

COMMONWEALTH OF KENTUCKY
BEFORE THE KENTUCKY PUBLIC SERVICE COMMISSION

RECEIVED

In the Matter of:

APPLICATION OF KENTUCKY)
UTILITIES COMPANY FOR AN)
ADJUSTMENT OF BASE RATES)

CASE NO. 2009-00548

APR 02 2010
PUBLIC SERVICE
COMMISSION

SUPPLEMENTAL DATA REQUEST

The Kentucky Cable Telecommunications Association (“KCTA”) hereby submits the following supplemental data request to Kentucky Utilities (“KU”).

29. You indicated in response to KCTA’s initial data request No. 13 that the data in Seelye Exhibit 8 was obtained from the company’s records as of November 30, 2009, not October 31, 2009.

a. Please provide a new version of Seelye Exhibit 8, recalculated to reflect October 31, 2009 data.

b. In response to initial data requests, you provided KCTA with data dated October 31, 2009, for KU Accounts 364, 365, 369, and 593. Please confirm that this data in fact reflects October 31, 2009 figures. Please provide the relevant additional data to the extent it does not reflect October 31, 2009 figures.

30. Are the costs of minor appurtenances (as defined in KCTA initial data request No. 6) excluded from the KU pole-cost figures used in Seelye Exhibit 8? If they are excluded, please show your calculations deducting them from pole costs and/or demonstrate where the costs for such minor appurtenances are separately recorded in the continuing property records for Account 364 or other KU accounts.

31. Please explain (separately for each item) the basis for KU to have applied the “rate of return,” “depreciation-sinking fund,” and “income tax” components of its carrying charge (*see* Seelye Exhibit 8 page 2) to gross pole costs without netting those figures to reflect depreciation.

32. Please explain the derivation of the \$227,809,902 “Plant in Service – Account 364” figure listed at page 3 of Seelye Exhibit 8. Please justify the use of this number, instead of the \$244,022,288 figure listed in Account 364 as of October 31, 2009, or the \$249,862,383 figure listed in Account 364 as of December 31, 2009, as reflected in KU’s Response to initial data request No.1.

33. Please explain why it is appropriate to use a “Composite Federal and State Income Taxes Rate” of 36.93% in calculating the carrying charge (*see* Seelye Exhibit 8 page 2) when KU elsewhere states that the company’s effective tax rate for 2009 was 33.5% (*see* KU Response to AG Question No. 48).

34. In response to KCTA initial data request No. 18, you described KU’s 0.22% “Property Tax and Insurance” figure as a “conservative estimate.” Please explain how that estimate is derived and provide the data necessary to derive it. Please explain why KU chose to use the estimate in calculating its attachment rate.

35. Please explain in detail how you derived the \$225,691 figure for “Labor Charged to 593001” at the top of page 3 of Seelye Exhibit 8. Is this the figure produced by calculating the sum of all entries denominated “Labor Cost” in the “GL Journal Name” column of Account 593001? If not, please explain how “Labor” costs were isolated and provide all back up materials and documentation.

36. Please explain in detail how you derived the \$635,116 figure for “Tree Trimming” included under the labor costs listed at the top of page 3 of Seelye Exhibit 8. Is this the figure produced by calculating the sum of all entries denominated “LABOR” in the “Description” column of Account 593004? If not, please explain how the figure was derived and provide all back up materials and documentation.

37. Please fully explain all bases on which you believe it is appropriate to rely on the percentages of two-user and three-user poles on LG&E’s system as determined in 2002.

38. Please provide the number of KU distribution poles and the number of third-party attachments to KU distribution poles as of year-end 2002 and 2009.

39. Please provide the number of KU two-party and three-party distribution poles the last time they were counted by KU, and the year of such count.

40. Please provide the number of two-party and three-party poles billed by KU for 2009.

41. Generally, please provide all data and backup documentation required to derive all figures discussed by you in your responses to these supplemental requests. Please provide all data in manipulable electronic form, such as Microsoft Excel spreadsheets.

Respectfully submitted,

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CERTIFICATE OF SERVICE

This is to certify that a true and correct copy of the foregoing was served upon the following, by U.S. Mail, postage prepaid, on this the 2nd day of April, 2010

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