

KENTUCKY UTILITIES COMPANY

CASE NO. 2014-00371

**Response to Supplemental Request for Information of
Kentucky School Boards Association
Dated February 6, 2015**

Question No. 8

Responding Witness: Counsel

- Q-8. Please provide the Company's current estimate of expected percentage revenues increases by rate class to be passed through the ECR, DSM and FAC mechanisms of rthe next five years.
- A-8. The request seeks the provision of information that is irrelevant to the issues in this case. The revenues associated with these rate mechanisms are removed from the forecasted test period presented in KU's application. KU's base rate application does not seek to adjust the operation of these rate mechanisms and the approval of KU's proposed change in base rates is separate and apart from the revenues collected by these rate mechanisms. Without waiver of this objection, the Company will further supplement this response on February 20, 2015.

KENTUCKY UTILITIES COMPANY

CASE NO. 2014-00371

**Response to Second Set of Data Requests of
Kentucky Industrial Utility Customers, Inc.
Dated February 6, 2015**

Question No. 2-14

Responding Witness: Counsel

Q.2-14. Refer to the Company's response to KIUC 1-12. The question asked the following:

Please provide the incentive compensation expense for 2013, 2014, the base year, and the test year by incentive compensation plan and by goal or target for each plan. This includes incentive compensation expense assigned and allocated to the Company as well as incentive compensation expense incurred directly by the Company.

The Company's response referred to its response to AG 1-150. The response to AG 1-150 does not provide the information requested in KIUC 1-12 by plan and by goal or target for each plan. It also does not provide the information for LKS charged to the Company.

- a. Please provide the information requested in KIUC 1-12. To be clear, this request also includes all stock-based compensation awards, and is not limited only to incentive compensation with cash or deferred payouts.
- b. Please provide the calculation of incentive compensation expense in the historic year, the base year and the test year in electronic format with all formulas intact. This calculation should reflect all performance metrics and goals, the achieved metric or goal, and the calculation of the cost, including the allocation between expense and capital.

A.2-14 The request seeks the provision of information that is irrelevant to the issues in this case. The only form of incentive compensation presently included in base rates and to be recovered through the proposed change in base rates is limited to the Team Incentive Awards. The cost of other forms of incentive compensation is not included in base rates and will not be recovered through the proposed change in base rates. Without waiver of this objection, the Company will further supplement this response on February 20, 2015.

KENTUCKY UTILITIES COMPANY

CASE NO. 2014-00371

**Response to Sierra Club's Second Set of Data Requests
Dated February 6, 2015**

Question No. 1

Responding Witness: Counsel

- Q-1. Reference Attachment to Response to Sierra Club 1-5(b), pp. 1-2. In an October 29, 2014 e-mail, Jeff Wernert of the Prime Group poses the following question to Mr. Conroy: "For rate design, how many classes would you like to propose going to cost-based customer charges?"
- a) Please describe in detail the Company's response to Mr. Wernert's question. Specifically, for each rate class other than the residential class, please explain whether the Company is proposing to increase the customer charge to cost-based levels and describe the rationale for its decision regarding whether to increase the customer charge.
 - b) Please provide copies of all e-mail communications, text messages, internal memoranda, reports, or other documentation of the Company's consideration of Mr. Wernert's question and decisions regarding whether to increase customer charges for the non-residential rate classes
 - c) Please provide copies of all presentations to Company management or the Company's Board of Directors regarding consideration of Mr. Wernert's question and decisions regarding whether to increase customer charges for the non-residential rate classes.
- A-1. b) Objection. The response to this question may require the Company to reveal the contents of communications with counsel and the mental impressions of counsel, which information is protected from disclosure by the attorney-client privilege and the work product doctrine. Counsel for the Company is presently undertaking a reasonable and diligent search for documents responsive to the request. To the extent the completed search for responsive documents shows documents, the content of which are protected from disclosure by the attorney-client privilege and the work product doctrine, objections are made to the production of such documents. Without waiver of these objections, on February 20, 2015, the Company will produce responsive non-privileged information and a privilege log describing the responsive documents the Company is not producing on the ground of attorney-client privilege or work product doctrine.