General Questions

1. Please provide all spreadsheets provided in the company application and responses to initial PSC requests for information in excel format with all cells unlocked and functional.

2. Please provide the following information with regard to uncollectible expenses:

   a. Actual uncollectible expenses and residential, commercial and public authority revenues for FY 2014, FY 2013, FY 2012, FY 2011, and FY 2010, as well as the ratios of uncollectible expenses to the total of residential, commercial and public authority revenues. Please show calculation of ratios.
   b. Basis for the assumed uncollectible ratio.

3. Please provide the following amounts by class or rate schedule as available, for the years 2010-2014, and projected figures for the fully forecasted test period:

   a. Late payment charges,
   b. Customer deposits,
   c. Customer advances, and,
   d. Uncollectibles expense.

4. Please provide the annual level of write-offs by rate schedule for each of the last five (5) years (net of surrendered deposits).

5. Provide by account the monthly amortization of rate case expenses incurred in Case No. 2012-00221.

6. Provide estimated rate case expenses filed in both the application and in response to applicable data requests filed in Case No. 2012-00221.

7. Please explain why has the company chosen to use a forecasted test period?

   a. Does the Company agree that by choosing a forecasted test period it has requested recovery for costs in its rate application that are more speculative in nature, as history has yet to prove the costs are "known and measureable?" Please explain.

   b. Does the Company agree that the use of the forecasted test year greatly benefits the company by reducing regulatory lag, decreasing risk, and allowing recovery of speculative expenses? Please explain.

8. Please reference Application at page 4, paragraph 7, wherein the company states the average monthly consumption of a KU residential customer is 1,200 kWh. Provide the following information:

a. Any and all underlying information and worksheets, data and cells intact, on which KU relies to calculate that the "average monthly consumption of a KU residential electric customer" is 1,200 kWh; and

b. The mean and median monthly consumption of KU residential electric customers; and

c. The aveage, mean and median monthly consumption of KU residential electric customers by county.

9. Please identify what incentives residential customers will have to conserve energy if the Companies requested rate design, which drastically increases the monthly customer charge is approved?

10. Do the Companies acknowledge that many, if not most of its residential members would prefer to retain the ability to control the amount of the bill they owe, and that many are likely to view the company's proposal to place a large majority of the proposed increase on the monthly customer charge as an attempt to eliminate their ability to control the amount of their bill? Cite all studies the company has conducted of its own ratepayer base to support the Companies' decision to seek the proposed rate design in the instant case.

    a. Provide copies of any and all studies the company has performed, or were performed on its behalf, indicating that increasing the monthly residential customer charge by a significant amount will lead to greater customer conservation.

11. Provide copies of all studies that the Companies have conducted addressing the impact that the proposed rate design will have on the elderly, low income, fixed income and home bound segments of its ratepayer base. Please provide detailed information for each specified group.

12. Please reference Paul W. Thompson's testimony page 4, lines 4-6. Please further explain all "increasing regulatory constraints, unpredictable severe weather events, and difficult economic conditions" that have led to increased operating complexity and expense.

13. Please reference the Companies' applications generally and explain why the proposed energy charge per kWh for KU customers will increase whereas the energy charge per kWh for LG&E customers will decrease?

14. Please reference Paul W. Thompson's testimony on page 5, lines 12-14 where it is stated that, "NERC working with the utility industry, identified possible improvements to the power industry's cold-weather operations and changes to the natural gas industry's scheduling process." Have there been any changes to the natural gas industry's scheduling process as of yet? Please explain in detail.

a. Please explain the other "identified possible improvements to the power industry's cold-weather operations" that the Companies are willing to adopt.

15. Please reference Paul W. Thompson's testimony on page 9, lines 15-18, where it is stated that the increased costs are due to many factors, one of which is "additional pension expense due to updated actuarial standards the IRS is anticipated to adopt." Please explain why the Companies have allotted for increased pension expense in the application based on updated actuarial standards if the IRS has not yet adopted it.

    a. Please elaborate, explain in full, and identify the precise "updated actuarial standards the IRS is anticipated to adopt" in detail.

    b. At what time is it expected that the IRS will adopt the updated actuarial standards?

    c. Why did the Company not wait to include the updated actuarial standards when the IRS actually does adopt them?

    d. At what time is it expected that the IRS will adopt the updated actuarial standards?

    e. Why did the Company not wait to include the updated actuarial standards when the IRS actually does adopt them?

16. Please reference Paul W. Thompson's testimony on page 7, lines 10-17, and provide a detailed list of all the capital projects that constitute the approximately $1.5 billion dollars the Companies have invested since the last base rate case.

17. Please reference Paul W. Thompson's testimony on page 9, lines 3-10, where the Companies explain that it is anticipated additional capital investments of $486 million will be made during the forecasted test period. Please provide a detailed list of all capital investments that the Companies anticipate they will make during the forecasted test period.

18. Please reference Paul W. Thompson's testimony on page 9, lines 14-18, where it is stated that a rate increase is needed because of "many factors, such as the cost to maintain a competitive and skilled workforce, more equipment and operating complexity requiring more employees…" Please advise if the Companies have ever conducted a study to compare its salary, benefits, and raises per employee to the standard salary, benefits, and raises by the workforce in the counties which is services. If so, please provide copies of all such studies.

19. Please reference Paul W. Thompson's testimony on page 23, lines 15-17.

    a. Please further elaborate the specific 50 positions (or 5%) are anticipated to be added to the Generation operations through the end of the forecasted test period, and the need for each.

    b. Please state if this figure is a net of positions eliminated at the generating plants that have been or will be retired?

20. Please reference Paul W. Thompson's testimony on page 24, lines 1-3, where it is stated that, "[t]he Companies have identified several key positions that they believe should be filled by Company employees to ensure core skills and knowledge are retained."

    a. Please provide a detailed list of all positions that will be filled by Company employees as opposed to contractors.

    b. Please provide a detailed explanation of what constitutes "core skill and knowledge."

21. Please reference Paul W. Thompson's testimony on page 31, lines 7-9, and further elaborate the specific 19 positions that are anticipated to be added to the Transmission operations through the end of the forecasted test period, and the need for each.

22. Please reference Paul W. Thompson's testimony on page 42, lines 4-10.

    a. Please further elaborate and be specific as to what 53 positions are anticipated to be added to Electric Distribution operations, and the need for each.

    b. Please explain why many of the new Electric Distribution positions will involve a corresponding contractor offset.

    c. Please provide a comparison between salary, benefits, etc. of an in-house employee in the electric distribution sector versus a contractor doing the same, or similar job.

23. Please reference Paul W. Thompson's testimony on page 47, lines 19-20. Please further elaborate and be specific as to what 42 positions are anticipated to be added to the Gas Distribution operations through the end of the forecasted test period, and the need for each.

24. Please reference Paul W. Thompson's testimony on page 62, lines 8-10, and further elaborate the specific 93 positions that are anticipated to be added to the Customer Service operations through the end of the forecasted test period, and the need for each.

25. Please provide all press releases and documents made available to media and the public regarding potential rate impacts of Cane Run 7.

26. Please reference supplemental testimony of Don Mosier in Case No. 2014-00252, and in reference to the conversation PJM has been entering with Kentucky PJM members discussing the option of seeking an extension of the deadline for compliance with MATS Kentucky Department of Air Quality. The purpose of the extension is to ensure resource adequacy and promote reliability within PJM.

    a. Does KU have any obligations to utilities in surrounding territories, or RTOs and ISOs, to insure reliability within its own service territory? If so, please describe and elaborate.

    b. Please describe what, if any, steps KU has taken to pursue off system sales during the 2015/2016 delivery year, in light of the fact the company will be retiring some generating units.

    c. Is it more cost effective for KU to remain a non-member of any RTO? If not, please estimate and provide lost revenue associated with KU's lack of member status in an RTO?

27. At the end of 2014, the United States Congress passed a "tax extender" bill. Public Law No. 113-295 extended certain expiring tax provisions through the end of 2014, retroactively beginning January 1, 2014.

    a. Please explain the impact of Public Law No. 113-295 on KUs revenue, depreciation schedules, and other phases of the KU application.

    b. Will this law allow the company to decrease depreciation expense?

