Microsoft Excel or compatible format. Include total charges incurred by each corporate department and the amount each of these departments allocated to Kentucky regulated operations. Also include the number of employees in each department and the method used to allocate charges for each department.

II. DEPRECIATION

101. Please identify, describe fully, and provide full documentation of any capital or maintenance plans or programs that the Company has undertaken or is considering undertaking that will extend or shorten the life of any of its electric plant.
102. Please identify, describe fully, and provide full documentation of any changes in the definition of plant units subject to capitalization that the Company has adopted during the last 20 years.
103. Please identify, describe fully, and provide full documentation of any changes in the definition or treatment of salvage or removal/dismantlement costs that the Company has adopted during the last 20 years.
104. Please provide the calculation of the current depreciation rates (or those used to calculate the test period depreciation expense, if different) in electronic format (Excel) with all formulae intact. Show all parameters used (i.e., ASL, curve, remaining life, net salvage ratio), and provide a source for those parameters. Please explain any differences in the parameters or rates from those that were ordered when the rates were adopted.
105. Does the Company maintain its book reserve by plant account? If not, explain why not and explain how the book reserves were determined for use in calculating the current depreciation rates.
106. Please provide the current depreciation rates, split into three separate components: capital recovery, gross salvage and cost of removal.
107. Please provide any and all internal studies and correspondence from 2006-2010, inclusive, concerning FASB Statement No. 143, FIN 47 and FERC Order No. 631 in RM-02-7-000.
108. Please provide complete copies of all correspondence with the following parties from 2006-2010, inclusive, regarding FASB Statement No. 143, FIN 47 and FERC Order 631 in RM02-7-000:

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- a. External auditors and other public accounting firms,
 - b. Consultants,
 - c. External counsel (if not privileged),
 - d. Federal and State regulatory agencies, and
 - e. Internal Revenue Service.
109. Regarding FASB Statement No. 143, FIN 47, and FERC Order No. 631 in Docket No. RM02-7-000, on a plant account-by-plant account basis, please identify any and all “legal obligations” associated with the retirement of the assets contained in the account that result from the acquisition, construction, development and (or) the normal operation of the assets in the account. For the purposes of this question, please use the definition of a “legal obligation” provided in FASB Statement No. 143: “an obligation that a party is required to settle as a result of an existing or enacted law, statute, ordinance, or written or oral contract under the doctrine of promissory estoppel.”
110. For any asset retirement obligations identified above, please provide the “fair value” of the obligation. For the purposes of the question, fair value means “the amount at which that liability could be settled in a current [not future] transaction between willing parties, that is, other than in a forced or liquidation transaction.” Please provide all assumptions and calculations underlying these amounts.
111. Please provide the “credit adjusted risk free rate” used for any and all ARO calculations under FASB Statement No. 143, FIN 47, and FERC Order No. 631 calculations to date.
112. Please provide complete copies of all Board of Director’s minutes and internal management meeting minutes from 2006-2010, inclusive, in which any or all of the following subjects were discussed: the Company’s electric plant depreciation rates; retirement unit costs; SFAS No. 143; FIN 47; and, FERC RM02-7-000.
113. Please provide all accounting entries (debits and credits) relating to SFAS No. 143 and FIN 47, along with all workpapers supporting those entries. Please provide all these workpapers and calculations in electronic format (Excel) with all formulae intact.
114. Provide an analysis of the regulatory liability for accrued asset removal costs since inception identifying and explaining each debit and credit entry and amount.
115. Provide the Company’s projection of the annual year-end balance in the regulatory liability for cost of removal obligations for the next 20 years. If not available for the next twenty years provide for as many years into the future that the projection is available. If this projection has not been made, please explain why not. Please provide in electronic format (Excel) with all formulae intact.

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- a. For this projection assume that all of the Company's current depreciation rates are continued in use.
 - b. Explain all other assumptions used to make this projection.
116. For all accounts for which the Company has collected non-legal AROs, but instead recorded a regulatory liability (regulatory liability for cost of removal), please provide the fair value of the related asset retirement cost as of December 31st for each of the years 2005 to 2010. For the purposes of this question, assume that the Company has legal AROs for these accounts, and use the life and dispersion assumptions reflected in the current depreciation rates.
117. Provide the calculation of the annual amount of future gross salvage, cost of removal and net salvage incorporated into the Company's existing depreciation rates. If any of the amounts are reduced by the total amount of non-legal AROs included in year-end accumulated depreciation, show that calculation.
118. Are the amounts of cost of removal and gross salvage incorporated into the existing and proposed depreciation rates the same as they would have been in the absence of SFAS No. 143 and FIN 47? Please explain.
119. Does the Company commit to remove each asset for which it is collecting cost of removal and does it commit to spend all of the money it is collecting for cost of removal, on cost of removal? If the answer is yes, explain why the Company does not have legal AROs under the principal of promissory estoppel. Please explain.
120. Please identify and describe the level of detail, e.g. by account, functional category, at which the Company computes the depreciation expense for purposes of financial reporting, Commission reporting, and ratemaking. Explain fully any differences among these three depreciation calculations.

III. RATE DESIGN

121. Please provide a copy of the most recent Company class load study including all supporting tables, schedules, and data.
122. Please provide all weather-related data for all weather stations in the Company's possession (whether utilized or not in this case) in electronic format. Please provide in Microsoft Excel format if available. If not available in Excel format, please provide in ASCII, common delineated or fixed field format with all fields labeled or identified. In this response, include all weather stations for which data is available, all periods in which data is available, and all weather characteristics available (e.g., HDD, CDD, Max Temp, Min Temp, etc.).

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123. Please identify the weather station(s) utilized by Mr. Seelye to conduct his weather normalization analyses.
124. With regard to Seelye Exhibit 10, please provide all input data (as selected) for each model in electronic format. Please provide in Microsoft Excel format if available. If Excel format is not available, please provide in ASCII common delineated or field format with all fields labeled or identified.
125. With regard to Seelye KU Exhibit 10:
- a. Please provide the Exhibit in executable Excel format (include all linked files); and,
 - b. Using month 7 (2010) as an example, please explain in detail how the "CDD" value of 496 was obtained as well as how the coefficient value of 194,822.6 was obtained. In this response, please also explain how the load data sample was applied to the entire class (population).
126. In conducting any weather normalization regression analyses, please explain whether Mr. Seelye utilized the entire sample load research data available, or a subset of all sampled load research data observations (customer). If a subset of the total sampled load research data was utilized, please explain and provide all analyses showing how the selected sample reasonably reflects the usage characteristics of the class.
127. With regard to Mr. Seelye's Exhibit 10, please provide the following:
- a. a copy in executable Excel format (include all linked files);
 - b. all the workpapers spreadsheets, source documents, etc. that support the amounts, assumptions and calculations incorporated therein; and,
 - c. an explanation of what is represented therein and how these determinations are specifically used by the Company.
128. Discuss in full the revenue impact the company expects to realize by changing from a non-coincident peak for the rural class to a coincident peak.