

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF KENTUCKY UTILITIES) CASE NO.
COMPANY FOR AN ADJUSTMENT OF) 2012-00221
ITS ELECTRIC RATES)

APPLICATION OF LOUISVILLE GAS AND ELECTRIC)
COMPANY FOR AN ADJUSTMENT OF ITS)
ELECTRIC AND GAS RATES, A CERTIFICATE) CASE NO.
OF PUBLIC CONVENIENCE AND NECESSITY,) 2012-00222
APPROVAL OF OWNERSHIP OF GAS SERVICE LINES)
AND RISERS, AND A GAS LINE SURCHARGE)

JOINT RESPONSE OF
KENTUCKY UTILITIES COMPANY
AND
LOUISVILLE GAS AND ELECTRIC COMPANY
TO
INFORMATION REQUESTED AT HEARING
DATED NOVEMBER 27, 2012

FILED: DECEMBER 4, 2012

VERIFICATION

COMMONWEALTH OF KENTUCKY)
) SS:
COUNTY OF JEFFERSON)

The undersigned, **Kent W. Blake**, being duly sworn, deposes and says that he is Chief Financial Officer for Kentucky Utilities Company and Louisville Gas and Electric Company and an employee of LG&E and KU Services Company, and that he has personal knowledge of the matters set forth in the responses for which he is identified as the witness, and the answers contained therein are true and correct to the best of his information, knowledge and belief.

Kt W B Blake
Kent W. Blake

Subscribed and sworn to before me, a Notary Public in and before said County and State, this 4th day of December 2012.

Paul A. Henry (SEAL)
Notary Public

My Commission Expires:

7/21/2015

VERIFICATION

COMMONWEALTH OF KENTUCKY)
) SS:
COUNTY OF JEFFERSON)

The undersigned, **Chris Hermann**, being duly sworn, deposes and says that he is Senior Vice President, Energy Delivery for Kentucky Utilities Company and Louisville Gas and Electric Company and an employee of LG&E and KU Services Company, and that he has personal knowledge of the matters set forth in the responses for which he is identified as the witness, and the answers contained therein are true and correct to the best of his information, knowledge and belief.

Chris Hermann

Subscribed and sworn to before me, a Notary Public in and before said County and State, this 3rd day of December 2012.

Notary Public

(SEAL)

My Commission Expires:

7/31/2015

VERIFICATION

COMMONWEALTH OF KENTUCKY)
) SS:
COUNTY OF JEFFERSON)

The undersigned, **Lonnie E. Bellar**, being duly sworn, deposes and says that he is Vice President, State Regulation and Rates for Louisville Gas and Electric Company and Kentucky Utilities Company and an employee of LG&E and KU Services Company, and that he has personal knowledge of the matters set forth in the responses for which he is identified as the witness, and the answers contained therein are true and correct to the best of his information, knowledge and belief.

Lonnie E. Bellar
Lonnie E. Bellar

Subscribed and sworn to before me, a Notary Public in and before said County and State, this 4th day of December 2012.

Sean A. Murray (SEAL)
Notary Public

My Commission Expires:

7/21/2015

**KENTUCKY UTILITIES COMPANY
LOUISVILLE GAS AND ELECTRIC COMPANY**

**CASE NO. 2012-00221
CASE NO. 2012-00222**

**Joint Response to Information Requested at Hearing
Dated November 27, 2012**

Question No. 1

Responding Witness: Lonnie E. Bellar

Q-1. By company, provide the number of customers taking service under the Small Capacity Cogeneration Qualifying Facilities (“SQF”), Large Capacity Cogeneration Qualifying Facilities (“LQF”), Net Metering Service (“NMS”) and Low-Emission Vehicle (“LEV”) rate schedules.

A-1. See the table below for the requested information

	KU	LG&E
Rider SQF	3	0
Rider LQF	1	0
Rider NMS	48	111
Rate LEV	2	2

**KENTUCKY UTILITIES COMPANY
LOUISVILLE GAS AND ELECTRIC COMPANY**

**CASE NO. 2012-00221
CASE NO. 2012-00222**

**Joint Response to Information Requested at Hearing
Dated November 27, 2012**

Question No. 2

Responding Witness: Lonnie E. Bellar

- Q-2. Provide the date when the Companies' potential or market characterization study as ordered in Case No. 2011-00375 will be complete.
- A-2. The Companies anticipate receiving the Energy Efficiency Potential Study from the consultant by the end of September 2013. The Companies will file a copy of the final report with the Commission 30 days after it is final, in accordance with Ordering Paragraph No. 5 of the May 3, 2012 Order.