28. If the Commission grants a base rate increase in part based on the Companies intent to hire additional employees, and those employees are not hired or are not employed the entirety of the time for which their salary is recovered, do the Companies commit to refunding rate payers via bill credits at the termination of the forecasted test year? If not, how do the Companies anticipate refunding the rate payers for such inaccuracies in the forecasted test year?

29. Please reference Robert Conroy's testimony at page 34, and other than what the Company is allowed, does the Company have any justification for the proposed increase in deposits?

30. Please reference David Sinclair's testimony at page 6, and explain why the average weather of the last 20 years continues to be a reliable indicator of future weather, when many predictions state that weather will continue to become less predictable?

31. According to an article[1] in the Scranton Times-Tribune, PPL Electric Utilities, an affiliate of KU and LG&E, plans to construct a multi-billion dollar transmission line stretching from western Pennsylvania into several states, the stated purpose of which is to bring lower-cost power into heavily-populated east coast cities. Have KU and LG&E explored opportunities for additional off-system sales to any affiliates of the PPL corporate group? Please explain.

32. Please reference Paul Thompson's testimony at pages 24-27, wherein Mr. Thompson discusses, *inter alia*, that the dispatch of the Companies' coal-fired generation is now going almost exclusively to native load customers. Does Mr. Thompson believe that as more coal-fired generation is retired around our region, that off-system sales prices will increase?

    a. Why, or why not?

    b. If off-system sales prices rebound, will the companies be able to modify dispatch patterns so that more lower-cost coal-fired generation is available for off-system sales at competitive prices the market would find more attractive than it would generation from non-coal-fired sources?

33. Please reference Paul Thompson's testimony at page 26, and explain why LG&E and KU terminated the purchase power agreement with Electric Energy, Inc. Explain the accounting treatments LG&E and KU make for their 20% ownership interest in Electric Energy, Inc.

34. As indicated in Case Nos. 2011-00099 and 2011-00100,[2] both KU and LG&E are part-owners of Ohio Valley Electric Corporation ("OVEC"), and both companies purchase a portion of the power generated at OVEC's two generating plants. The Final Order ("Order") in those cases, at page 3 indicates OVEC did not anticipate Coal Combustion Residuals ("CCRs") to be regulated as a hazardous waste. On December 19, 2014 EPA announced its intentions to regulate CCRs as a non-hazardous waste.

    a. Does OVEC anticipate additional costs to meet compliance with the CCR regulation?

    b. If OVEC does in fact incur such additional costs, will LG&E and KU have to pay a portion of those costs, and if so, will those costs be passed on to LG&E and KU ratepayers? Please discuss in detail.

---

[1] http://thetimes-tribune.com/news/business/ppl-proposes-new-transmission-line-1.1728419

[2] *Verified Application of Louisville Gas and Electric Company for an Order Pursuant to KRS 278.300 and for Approval of Long-Term Purchase Contract*, and *Verified Application of Kentucky Utilities Co. for an Order Pursuant to KRS 278.300 and for Approval of Long-Term Purchase Contract*, respectively; Final Order dated Aug. 11, 2011.

c. On p. 2 of the Order, the Commission noted that, "OVEC has recommended extending the [Inter-Company Power Agreement] to take advantage of reduced financing costs and to amortize its debt over a longer time period. The resulting savings would be passed on to the OVEC owners through a reduction in energy costs of approximately $1 per MWh from the extension's effective date through the currently scheduled 2026 termination date." Can the companies confirm that as a result of OVEC's refinancing, they have realized these savings? If so, were any of those savings passed onto LG&E and KU ratepayers? If not, why not?

d. At page 3 of the Order, the Commission noted that the OVEC generating stations will, by 2013, have been outfitted with SCRs and FGDs. Do the companies know whether the OVEC units comply with all of the latest EPA regulations, and pending draft regulations? If the plants are not, or will not be in compliance, please discuss what additional work would have to be done on the stations in order to achieve full compliance, and whether LG&E and KU would pass along any such costs for which the two companies would become responsible to their retail ratepayers.

e. OVEC's majority owner, American Electric Power Co., Inc. ("AEP") has stated in multiple publicly published reports[3] that it intends to seek regulatory approval from the Public Utilities Commission of Ohio to pass along additional costs of operating its Ohio-based coal plants, including OVEC's Kyger Creek Plant at Cheshire, Ohio, to Ohio ratepayers in the form of a Power Purchase Agreement Rider. Are there any circumstances in which AEP could pass along any such additional costs of operating the OVEC plants to OVEC's other owners, including LG&E and KU? If so, please explain.

35. Reference the "Annual Generation & Off-System Sales Forecast Process," Application Tab 16, Item F, pages 7, 11 of 13, § 3.1.2.2 "Natural Gas Prices," in which it is stated that the Company's natural gas price forecast was based upon monthly Henry Hub forward market prices from NYMEX as of June 23, 2014. With the growth of shale gas, some industry analysts are indicating that it no longer makes sense to price gas at only one hub.[4] Did the Company's forecast include prices at the Dominion South Hub, located within the Marcellus Shale, the source of 20% of the nation's gas supply?
   a. If so, please provide copies of all relevant documents.
   b. If not, why not?

[3] See, e.g., http://www.powermag.com/aep-seeks-guarantees-to-ensure-economic-viability-of-ohio-fleet/

[4] See, e.g., http://www.reuters.com/article/2014/09/25/us-natgas-henryhub-marcellus-analysis-idUSKCN0HK17E20140925

36. Reference the "2015 Business Plan Generation & OSS Forecast," Application tab 16, item G, page 4 of 71, wherein it is stated that the modeled EFOR for Trimble County Unit 2 ("TC2") has increased from 5.6% to 6%, whereas no other generating unit is expected to have an increased EFOR. Please explain the reasons for this increase.

37. Please reference Paul Thompson's testimony, page 21, wherein he discusses TC2's performance.

   a. Provide all written reports, analysis and evaluations regarding the failure of the TC2 original burner design.

   b. Why did the burners on TC2 have to undergo the "interim change?"

   c. Were the burners flawed either through a design or manufacturing defect?

   d. Were the burners covered under any warranty, and if so, did the manufacturer or installers agree to pay for all or any portion of the costs involved with the ultimate replacement of the burners? If not, why not?

   e. Did or does KU and LG&E have any type or sort of insurance policy or other risk-shifting mechanism protecting against lost sales revenues or margins due to defective equipment at TC2? If so, please describe and state whether such policy / mechanism is applicable to outages at TC2 due to replacement of burners.

   f. Describe the problems with TC2's turbine oil system. Have they been remedied?

   g. Was the turbine oil system covered under any warranty, and if so, did the manufacturer or installers agree to pay for all or any portion of the costs involved with the ultimate replacement of the burners? If not, why not?

38. Please reference Paul Thompson's testimony at page 27, wherein he states that demolition of the Paddy's Run units is included within the Generation Capital Investment Summary. Reference also page 22 of the same testimony, wherein Mr. Thompson references demolition of the Canal Generating station.

   a. Are not the costs of retirement and demolition of utility plant included within depreciation costs which have already been recovered from ratepayers? If so, are the companies proposing additional spending to accomplish the demolition? Please explain.

b. Do the companies plan to retire the Cane Run coal-fired units' plant and equipment "in place," or to demolish them?

c. Does KU plan to retire the Pineville and Tyrone generating stations' plant and equipment "in place," or to demolish them?

39. Please reference Paul Thompson's testimony at page 29, line 13, wherein he references the $21,804 per mile total expenditure for the companies' transmission system. Does this figure include any and all costs the companies incurred in complying with the FERC audit, attached at application Tab 39, pp. 1-71?

