

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

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

COMMISSION STAFF'S SECOND 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 July 11, 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. State if any other PP&L subsidiaries have offered similar lump sum pension payment programs.

a. Identify those subsidiaries that have and when the payments were made.

b. Provide the take rates for each of the subsidiaries.

2. Provide the total cash outlay for each plan based for the take rates shown in Exhibit D of the application.

3. State if the election kit provides a comparison of the participant's lump sum payment with the total annuity payments a participant would receive at certain ages, for example, at the average life expectancy for a male or female. If so, provide an example of the comparison.

4. Refer to page 14 of the presentation made to Commission Staff on June 19, 2013 which shows illustrative actual lump sum payments to members of the LG&E Union Plan.

a. Provide a similar example for members of the non-union plan.

b. Provide illustrative calculations of the monthly accrued benefit amount and lump sum amount for members of each plan.

5. Refer to the response to Commission Staff's First Request for Information, Item 7. Provide the current status of Mercer's progress to complete the actual announcement letter and election kits. Provide examples of each if there have been changes to the examples previously submitted.

6. What is the minimum age that Terminated Vested Employees can begin to receive their annuities if they choose to not participate in the lump sum payment option?

7. Refer to Exhibit D, pages 1 and 2.

a. For a take rate of 60 percent, provide the amount of the \$7.5 million settlement charge for the union plan that currently is recognized as a regulatory asset.

b. Provide the amount that is sought to be prospectively included as a regulatory asset that is reflected in the \$7.5 million amount.

c. For a take rate of 60 percent, will the \$0.7 balance sheet impact amount shown on page 2 be included as a regulatory asset?

d. Provide the current regulatory asset account balance for pension plans by company and plan, and the proposed regulatory asset account balances by company and plan assuming a 60 percent take rate for the lump sum payment.

8. Provide the amount of annual pension expense savings at a 60 percent take rate.

9. Explain why the non-union plan does not reflect any settlement charge until a take rate of 100 percent is attained.

10. Refer to paragraph 37 of the application which states: "The actual amount that is paid to participants in excess of the booked liability, based on a one-hundred-percent take rate, is not expected to exceed approximately \$0.8 million for the LG&E Union Plan and \$1.2 million for the LG&E and KU Retirement Plan." Confirm that the maximum additional regulatory asset to be recorded is \$0.8 million for the union plan and \$1.2 million for the non-union plan, for a total of \$2.0 million.



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DATED JUL 01 2013

cc: Parties of Record

Case No. 2013-00171

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