**KENTUCKY UTILITIES COMPANY
LOUISVILLE GAS AND ELECTRIC COMPANY**

**CASE NO. 2012-00221
CASE NO. 2012-00222**

**Joint Response to Information Requested at Hearing
Dated November 27, 2012**

Question No. 3

Responding Witness: Chris Hermann

- Q-3. Based upon the National Weather Service's classification as referenced to on page 9 of the Direct Testimony of Chris Hermann, provide the number of wind events that occurred during 2011 in LG&E's and KU's service territories.
- A-3. According to the NOAA National Weather Service, there were 767 wind events in Kentucky in 2011 with wind gusts at 58 mph or greater. The website with this data does not indicate the exact location of the events; therefore the number that occurred within LG&E's and KU's service territories is not readily available. However, as the Companies' service territories are dispersed widely throughout Kentucky, the number and the trend of increasing wind events is generally indicative of this weather impact to the LG&E and KU electric distribution system infrastructure.

**KENTUCKY UTILITIES COMPANY
LOUISVILLE GAS AND ELECTRIC COMPANY**

**CASE NO. 2012-00221
CASE NO. 2012-00222**

**Joint Response to Information Requested at Hearing
Dated November 27, 2012**

Question No. 4

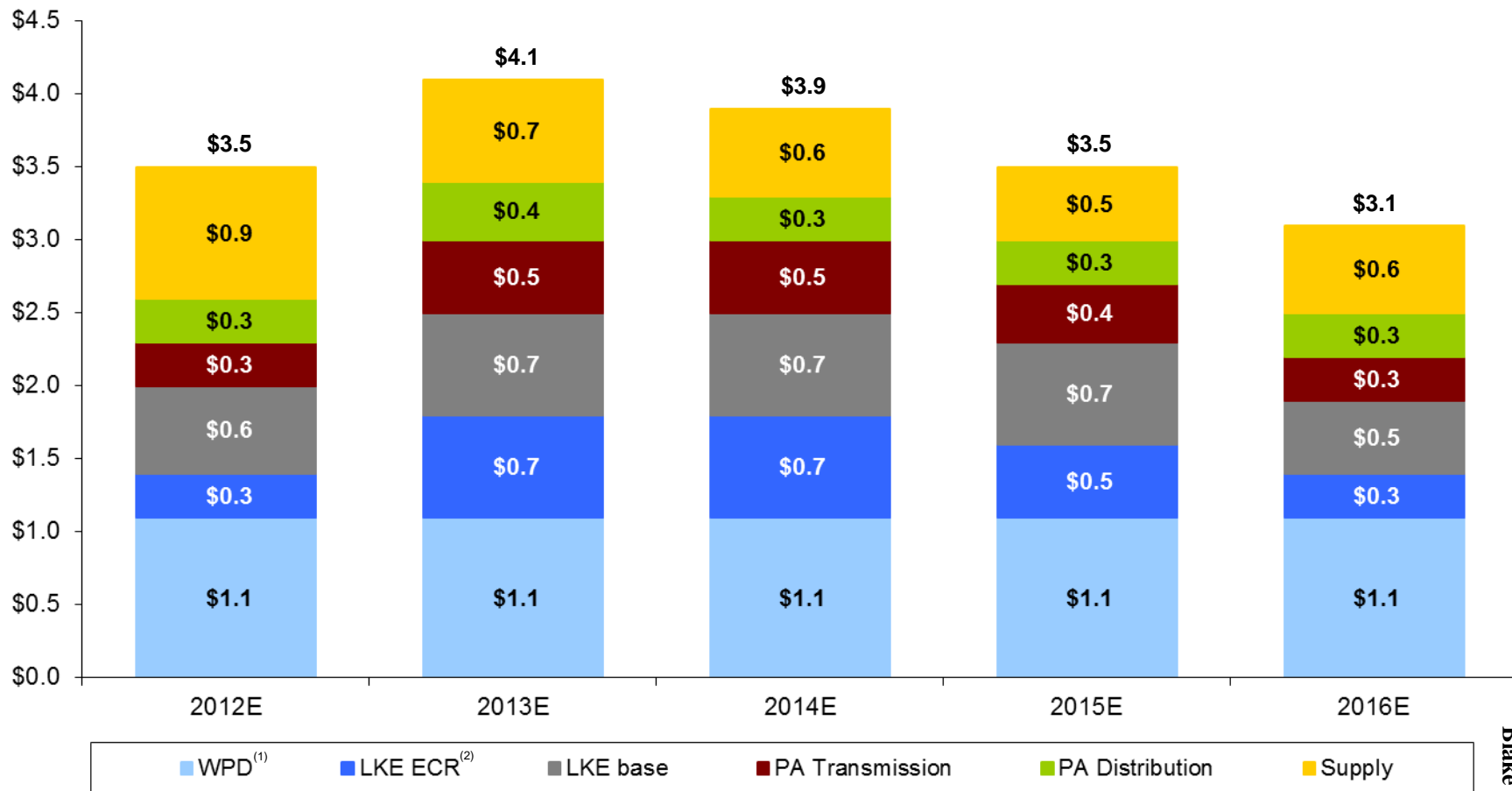
Responding Witness: Kent W. Blake

- Q-4. Refer to Exhibit 10 of the Direct Testimony of Kent Blake. For each company, update Exhibit 10 to reflect any changes that were subsequently reported in LG&E's and KU's Form 10-Q filings.
- A-4. See the attached 3rd quarter PPL analyst presentation capital expenditures slide and supporting tables.

Capital Expenditures

Lower capital expenditures provide additional financial flexibility

(\$ in billions)



(1) Includes capex for WPD Midlands. Figures based on assumed exchange rate of \$1.57 / GBP.

(2) Expect between 80% and 90% to receive timely returns via ECR mechanism based on historical experience and future projections.



KU's current capital expenditure projections for the years 2012 through 2016

	Projected				
	2012	2013	2014	2015	2016
Construction Expenditures					
Generating facilities	\$ 135	\$ 177	\$ 218	\$ 175	\$ 78
Distribution facilities	81	95	86	103	100
Transmission facilities	57	49	53	43	40
Environmental	243	331	387	264	106
Other	20	21	21	24	22
Total	<u>\$ 536</u>	<u>\$ 673</u>	<u>\$ 765</u>	<u>\$ 609</u>	<u>\$ 346</u>