40. Please reference Paul Thompson's testimony at page 47, for each of the 42 new positions (in gas distribution operations) which LG&E intends to create, describe the reason for creating the position. For example, if a position is being created for regulatory compliance purposes, state the changed circumstance or regulatory requirement which required creating the new position at the present time, whereas it was not required until now.

a. For each position which is driven by " . . . the need to retain core skills and knowledge . . . ," as stated on p. 48, lines 2-3, state whether that position is to be filled with a worker who is slated to replace another worker who plans to retire, and site the name of the position of each such employee expected to retire.

b. Provide specific citations to the "increased regulatory requirements" which Mr. Thompson states on p. 48, lines 5-6 justify the additional headcount.

41. Please reference Paul Thompson's testimony at page 49, lines 9-17, as a result of LG&E's ". . . gas storage upgrades . . . and drilling gas storage wells" (lines 15-16), has the company's gas storage capacity increased over the past several years? If so, by how much?

a. If the Company's gas storage has increased, does it anticipate that it will be able to purchase more gas during the off-heating season? If not, why not?

42. Please confirm that both LG&E and KU plan to file new Environmental Cost Recovery cases in October, 2015.

a. If so, please provide estimates of the total sums which both Companies will seek permission to recover in their respective filings.

43. For each year of the fully-forecasted test period, provide estimates for the following regarding the average level of consumption for residential class ratepayers;

    a. Base rate increase year-over-year, both in dollars and percentage;

    b. Environmental surcharge increase year-over-year, both in dollars and percentage;

    c. Fuel adjustment charge increase year-over-year, both in dollars and percentage.

44. Please reference Paul Thompson's testimony, page 64, wherein he states KU made an adjustment to FERC Account 506 (Miscellaneous Steam Power Expenses) because of the "increased volume of commodities" TC2 is expected to use during the forecasted test period.

    a. Explain why additional ammonia, activated carbon and hydrated lime will be necessary at TC2, and provide price estimates.

    b. Explain why the consumption rate of hydrated lime at TC2 is increasing from 3,000 lbs./hour during the base period to 8,000 lbs./hour, presumably in the forecasted test period, which is an increase of 166.67%.

    c. Will costs for increased commodities consumption at TC2 be recovered in the environmental surcharge or in base rates?

    d. When did increased usage for these commodities begin?

    e. Is the increased usage in any manner related to or associated with the need to replace TC2's burners? If so, are any of those costs covered by any warranties?

    f. Explain why the original operating specifications did not foresee this need for additional commodities.

45. Reference the "2015 Business Plan Generation & OSS Forecast," Application tab 16, item G, page 28 of 71 wherein it is stated that Trimble coal generation is forecasted to decrease in 2015 primarily due to higher variable O&M costs.

    a. Does this statement refer to both Trimble Unit 1 and Unit 2, or just one unit?

    b. What kind of variable O & M cost is believed to be responsible for the decrease in coal generation?

46. Please reference the "2015 Business Plan Generation & OSS Forecast," Application tab 16, item G, page 15 of 71 wherein the assumptions are given for market volume limits.

    a. Why are off-peak sales assumed to be limited to far less sales during peak periods?

    b. Are there any limits to purchases during off-peak or weekend purchases?

    c. Why are there any purchase or sales limits?

    d. Please describe what is meant by peak, off-peak and weekend periods?

    e. Why is the limit on peak periods the same as weekend periods?

47. Please reference the "2015 Business Plan Generation & OSS Forecast," Application tab 16, item G, page 17 of 71 wherein the assumptions are given for Cane Run 7 LTSA costs.

    a. Is this correctly stated?

    b. Don't LTSA costs change based on CT hours or starts?

    c. Shouldn't LTSA costs be different depending on whether CT maintenance is hour or start driven?

48. Please reference the "2015 Business Plan Generation & OSS Forecast," Application tab 16, item G, page 29 of 71 wherein the assumptions are given for increased Ghent generation. Why does increased SCR operation result in increased Ghent generation?

49. Please reference the "2015 Business Plan Generation & OSS Forecast," Application tab 16, item G, page 31 of 71 wherein the assumption is given for changes in Cane Run 7 generation from the 2014 plan.

    a. Why are outage weeks added for Cane Run 7 in the 2015 plan?

    b. Why would the Green River 3-4 extension affect Cane Run 7 generation in 2017 through 2019?

50. Please reference the "2015 Business Plan Generation & OSS Forecast," Application tab 16, item G, page 40 of 71. Please explain why landfill costs are rising under FGD. Were landfill costs not included in the 2014 plan?

51. Please reference the "2015 Business Plan Generation & OSS Forecast," Application tab 16, item G, page 42 of 71. Please explain the decrease in Mill Creek and Ghent SO_3 O&M costs.

52. Please reference the "2015 Business Plan Generation & OSS Forecast," Application tab 16, item G, page 43 of 71. Please explain the cost decreases for mercury control O&M costs.

53. Please reference the "2015 Business Plan Generation & OSS Forecast," Application tab 16, item G, page. 59 of 71, explain the significant increase in O & M for Ghent 2 in both 2015 and 2016, and on p. 60 of 71, explain the significant increase in O & M for Ghent 4 in 2016 and Ghent Units 2 and 3 in 2017.

54. Please reference application Tab 16, item I, page 47of 272, wherein KU and LG&E state their concerns that industrial customers may seek limited wheeling. Please explain the Companies' concerns, and the potential impact to ratepayers if wheeling is allowed.

   a. If the company is concerned that stranded costs may occur if wheeling is allowed, how would the company address this?

55. Please reference application Tab 16, item I, pages 47-48 of 272, wherein KU and LG&E state their concerns regarding potential "increased efforts to maintain or increase subsidies for solar customers." Have KU and LG&E considered any policy that might or could limit the maximum number of customers who net meter power from customer-owned solar or other forms of distributed generation? Please explain.

56. Please reference application Tab 16, item I, pages 47-48of 272, wherein KU and LG&E cite a "potential for need of addition of SCRs on coal-fired units" at Ghent 2 and Mill Creek 1 and 2. Under what circumstances would or could this potential become a need? Please discuss in detail.

57. Please reference application Tab 16, item I, pages 47-48 of 272, wherein KU and LG&E cite "additional permitting activities associated with new gas-fired generation" as a concern. Under what circumstances would or could this potential become a need?

58. Please reference the video transcript of Case No. 2014-00002, hearing held Nov. 24, 2014, testimony of John Voyles, at 13:26:04 through 13:30:23. Confirm that Mr. Voyles states that the construction of a combined cycle NGCC at Green River would be to meet a reliability concern, not a load-serving concern.

   a. Given that: (i) TVA has announced that two of its Shawnee units will remain operating,[5] and that TVA plans to build a 1-GW NGCC in Muhlenberg County[6];

---

[5] See, e.g., http://www.timesfreepress.com/news/business/aroundregion/story/2014/nov/26/cleaning-up-rather-than-closing-downtva-study/275489/

and (ii) Big Rivers' Wilson plant remains operating and apparently will through at least 2016 if not later,[7] do any of these facts lessen the reliability concerns Mr. Voyles was discussing in his testimony in Case No. 2014-00002? Were any of these scenarios modeled into any of LG&E-KU's modeling? If not, why not?

b. According to published reports, Owensboro Municipal Utilities has announced plans to consider construction of a natural gas turbine generator to replace at least one of its two coal-fired units. Have, or will, LG&E and KU consider partnering with any other utility to share in the costs and ultimately, the generation, of a gas-fired plant if and when the companies believe they need to obtain or construct additional generation?

59. Please reference Application Tab 16, item I, page 113 of 272, wherein KU and LG&E identify a "3rd Combined Cycle (2025)" plant.

a. Under what circumstances would or could such a plant be required, and where would it be built?

b. What generation output would such a plant have?

60. Please reference Application Tab 16, item I, page 126 of 272, the "Power Generation 2015 Business Plan," wherein KU and LG&E discuss the resolution of Trimble County Unit 2 existing issues and warranty claims.

a. List and describe all existing issues and the status of their resolution.

b. List and describe all warranty claims and the status of these claims.

