

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.

KTWB Blake
Kent W. Blake

Subscribed and sworn to before me, a Notary Public in and before said County and State, this 14th day of September 2012.

Paul A. Henry (SEAL)
Notary Public

My Commission Expires:
July 21, 2015

LOUISVILLE GAS AND ELECTRIC COMPANY

CASE NO. 2012-00222

**Response to First Set of Data Requests of
Kentucky Industrial Utility Customers, Inc.
Dated July 31, 2012**

Supplemental Response filed September 14, 2012

Question No. 1-1

Responding Witness: Kent W. Blake

- Q1-1. Please provide a copy of all workpapers used in the preparation of the Company's revenue requirement and requested rate increase, including any initial and/or intermediate workpapers the results of which were used in subsequent workpapers. All electronic workpapers should be provided in live format with all formulas intact.
- A1-1. See attached and the responses to PSC 1-52(c), PSC 2-64(b), PSC 2-108, and AG 1-110. Also, see Tab No. 37: 807 KAR 5:001 Section 10(6)(r) of the filing requirements.

Supplemental Response dated September 14, 2012:

The summary provided below identifies the corrections and updates previously identified in various responses to data requests. The overall rate increase impact of these corrections and updates is a decrease of \$486,658 for Electric and an increase of \$2,150,403 for Gas to LG&E's Overall Revenue Deficiency as shown on the attached Revised Exhibit 8.

Summary

The attached file being provided in Excel format includes the following revised exhibits:

- Revised Exhibit 1, Adjustments to Operating Revenues, Operating Expenses and Net Operating Income: Corrections or updates to Reference Schedules 1.09, 1.10, 1.12, 1.13, 1.17, 1.18, 1.23, 1.27, and new Reference Schedule 1.35 as identified in further detail below.
- Revised Exhibit 1, Reference Schedule 1.09, To Adjust Off-System Sales Margins: Updated to reflect actual off-system sales margins through August 2012. See response to PSC 2-81.

- Revised Exhibit 1, Reference Schedule 1.10, Adjustment to Annualize Year-End Customers: Corrections for PS Primary customers included with PS Secondary customers and error in Commercial Rate CGS calculations. See response to PSC 2-105(c) and PSC 2-114(f).
- Revised Exhibit 1, Reference Schedule 1.12, Adjustment to Reflect Annualized Depreciation Expenses: Correction to remove depreciation charges booked above the line that should have been below the line. See response to AG 2-22.
- Revised Exhibit 1, Reference Schedule 1.13, Adjustment to Reflect Increases in Labor and Labor-Related Costs: Correction of labor costs related to storm costs, credit balance and severance payments. See response to PSC 2-66.
- Revised Exhibit 1, Reference Schedule 1.17, Adjustment to Eliminate Advertising Expenses: Correction for advertising expenses incorrectly included in the adjustment. See response to AG 1-194.
- Revised Exhibit 1, Reference Schedule 1.18, Adjustment to Remove Out-of-Period Items: Correction for out-of-period insurance costs booked in the test period. See response to KIUC 2-18.
- Revised Exhibit 1, Reference Schedule 1.23, Adjustment for Rate Case Expense Amortization: Update to estimated rate case expenses to reflect actual newspaper advertising expenditures through August 2012. The actual newspaper advertising expenditure was \$666,698 (\$502,690 for electric and \$164,008 for gas) compared to the estimate of \$845,000 (\$545,000 for electric and \$300,000 for gas). See response to PSC 2-67.
- Revised Exhibit 1, Reference Schedule 1.27, Adjustment to Revenues for Temperature Normalization: Correction to Commercial Rate CGS MCF volumes. See response to PSC 2-105(c).
- Revised Exhibit 1, Reference Schedule 1.35, Adjustment to Remove Charges Incorrectly Booked Above the Line: Correction to remove charges booked above the line that should have been below the line. See response to AG 1-190, AG 1-229, and AG 2-27.
- Revised Exhibit 2, Capitalization at March 31, 2012: Update to Annual Cost Rate as of August 31, 2012. See monthly update response to PSC 1-43.
- Revised Exhibit 4, Pro Forma Rate Base at March 31, 2012: Calculations affected by revisions to Exhibit 1 and Exhibit 2.

- Revised Exhibit 7, Rates of Return – Actual and Requested Pro-Formed for the Rate Increase: Calculations affected by revisions to Exhibit 1 and Exhibit 8.
- Revised Exhibit 8, Calculation of Overall Revenue Deficiency/(Sufficiency) at March 31, 2012: Calculations affected by revisions to Exhibit 1 and Exhibit 2.
- Revised Exhibit 9, Electric and Gas Rate of Return on Common Equity: Calculations affected by revisions to Exhibit 1 and Exhibit 2.