LG&E's current capital expenditure projections for the years 2012 through 2016

	Projected				
	2012	2013	2014	2015	2016
Construction Expenditures					
Generating facilities	\$ 81	\$ 102	\$ 135	\$ 129	\$ 56
Distribution facilities	129	162	151	179	170
Transmission facilities	23	57	34	30	25
Environmental	87	324	336	250	186
Other	17	22	20	27	25
Total	<u>\$ 337</u>	<u>\$ 667</u>	<u>\$ 676</u>	<u>\$ 615</u>	<u>\$ 462</u>

**KENTUCKY UTILITIES COMPANY
LOUISVILLE GAS AND ELECTRIC COMPANY**

**CASE NO. 2012-00221
CASE NO. 2012-00222**

**Joint Response to Information Requested at Hearing
Dated November 27, 2012**

Question No. 5

Responding Witness: Kent W. Blake

- Q-5. Provide a breakdown of the annual generation expenditures by generating unit and provide the specific projects at each generating unit.
- A-5. The information requested is confidential and proprietary, and is being provided under seal pursuant to a petition for confidential treatment.

The entire attachment is
Confidential and
provided separately
under seal.

**KENTUCKY UTILITIES COMPANY
LOUISVILLE GAS AND ELECTRIC COMPANY**

**CASE NO. 2012-00221
CASE NO. 2012-00222**

**Joint Response to Information Requested at Hearing
Dated November 27, 2012**

Question No. 6

Responding Witness: Kent W. Blake / Chris Hermann

Q-6. Explain how LG&E and KU determine which costs are recorded as storm damage.

A-6. The cost of storm damage is tracked for major weather events and minor weather events. Weather events are determined based on occurrence of at least one of the following criteria:

- Sustained winds or wind gusts in excess of 25 miles per hour as reported by the National Weather Service
- Temperatures below -15° Fahrenheit
- Ice accumulations greater than ¼"
- Lightning reported by the National Weather Service

If 0.75% of an LG&E or KU regional customer base is affected for four hours or more the weather event is classified as a major event. See also the response to KIUC 2-2 for LG&E and KU.

Only storms meeting at least one of the criteria above are included in the annual expense reported in the weather normalization adjustment proposed by LG&E and KU on each company's Exhibit 1, Reference Schedule 1.15. Isolated minor damage to the energy delivery system caused by wind or other external events is treated as a trouble call and the cost of these repairs is excluded in storm expense.