61. Please reference Application Tab 16, item I, page 130 of 272, the "Power Generation 2015 Business Plan."

a. KU and LG&E identify as a major assumption that the "Mantanzas" transmission capital project will be completed. Please describe this project, and whether it is included in the capex budget for the instant case.

b. On the same page, the following sentence appears: "However, the impact from Big Rivers shutting down the Wilson and Coleman Units has created other issues that need to be addressed from a transmission perspective." Please identify the

---

[6] See, e.g., http://www.bgdailynews.com/news/tva-forges-ahead-with-plan-for-billion-gas-plant-in/article_dc93615c-fcdf-5e72-8ede-de24c838eb1e.html

[7] See, e.g., http://wkms.org/post/db-wilson-power-plant-remain-open

"other issues" to which this statement refers, and explain in detail how Big Rivers' shuttering of the Coleman plant affects KU's transmission system and plans.

c. Explain also whether the Wilson's plant continuing operation affects or modifies the company's transmission plans in any manner, and if so, how.

62. Please reference Application Tab 16, item I, page. 174 of 272 and 175 of 272, the "Energy Supply and Analysis 2015 Business Plan," Describe each of the sales items (such as EKPC 25 Intermittent, etc.).

63. Please reference Application tab 16, item I, page 205 of 272. Does the issuance of the EPA's Draft CCR Rule in any way change the company's plans set forth on this page regarding the closure of existing ash ponds? If so, how? Please discuss in detail.

a. Does the company intend to close all existing ponds?

b. Does the company intend to construct any new lined ponds?

c. What is meant by "CCR materials are used for closing ponds on all active coal facilities?"

64. Does the company plan to remove ash from existing ponds?

a. If so, where will that ash be stored?

b. If in additional landfills, provide cost estimates for construction of new landfills at each of the generating stations.

65. Please provide details regarding the "Trimble County Landfill and Transport Plan" described on page 206 of 272.

66. Describe what the companies intend to do with the ash which is currently being stored above-ground at the Cane Run plant.

67. Please reference Application tab 16, item I, page 200 of 272. Regarding the Ghent consent decree, please provide a monetary quantification of the costs the company has had to expend to comply with the decree, as well a summary of the measures the company has employed to attain compliance.

68. Please reference Application tab 16, item I, page 240 of 272. Please discuss the "Effluent Water Projects" discussed on this page, and state the particular regulation(s) with which the projects are designed to bring compliance.

a. Discuss the nature of the projects at each generating plant.

b. Confirm that under 2015 Business Plan, estimated costs of the ELG projects are projected to total $974 million.

69. Please reference Paul Thompson's testimony at page 20, wherein he describes the purchase of diesel generators for the Trimble and Brown combustion turbines. Please explain in detail why diesel generators are needed to maintain power to the existing auxiliary systems.

70. Reference the Thompson testimony at page 21, wherein he describes a malfunction of the TC2 main turbine steam valves. Please provide the following:

a. All written reports, analysis and evaluations regarding the main turbine steam valve malfunction.

b. A description of system improvements that will be implemented at the next TC2 scheduled outage, the expected costs and what the improvements are anticipated to accomplish.

71. Please reference Paul Thompson's testimony at page 22 regarding the possible one-year extension for operation of the Green River Generating Station Units through April 2017, please provide any analysis, evaluation or study that indicates such and extension is necessary for reliability.

72. Please reference Paul Thompson's testimony at page 33, please provide the latest annual transmission expansion plan.

73. Please reference Paul Thompson's testimony at page 33 regarding the transmission project tying into the Duke Indiana transmission system please provide the following:

a. A list of benefits to KU ratepayers including any increase in transfer capability.

b. Any studies, evaluations or analysis performed to justify the project.

74. Please provide all tabulations included in Mr. Spanos' study and all data necessary to recreate in their entirety, and all analyses and calculations performed for the preparation of the depreciation study. Please provide this and all electronic data in Excel, with all formulae intact. Please provide any record layouts necessary to interpret the data. Identify and explain any and all unique

spreadsheet formulae or assumptions required to recreate in their entirety all of Mr. Spanos' calculations given his inputs.

75. Incentive Programs. Please provide complete copies of any incentive compensation plan, bonus programs or other incentive award programs in effect at the Company for each year 2010 through 2014.

76. Incentive Compensation. Provide for 2010, 2011, 2012, 2013 and 2014 the various goals on which incentive payments were to be determined and the actual achievement attained (i.e. the response should show actual metrics and not a simple reference that the goal was at target, not at target, at maximum, etc.) Also, provide the incentive compensation goals for the test year.

77. Incentive Compensation. For each plan, for each of the years 2010-2014, provide the total Company amount of incentive compensation capitalized and the amount expensed. Also, provide the amount of incentive compensation capitalized and the amount expensed.

78. Incentive Compensation. Please provide any studies the Company has in its possession that reflect a comparison of the Company's incentive compensation to that allowed in rates in other jurisdictions.

79. Incentive Compensation. Provide, for each plan, for each year 2010 through 2014, the number of employees eligible under the plan for incentive compensation payment and the number of eligible employees that did not receive incentive compensation payment.

80. Internal Audits. Provide a list of internal audits completed, scheduled, or in progress at the Company for the years 2010-2014. For each, list the subject of the audit, date of audit, date of report, and title of report. Provide a copy of each of the completed studies for review on-site.

81. Legal Settlements. List all amounts over $50,000 for each of the years 2010-2014 which are the result of the settlements of legal claims against the Company.

82. Penalties and Fines. For each of the years 2010 through 2014, provide a list of any and all penalties and fines paid by the Company and a description of why the penalty/fine was paid.

83. Early Retirement Plan. Did the Company offer an early retirement plan during the period 2010-2014? If so:

   a. Provide details including written descriptions provided to potentially eligible employees.

   b. Provide the details of impacts on annual expenses.

   c. Include a copy of any cost-benefit analyses associated with such early retirement programs.

   d. Describe any early retirement or employee severance plans being considered for the fully forecasted test period and indicate whether or not the program is reflected in the filing. If so, identify where.

84. Plant Held for Future Use ("PHFU"). Provide for each year 2012 through 2014, a summary of all PHFU showing a description of the property, the date acquired, the date included in PHFU, the proposed site use and a date for any proposed plant to be constructed and put in service.

   a. Provide the same information as to any PHFU during the fully-forecasted test period.

85. Property Taxes. For each taxing district, for any given year, please indicate whether taxes are based on actual plant in service or whether it is based on an assessed value.

   a. If the Company is taxed based on an assessed value, please indicate when the assessment is made relative to when the tax bill is issued (i.e. if tax bills are sent June 1, on what date is the assessment based on).
   b. For each taxing district, please provide the tax rate per thousand dollarsand provide a calculation of how much tax the Company will have to pay, the date that the tax bill would be sent and the date the payment would be due during the fully forecasted test period.

   c. Provide on a monthly basis the company's property taxes paid for the period 2010 through 2014.

86. Rental Income. Please provide annual rental income for each year 2010 through 2014, and projected rental income during the fully forecasted test period, and the budgeted rental income for the test year.

87. Research and Development. Identify the amount of research and development expense projected to occur during the fully forecasted test period and identify the account to be charged for each project. Provide a description of the project and any and all associated cost/benefit analysis. Also, identify whether the project is recurring in nature.

    a. How does the Company determine which R&D studies will be most cost beneficial?

    b. Provide a copy of any and all cost/benefit analyses for each research and development project for which the Company is projected to incur cost in the fully forecasted test period.

    c. Provide the amount of R&D expense recorded for each year 2010 through 2014 year-to-date and the test year and identify the accounts charged.

88. Reserve Accounts. Provide the monthly balances in each reserve account (e.g., injuries and damages reserve account) for each year 2010 through 2014 and the fully forecasted test period. This listing should include the monthly debits and credits to the reserve accounts.

89. Revenues. Provide by month for each year 2010 through 2014 the revenues received from customers.

90. Other Revenues. Please provide the amount of Other Revenues by revenue type for each year 2010 through 2014, together with revenues projected for the fully forecasted test period.

91. Late Payment Revenues. Provide the annual actual late payment revenues for each year 2010 through 2014, and the projected revenues for the fully forecasted test period.

92. Miscellaneous Revenues. Provide the annual actual miscellaneous revenues for each year 2010 through 2014, and the projected revenues for the fully forecasted test period.

93. Please provide copies of any existing Labor Agreements and any source documents, work papers and underlying data being used in any current or future labor negotiations.

94. Please provide copies of Balance Sheets and Statements of Cash-Flows for each year 2010-2014.

95. Advertising. Provide the total advertising expense for each year 2010 through 2014, and the projected expense for the fully forecasted test period.

96. Please identify any and all measures the Company has undertaken within the past three years, including those the Company will take during the fully forecasted test period, to minimize its employee benefit health care costs.

97. State the annualized cost savings associated with each measure (whether actual or projected), and show how the Company estimated such amount.

98. Has the Company increased the co-payment provisions borne by employees? If not, why not?

99. Describe any and all incentives the Company has built into its employee health care benefit package to encourage cost economies.

100. Provide the most current health care premiums and related invoices.

101. For insurance coverage for which the Company is self-insured, please provide a description of that self-insurance, a description of how it is accounted for in the utility's books and records and a description of activity for each year 2010 through 2014 and fully forecasted test period.

102. Please provide the amount of insurance expense, by insurance type (i.e., property insurance, liability insurance, workers compensation, directors & officers liability insurance, etc.) for each year 2010 through 2014, and the projected expense for the fully forecasted test period, and identify the accounts in which the associated costs are included.

103. Please provide a detailed listing for each of the respective employee benefits, including:

a. the amount budgeted by account for each year 2010 through 2014, and the amounts projected for the fully forecasted test period;

b. the amount expensed by account for each year 2010 through 2014;

a. an explanation for any change of 10% or more from the previous year;

b. the amount charged to capital;

c. the amount charged to other; and

d. any studies the Company is relying on as justification for the reasonableness of the benefits provided.

104. Pension. Please provide a copy of the Company's most recent pension plan actuarial report for each pension plan provided by the Company.

105. Budget Variance Reports. Provide for each year 2010 through 2014, the capital budget variance reports of the Company, and the operating budget variance reports of the Company, in the most detailed format available.

106. Budget. Provide all assumptions reflected in the Company's fully forecasted test period.

107. Capital Budget. Provide copies of all operating and capital budget instructions, assumptions, directives, manuals, policies and procedures, timelines, and descriptions of budget procedures used for each year 2010 through 2014.

108. Capital Budgets. Provide, in the most detailed format available, for each year 2010 through 2014, and for the fully forecasted test period:

a. the budgeted capital additions by type of plant,

b. the actual results (where applicable) for each year by type of plant, and

c. an explanation for any variance of 10% or more.

d. Provide, by project, for 2010 - 2014 and for the fully forecasted test period test year, the budgeted reliability capital additions and the actual reliability capital additions. Explain any variance of 10% or more.

109. Please list and describe all cost savings programs implemented from the time of the Company's last rate case through the present.

110. Please describe each program and provide the anticipated savings as well as the actual savings realized to date.

111. Include calculations of savings amounts and explain any assumptions used in such calculations.

112. For each cost-saving program listed, provide the cost-benefit analyses. Show the impact of each cost saving program on the fully forecasted test period. If there are none, explain why.

113. Provide the amount of customer service deposits by month for each year 2010 through 2014, and the projected deposits for the fully forecasted test period.

114. Please identify all abnormal, atypical, and/or unusual historical plant activity of the Company's investment which occurred and was removed from the historical analysis of the Company's investment/data for depreciation purposes.

115. Please state, by account, the values of additions, retirements, gross salvage, cost of removal, etc., that were modified from the Company's continuing property records for inclusion and presentation in its most recent depreciation study and work papers. Each adjustment should be categorized by year, account, and dollar amount, (e.g., 2008 gross salvage value for account XXX was adjusted to reflect a reimbursement rather than gross salvage). Further, provide the reason for each modification.

116. In any instance where the Company relied on typical ranges from other utilities, if any, provide the corresponding data associated with the typical industry data identifying the utility, the specific value associated with that utility and when each utility's regulator approved such a value.

117. Please provide a copy of all industry comparative data reviewed and relied upon by the Company during the process of determining appropriate depreciation mortality characteristics for the Company's investment.

118. Provide all internal and external audit reports, management letters, consultants' reports etc. from 2010-2014, inclusive, which address in any way, the Company's property accounting and/or depreciation practices.

119. Please provide a copy of the Company's current capitalization policy. If the policy has changed at all since 2010, please provide a copy of all prior policies in effect during any portion of that period. Please identify and explain all changes since the most recent depreciation study which might affect existing depreciation rates, as well as the proposed depreciation rates for Cane Run 7.

120. Please provide complete copies of all correspondence with the following parties from 2008-2012, inclusive, regarding FASB Statement No. 143, FIN 47 and FERC Order 631 in RM02-7-000:

    e. External auditors and other public accounting firms,

    f. Consultants,

    g. External counsel,

    h. Federal and State regulatory agencies, and

    i. Internal Revenue Service.

121. Regarding FASB Statement No. 143, FIN 47, and FERC Order No. 631 in Docket No. RM02-7-000, on a plant account-by-plant account basis, please identify any and all "legal obligations" associated with the retirement of the assets contained in the account that result from the acquisition, construction, development and (or) the normal operation of the assets in the account. For the purposes of this question, please use the definition of a "legal obligation" provided in FASB Statement No. 143: "an obligation that a party is required to settle as a result of an existing or enacted law, statute, ordinance, or written or oral contract under the doctrine of promissory estoppel."

122. For any asset retirement obligations identified above, please provide the "fair value" of the obligation. For the purposes of the question, fair value means "the amount at which that liability could be settled in a current [not future] transaction between willing parties, that is, other than in a forced or liquidation transaction." Please provide all assumptions and calculations underlying these amounts.

123. Please provide the "credit adjusted risk free rate" used for any and all ARO

calculations under FASB Statement No. 143, FIN 47, and FERC Order No. 631 calculations to date.

124. For all accounts for which the Company has collected non-legal AROs, but instead recorded a regulatory liability (regulatory liability for cost of removal), please provide the fair value of the related asset retirement cost as of December 31, 2010; December 31, 2011, December 31, 2012, and December 31, 2014. For the purposes of this question, assume that the Company has legal AROs for these accounts, and use the life and dispersion assumptions reflected in current depreciation rates.

125. Provide the calculation of the annual amount of future gross salvage, cost of removal and net salvage incorporated into the Company's existing depreciation rates. If any of the amounts are reduced by the total amount of non-legal AROs included in year-end accumulated depreciation, show that calculation.

126. Are the amounts of cost of removal and gross salvage incorporated into the existing and proposed depreciation rates the same as they would have been in the absence of SFAS No. 143 and FIN 47? Please explain.

127. Please provide any information, when known, that would have a material effect on net operating income, rate base, or cost of capital that have occurred after the filing of the application, but were not incorporated in the filed testimony and exhibits.

128. Please describe the status of any outstanding recommendations contained in the Company's management audits. Identify any savings or costs related to management audit recommendations, the impact of which is not already reflected in the fully forecasted test period of this case.

129. Please provide a detailed listing, description and dollar breakout of all social and service club dues, country club dues and charitable expenses included in the above-the-line expenses in the fully forecasted test period.

130. Please provide a detailed listing, description and dollar breakout of all advertising expenses included in the above-the-line expense fully forecasted test period. In addition, indicate which of these advertising expenses can be considered promotional and institutional advertising.

131. Please provide a detailed listing, description and dollar breakout of all public relations and community relations/civic affairs expenses included in above-the-line expenses for the fully forecasted test period.

132. Please provide a detailed breakout of the components making up all of the company dues and subscriptions and employee dues and descriptions included in the fully forecasted test period.

133. Please explain in detail any major changes in accounting treatment for O&M expenses, retirements, replacements and removal costs instituted by the Company since 2010.

134. List each change in accounting principles made by the Company during 2010, 2011, 2012, 2013, and 2014, and for each such change, state the revenue and/or expense or capital impact in this filing.

135. Provide a copy of the Company's two most recent management letters and recommendations received from the Company's independent auditors.

136. What is the ratemaking treatment for customer deposits proposed by the Company?

    a. Where is such proposal found in the filing?

    b. Provide the monthly level of customer deposits for the period December 2010 thru December 2014.

    c. Provide the monthly interest expense paid by the Company on customer deposits for the same period.

137. Please provide for each year from 2005 through 2014 the gross and net additions to deferred taxes. Please breakdown such additions within each year by sub-account, providing the number and name for each account and sub-account. Provide also the same information projected data for the fully forecasted test period.

    a. For each item by year please reconcile the gross to net additions and explain how that reconciliation was derived.

138. For each distinct tax-timing difference for which the Company has provided deferred taxes, please identify the amount of excess deferred income taxes (i.e. deferred taxes accrued by the Company at federal tax rates higher than the current corporate tax rate, the excess is the difference over the current rate) existing on the Company's books at December 31, 2014 which can be flowed back to ratepayers on an accelerated basis (i.e. such amortization is not prohibited by the normalization requirements of the Internal Revenue Code). Show how these amounts are calculated.

139. Will the amount of investment tax credits utilized be increased if the Company is granted its requested rate increase in these proceedings? If not, why not? If so, provide calculations showing the Company's best estimate as to how much ITC will be utilized.

140. List expense amounts for workers compensation insurance and claims for each year 2012, 2013 and 2014. Indicate in which expense accounts these items are recorded.

141. Please state whether any amounts have been booked during calendar year 2014, or will be booked during the fully forecasted test period, by the Company for the liability created pursuant to any employment severance compensation agreements.

142. List any antitrust expense included in the fully forecasted test period.

143. Does the Company's proposed rate increase include any claim for attrition or suppression of sales? If so, please reference where this is presented.

144. Provide a complete copy of any and all attrition studies or analyses prepared by or for the Company during the period 2010 through 2014.

145. List and describe all maintenance programs and expenses which have been deferred into the fully forecasted test period from prior years 2012, 2013 and 2014, and for each item, explain the Company's reason for such deferral.

<u>Revenue</u>

146. Regarding the direct testimony of Mr. Sinclair at page 3, please provide any and all work papers and/or econometric models used to develop number of

customers by service type and/or service classification. Work papers should be provided in Excel format with all cells unlocked.

147. Regarding the direct testimony of Mr. Sinclair at page 3, please provide the econometric models used to develop the residential and commercial customer use per customer with all input data in Excel format. Also, please provide a description of each input variable and what purpose it serves in predicting use per customer.

148. Please provide the weather normalized sales by month and by service classification for 2009-2014.

149. Please provide the actual sales by month and by service classification for 2009-2014.

150. Please provide for each year 2009 through 2014 and the base and test years, the amount of distribution base pay, overtime, incentive compensation and the amount of other pay broken down in the most detailed format available including the amount charged to capital, charged to expense and charged to other. If any of the other is ultimately expensed, provide the amount ultimately expensed in each year.

151. For each year, 2009 through 2014 and the base and test years, provide a comparison of the amount of payroll that is budgeted versus actually charged to capital and O&M expense.

152. For each employee group, provide the annual aggregate percentage increase in compensation granted and provide a breakdown of the aggregate percentage increase by type of increase (i.e. merit, promotion, step, etc.) for the years 2009 through 2014 and the base & test periods.

153. Provide for each year 2009 through 2014 and the base and test years, the distribution overtime by account. For any account that increased from one year to the next by more than 10% please provide an explanation of the activities that caused the increase.

154. For the respective base and test years, provide the number of positions included in the request that are not currently filled, a listing of the positions and the associated payroll expense for those vacant positions.

155. Regarding the direct testimony of Paul Thompson, at pages 23-24, for each year for 2009 through 2014 and the base and test years, please provide the number of employees by generating station, at headquarters and in total.

156. Regarding the direct testimony of Paul Thompson, for the test period, please provide the number of employees that will be employed at the Cane Run 7 generating station for its day to day operations.

157. Regarding the direct testimony of Paul Thompson, please explain what the Company anticipates will happen to the work force at the Cane Run generating stations that are scheduled to be retired.

158. Regarding the direct testimony of Paul Thompson – Transmission Workforce, at pages 31, for each month for 2009 through 2014 and the base and test years, please provide the number of employees assigned to the transmission workforce.

159. Regarding the direct testimony of Paul Thompson – Distribution Workforce, at pages 42, for each month for 2009 through 2014 and the base and test years, please provide the number of employees assigned to the distribution workforce.

160. Regarding the direct testimony of Paul Thompson – Customer Service Workforce, at pages 62, for each month for 2009 through 2014 and the base and test years, please provide the number of employees assigned to the customer service workforce.

161. Regarding the direct testimony of John Spanos at page 5, please explain what historical data you reviewed with respect to KU and LG&E's other production plant. Did you mean historical retirement data as provided in the Company's 2001 Depreciation Study that is on file with the Commission?

162. Regarding the direct testimony of John Spanos at page 5, please provide a copy of any notes and/or correspondence Mr. Spanos took or was given when he obtained supplementary information from management and operating personnel concerning practices and plans as they relate to plant operations for the Cane Run Unit 7.

163. Regarding the direct testimony of John Spanos at page 8, please provide the objective information that Mr. Spanos used to form the basis for the probable retirement year for Cane Run Unit 7.

164. Regarding the direct testimony of John Spanos at page 8, please provide the outlook from Company management that was provided to Mr. Spanos that he

then used to form the basis for the probable retirement year for Cane Run Unit 7. Also, please provide any material that the Company management gave to Mr. Spanos in this regard.

165. Regarding the direct testimony of John Spanos at page 8, please provide all material that Mr. Spanos reviewed with respect to the age, use, size, nature of construction, and typical life spans experienced and used by other electric utilities for similar facilities that Mr. Spanos used to form the basis for the probable retirement year for Cane Run Unit 7.

166. Regarding the direct testimony of John Spanos at page 9, please explain what historical net salvage data you reviewed with respect to KU and LG&E’s. Did you mean historical retirement data as provided in the Company’s 2001 Depreciation Study that is on file with the Commission?

167. Regarding the direct testimony of John Spanos at page 9, please provide any and all material for other electric companies that Mr. Spanos used in his consideration of net salvage for Cane Run Unit 7.

168. Please provide the revenue requirement impact of a 50-basis-point change in return on equity. Explain how the response was calculated.

169. Please provide the revenue requirement impact of a 100-basis-point change in return on equity. Explain how the response was calculated.

170. Please provide the revenue requirement impact of a 200-basis-point change in return on equity. Explain how the response was calculated.

171. Board of Directors Meeting Minutes. Please provide copies of the Board of Directors Meeting Minutes for the years 2009 through 2012 and 2013 year-to-date.

172. Regarding the direct testimony of Blake, Schedule C, in the same format and detail (i.e, monthly) as shown on Schedule C-2.2 B, please provide a schedules showing the actual “Electric Utility Activity’’ for calendar years 2009-2014. Please update this response during the course of the proceeding as data becomes available.

173. Regarding the direct testimony of Blake, for each year for the period 2009-2014, please provide a listing of vendors and amounts paid to each vendor for Account 923 – Outside Services Employed along with a description of what the vendor was paid for.

174. Regarding the direct testimony of Blake, Health Care Costs:

   a. Please identify any and all measures the Company has undertaken within the past three years, including the test year, to minimize its employee benefit health care costs.

   b. State the annualized cost savings associated with each measure, and show how the Company estimated such amount.

   c. Has the Company increased the co-payment provisions borne by employees? If not, why not?

   d. Describe any and all incentives the Company has built into its employee health care benefit package to encourage cost economies.

175. Please provide the first year non-fuel operations and maintenance expenses for Cane Run Unit 7.

176. Please provide the test year non-fuel operations and maintenance expenses for the existing Cane Run Units 4, 5 and 6.

177. Please provide the gross plant in service and depreciation reserves by month for the test period for the Cane Run Units 4, 5 and 6.

178. Regarding the direct testimony of Blake and Conroy, Schedule B, in the same format and detail (i.e, monthly) as shown on Tab FCPIS B, please provide a schedules showing the actual "Electric Utility Activity'' for calendar years 2009-2014. Please update this response during the course of the proceeding as data becomes available.

Rate of Return

179. Please provide copies of all presentations made to rating agencies and/or investment firms by PPL, and/or Kentucky Utilities between January 1, 2013 and the present.

180. Please provide copies of all prospectuses for any security issuances by PPL and/or Kentucky Utilities between January 1, 2010 and the present.

181. Please provide copies of credit reports for PPL and/or Kentucky Utilities between January 1, 2013 and the present from the major credit rating agencies (Moody's, S&P, and Fitch).

182. Please provide the corporate credit and bond ratings assigned to PPL and Kentucky Utilities since the year 2010 by S&P, Moody's, and Fitch). For any change in the credit and/or bond rating, please provide a copy of the associated report

183. Please provide the breakdown in the expected return on pension plan assets for Kentucky Utilities. Specifically, please provide the expected return on different assets classes (bonds, US stocks, international stocks, etc) used in determining the expected return on plan assets. Please provide all associated source documents and work papers.

184. Please provide the Company's authorized and earned return on common equity for Kentucky Utilities over the past five years. Please provide copies of all associated work papers and source documents. Please provide copies of the source documents, work papers, and data in electronic (Microsoft Excel) formats, with all data and formulas intact.

185. Please provide copies of the financial statements (balance sheet, income statement, statement of cash flows, and the notes to the financial statements) for PPL and Kentucky Utilities for the past two years. Please provide copies of the financial statements in electronic (Microsoft Excel) formats, with all data and formulas intact.

186. Please provide a copy of the Avera/McKenzie testimony in Microsoft Word.

187. Please provide copies of all source documents, articles, cited documents listed in footnotes, regulatory decisions, work papers, and other sources used in the development and preparation of the Avera/McKenzie testimony.

188. Please provide Microsoft Excel copies of all source documents, work papers, and data used to develop the tables and figures in the Avera/McKenzie testimony. For the Microsoft Excel copies of the data, please keep all formulas intact.

189. Please reference the Avera/McKenzie testimony, pages 8-9, and please provide a breakdown by assets, revenues, and net income for the subsidiaries of PPL Corporation for year-end 2013 and 2014.

190. Please reference the Avera/McKenzie testimony, pages 17-23, please provide copies of all empirical studies performed that compare the business, financial, and investment risk of the jurisdictional electric utility operations of Kentucky Electric to:

a. PPL Corporation; and

b. the proxy group companies.

191. Please reference the Avera/McKenzie testimony, page 18, please:

a. indicate the universe of companies with electric and gas operations as indicated by Value Line Investment Survey;

b. the companies eliminated from the group from each of the four screens; and

c. the reasons each of the companies were eliminated.

192. Please reference the Avera/McKenzie testimony, pages 57-58, please:

a. list the screens applied to the Value Line database in establishing the Non-Utility Proxy Group;

b. indicate the justification for each of the screens applied to the companies in the Value Line Investment Survey in establishing the Non-Utility Proxy Group;

c. the companies eliminated from the group from each of the five screens; and (4) the reasons that each of the companies were eliminated.

193. Please reference the Avera/McKenzie testimony, pages 48-53:

a. please detail all equity flotation costs incurred by KU in the past three years;

b. for each of the flotation cost estimates, please provide the breakdown of the flotation costs into underwriting spread, company issuance costs, market pressure, and other expenses. Please show all calculations, and provide the associate source documents and work papers.

194. Please provide copies of the source documents, work papers, and underlying data used in the development of Exhibits No. 2 through 11. Please provide the data and work papers in electronic formats (Microsoft Excel), with all data and formulas intact. Please also include electronic copies (Microsoft Excel) of the Exhibit, leaving all data and formulas intact.

195. Please provide a copy of Mr. Blake's testimony in Microsoft Word.

196. Please provide an electronic copy of all sections and pages of Schedule J in Microsoft Excel, with all data and formulas intact.

197. With reference to Schedules J-1.1 and J-1.2, please provide:

   a. copies of all data, source documents, work papers, and other sources used in the development of the Company's proposed capital structure; copies of all data, source documents, work papers, and other sources used in the adjustments made to the balance sheet amounts of debt and equity in the development of the Company's proposed capital structure; and

   b. the data and work papers in (J-1.1) and (J-1.2), in electronic (Microsoft Excel) formats, with all data and formulas intact.

198. With reference to Schedules J-1.1, J-1.2, and J-2, please:

   a. provide copies all data, work a papers and calculations used in the development of the cost and amounts of short-term debt; and

   b. detail all assumptions and show calculations for projected amounts and costs of short-term debt; and

   c. provide the data and work papers in (a) and (b) in electronic (Microsoft Excel) formats, with all data and formulas intact.

199. With reference to Schedules J-1.1, J-1.2, and J-3, please:

   a. provide copies all data, work a papers and calculations used in the development of the cost and amounts of long-term debt; and

   b. detail all assumptions and show calculations for projected amounts and costs of long-term debt; and

   c. provide the data and work papers in (a) and (b) in electronic (Microsoft Excel) formats, with all data and formulas intact.

Cost of Service

189. Please provide a fully executable computerized copy of the KU class cost of service study in Microsoft Excel format. In this response provide all linked files.

190. Please explain and provide all workpapers and spreadsheets showing the determination of the separation of Production and Transmission costs among

Intermediate, and Peak implicit in the determination in KU Dr. Martin Blake, Direct Testimony, Page 8 and Exhibit MJB-4. In this response, explain the relevance or relationship of the Non-Time-Differentiated Cost (34.99%), Summer Peak Period Cost (30.91%) and Winter Peak Period Costs (34.10%). Please provide this response in Microsoft readable electronic format (preferably Microsoft Excel), including all workpapers, source documents, calculations etc. that support the amounts, assumptions, and calculations presented therein.

191. Please provide all workpapers, source documents, and electronic spreadsheets showing the development of each external allocator "functional vector" utilized in Dr. Blake's KU class cost of service study and referred to at Page 13 of his Direct Testimony. In this response, provide the source for all data and the bases for any weightings. Please provide in Microsoft readable electronic format (preferably Microsoft Excel).

192. For each KU and LG&E generating unit that was in service as of December 31, 2014 (or most recent period available), owned individually, jointly, or partially, please provide the following:

   a. names of owners (and ownership percentages);

   b. type and fuels;

   c. total nameplate (rated) capacity (MW);

   d. total and individual company gross investment (end of period);

   e. total and individual company depreciation reserve (end of period);

   f. total and individual company annual depreciation expense;

   g. gross KWH produced during the last 12-month period; and,

   h. net (less station use) KWH produced during the last 12-month period.

193. For each KU and LG&E generating unit included in this rate application that was not actually in service as of December 31, 2014, i.e., included in CWIP, please provide the following:

   a. names of owners (and ownership percentages);

   b. type and fuels;

c. total nameplate (rated) capacity (MW);

d. total and individual company gross investment (end of period);

e. total expected gross investment when ultimately placed in service; and,

f. design or expected rate of each fuel type.

194. Please provide the current combined KU and LG&E generating order of dispatch by unit and basis for this order of dispatch.

195. Please provide the fully forecasted test year combined KU and LG&E generating order of dispatch by unit and basis for this order of dispatch. Include within your response Cane Run 7.

196. Please provide total native system, total KU, total LG&E, and KU class contributions to each monthly system (KU + LG&E) coincident peak demand during each of the last three years. Provide class contributions at generation voltage level. In this response please provide the date and hour of each provided observation.

197. For each KU and LG&E generating unit, please provide all forced (unscheduled) outages (dates, time, and duration) by unit during the most recent 12-month period.

198. Please identify and explain any events or circumstance occurring during the most recent 12-months that materially (significantly) altered the normal (typical) economic dispatch of LG&E's and KU's electric production resources (if any).

199. For each KU and LG&E generating unit, please provide the most recent average annual fuel cost per KWH.

200. For each KU and LG&E generating unit, please provide the projected average annual fuel cost per KWH for the fully forecasted test period, including Cane Run 7 in your response.

201. Please specifically explain and define how KU distinguishes between primary and secondary voltage; e.g., voltage level.

202. Please provide a copy of the most recent KU class load study (basis for estimating class peak demands) including all supporting tables, schedules, and

data. Please provide in hard copy as well as in Microsoft readable electronic format (preferably Microsoft Excel).

203. Please provide all workpapers, analyses, calculations, etc. supporting all KU non-jurisdictional and jurisdictional class demands (loads) utilized in the jurisdictional and class cost of service studies. In this response, please explain and indicate how class demands were specifically determined or estimated. Include all definitions of demand utilized; e.g., CP, NCP and sum of individual customers. Please provide in hard copy as well as in Microsoft readable electronic format (preferably Microsoft Excel).

204. Please explain how Curtailable Service Riders CSR10 and CSR30 customers' demands and energy usage are reflected in the KU class cost of service study.

205. With regard to KU's current Curtailment Service Rider CSR10, please provide in Microsoft readable electronic format (preferably Microsoft Excel) the following amounts by rate schedule, separated between Primary and Transmission, for each month during the most recent 12-month period:

a. total firm contract demand;

b. total contract curtailment load;

c. total billing demand;

d. total demand credits;

e. total non-compliance charges by month; and,

f. listing of date, time, duration, and estimated MW curtailment.

206. With regard to KU's proposed Curtailable Service Riders ("CSRs") referenced at Pages 29 and 30 of Mr. Conroy's Direct Testimony, please provide all workpapers, spreadsheets, source documents, assumptions, etc. utilized to develop the CSR provisions (curtailable hours, buy-through rates, etc.) being proposed in this case. Please provide in Microsoft readable electronic format as applicable (preferably Microsoft Excel).

207. With regards to the Specific Assignment of Curtailable Service Rider credits and avoided costs shown in KU Dr. Blake's Exhibit MJB-9, Pages 23 and 24:

a. please explain what the <$11,877,948> of "Curtailable Service Rider Avoided Cost" represents and provide all workpapers showing the determination of this amount;

b. please explain and provide all workpapers, spreadsheets, source documents, and analyses showing how the "specific assignments" were made to individual classes; and,

c. please explain the basis and provide all workpapers and spreadsheets showing how the Allocation of Curtailable Service Rider Credits of $11,877,948 were made; e.g., the development of Allocation Vector "INTCRE."

d. Please provide in Microsoft readable electronic format (preferably Microsoft Excel).

208. With respect to Dr. Blake's KU zero-intercept analysis (summarized in Exhibits MJB-5, MJB-6 and MJB-7), please provide :

a. all data utilized in developing each data set, along with the data utilized as inputs for regression modeling;

b. statistical output including all diagnostic statistics;

c. specific definition of dependent and independent variable(s) utilized corresponding to the data provided in each Exhibit;

d. specific regression model (including coefficient);

e. definition of "size" for each account;

f. definition of "cost" for each account;

g. definition of "quantity" for each account; and,

h. source documents supporting Dr. Blake's regression data.

i. Please provide in in Microsoft readable electronic format (preferably Microsoft Excel).

209. Please provide KU Dr. Blake's Exhibits MJB-5, MJB-6 and MJB-7 in executable electronic spreadsheets. In this response include all analyses, calculations, work

papers, and supporting documents conducted to develop each zero-intercept analysis.

210. Please provide the following separated between primary and secondary (as available) by vintage year, size, and type for KU Account 365 (Overhead Conductors) in the greatest level of detail available:

   a. installed footage;

   b. gross investment;

   c. materials investment;

   d. capitalized labor; and,

   e. Handy-Whitman Cost Index or equivalent.

   f. If all data is not available for all years, please provide the level of detail that is available. Please provide in in Microsoft readable electronic format (preferably Microsoft Excel).

211. Please provide the following separated between primary and secondary (as available) by vintage year, size, and type for KU Account 367 (Underground Conductors) in the greatest level of detail available:

   a. installed footage;

   b. gross investment;

   c. materials investment;

   d. capitalized labor; and,

   e. Handy-Whitman Cost Index or equivalent.

   f. If all data is not available for all years, please provide the level of detail that is available. Please provide in in Microsoft readable electronic format (preferably Microsoft Excel).

212. Please provide the following separated between primary and secondary as available by vintage year, size and type for KU Account 368 (Line Transformers) in the greatest level of detail available:

a. installed units;

b. gross investment;

c. materials investment;

d. capitalized labor; and,

e. Handy-Whitman Cost Index or equivalent.

f. If all data is not available for all years, please provide the level of detail that is available. Please provide in Microsoft readable electronic format (preferably Microsoft Excel).

213. Please provide each of the following KU Exhibits included in Dr. Blake's Direct Testimony in executable Excel format (include all linked files):

a. Exhibit MJB-10;

b. Exhibit MJB-11;

c. Exhibit MJB-12; and,

d. Exhibit MJB-13.

e. Please include in this response all the workpapers, spreadsheets, source documents, etc. that support the amounts, assumptions and calculations presented in each of these Exhibits.

214. Please provide KU fully forecasted test year General plant in the greatest detail available by FERC account and sub-account. Please provide in Microsoft readable electronic format (preferably Microsoft Excel).

215. Please provide KU fully forecasted test year CWIP in the greatest detail available. Please provide in hard copy as well as in Microsoft readable electronic format (preferably Microsoft Excel).

216. Please provide KU fully forecasted test year depreciation reserve and depreciation expense in the greatest detail available by FERC account and sub-

account. Please provide in Microsoft readable electronic format (preferably Microsoft Excel).

217. Please provide actual and estimated KU meter reads by customer class during the most recent 12-months available.

218. With regard to KU Purchased Power (Account 555) included in its electric class cost of service study, please provide:

a. all workpapers and analyses showing the determination of total capacity costs within the Account total; and,

b. all workpapers and analyses showing the determination of total energy costs within the Account total.

c. Please provide in Microsoft readable electronic format (preferably Microsoft Excel).

219. With regard to KU Off-System Sales of $24,736,304 (Blake Exhibit MJB-9, Page 23), please provide in Microsoft readable Excel format:

a. a detailed explanation along with all workpapers and analyses showing the pricing methodology (basis) and amount (units and dollars) for sales to affiliates;

b. if not provided in (a) above, please provide the detailed determination of test year Off-System Sales (units and dollars) by month and by affiliate; and,

c. method used to allocated total Company amount to individual classes.

220. For each the last three rate cases (before this rate case), please provide the following by rate class:

a. current base rate revenues excluding all Riders and fuel (before increase);

b. current Rider revenue excluding fuel;

c. current fuel revenue;

d. Company proposed (as-filed) increase;

e. authorized increase; and,

f. KWH sales included in Filing.

221. Please provide all workpapers, analyses, spreadsheets, source documents, etc. that show how each of the electric class cost of service study allocation factors was determined that are identified in Dr. Blake's Direct Testimony at Pages 14 through 16. Please provide in Microsoft readable electronic format (preferably Microsoft Excel).

222. Please provide the following KU system actual or estimated number of circuit miles as follows:

a. separated between primary and secondary voltage;

b. separated between 3-phase and single (dual) phase; and,

c. separated by size of conductor.

223. With respect to the discussion of the Optional Residential Time-of-Day Rates at Dr. Blake's Direct Testimony, Pages 23 through 27, please provide a detailed explanation of why KU is proposing these rates at this time.

224. With respect to Exhibit MJB-11, please provide all supporting data and analyses for the billing determinants, rates, revenues, rate periods, etc. determined and presented therein.

225. For each of the last three calendar years, please provide actual billing determinants by rate schedule (customers, billed demand, KWH, rKVA, etc.).