

**COMMONWEALTH OF KENTUCKY**  
**BEFORE THE PUBLIC SERVICE COMMISSION**

**In the Matter of:**

<b>APPLICATION OF KENTUCKY UTILITIES</b>	)	<b>CASE NO.</b>
<b>COMPANY FOR AN ADJUSTMENT OF</b>	)	<b>2014-00371</b>
<b>ITS ELECTRIC RATES</b>	)	

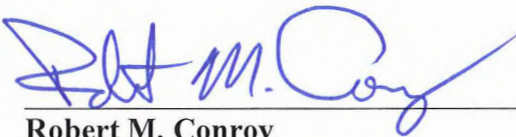
**RESPONSE OF**  
**KENTUCKY UTILITIES COMPANY**  
**TO**  
**LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT'S**  
**SUPPLEMENTAL REQUEST FOR INFORMATION**  
**DATED FEBRUARY 5, 2015**

**FILED: FEBRUARY 20, 2015**

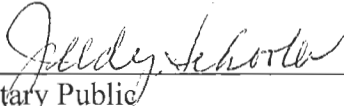
VERIFICATION

COMMONWEALTH OF KENTUCKY )  
 ) SS:  
COUNTY OF JEFFERSON )

The undersigned, **Robert M. Conroy**, being duly sworn, deposes and says that he is Director - Rates for Louisville Gas and Electric Company and Kentucky Utilities Company, 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.

  
Robert M. Conroy

Subscribed and sworn to before me, a Notary Public in and before said County and State, this 18th day of February 2015.

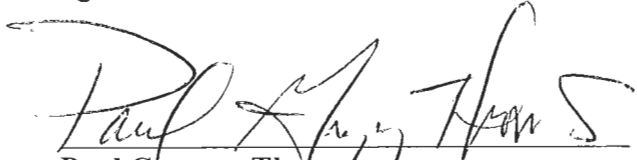
  
Notary Public (SEAL)

My Commission Expires:  
JUDY SCHOLLER  
Notary Public, State at Large, KY  
My commission expires July 11, 2018  
Notary ID # 512743

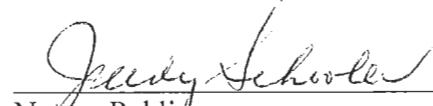
VERIFICATION

COMMONWEALTH OF KENTUCKY )  
 ) SS:  
COUNTY OF JEFFERSON )

The undersigned, **Paul Gregory Thomas**, being duly sworn, deposes and says that he is Vice President, Electric Distribution, 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.

  
Paul Gregory Thomas

Subscribed and sworn to before me, a Notary Public in and before said County and State, this 18<sup>th</sup> day of February 2015.

 (SEAL)  
Notary Public

My Commission Expires:  
**JUDY SCHULER**  
**Notary Public, State at Large, KY**  
**My commission expires July 11, 2018**  
**Notary ID # 512743**

**KENTUCKY UTILITIES COMPANY**

**CASE NO. 2014-00371**

**Response to Lexington-Fayette Urban County  
Government's Supplemental Request for Information  
Dated February 5, 2015**

**Question No. 1**

**Responding Witness: Robert M. Conroy**

Q-1. Please refer to LFUCG's Request for Information No. 4. Please provide the amount of franchise fees collected from Fayette County customers and remitted to LFUCG for each of the last 3 years as well as the base year period.

A-1.

Franchise Fees Remitted to the City of Lexington	
2012	\$ 9,196,146
2013	11,604,757
2014	14,133,595
Base Period *	12,798,759
* The base period represents payments in March 2014 through January 2015.	

**KENTUCKY UTILITIES COMPANY**

**CASE NO. 2014-00371**

**Response to Lexington-Fayette Urban County  
Government's Supplemental Request for Information  
Dated February 5, 2015**

**Question No. 2**

**Responding Witness: Paul Gregory ("Greg") Thomas / Robert M. Conroy**

- Q-2. Please refer to LFUCG's Request for Information No. 28. In clarification, LFUCG seeks to understand whether KU allows any such use of street lights for non-lighting purposes. By way of example, but not limitation, does KU allow any third party to attach any equipment to, or otherwise utilize the street lights for which LFUCG pays tariffs. More specifically, does KU allow, in any way, the non-governmental utilization of public street lights in Fayette County?
- (a) If so, please provide a detailed explanation of each different type of such utilization that occurs in Fayette County, the extent of each type of utilization, the names of any parties that have agreements with KU regarding such usage in Fayette County, the amount and type of compensation or consideration (monetary or otherwise) that KU typically receives for such usage, copies of any pertinent agreements for such usage, and the total amount of compensation that KU receives for such activities.
- A-2. KU installs wood and non-wood poles for the purpose of providing multi-voltage levels of electric services to our customers' end uses. Lighting services, also an end use, are installed on existing utility poles as well as on poles that are specifically installed to provide lighting service. KU does allow non-governmental utilization of poles upon which public street lights are attached.
- a) KU allows the installation of telecommunication cables on poles also used to provide lighting services by qualified telecommunications providers as required by the Commission. Third-party cables are often installed on existing utility poles that also provide lighting services along public roadways. LFUCG pays no excess facilities charges for lighting services when attaching to existing joint-use poles. Incidental cable attachments on poles specifically installed to provide lighting service are infrequently made when required by National Electrical Safety Code (NESC). There is no reduction to any Lighting Service charges as a result of third-party attachments for NESC compliance. Cable attachment compensation is not

tracked by structure and KU does not record the incidences of third-party attachments on poles also containing street lighting facilities leased by LFUCG.

The following list identifies companies that have third-party cable attachments on poles that may also be used to provide LFUCG lighting services in the Lexington area. The list is broken down by the type of cable attachment.

- I. Cable Television (CATV)
  - i. Time Warner
- II. Incumbent Local Exchange Carriers (ILEC)
  - i. Windstream
- III. Competitive Local Exchange Carriers (CLEC)
  - i. TW telecom (now Level 3)
  - ii. Windstream (formerly KDL)
  - iii. SE Acquisitions
  - iv. Wild Tel

CATV pole attachments are made under the provisions of the KU CTAC tariff. ILEC attachments are made under a Joint Use pole sharing agreement with the local ILEC and are made without fee to either party. CLEC attachments are made under individual agreements with CLEC providers. Copies of contracts for pole attachments and the CTAC tariff are attached. The pole attachment contracts are considered confidential and are being provided under seal pursuant to a Petition for Confidential Protection.

**Kentucky Utilities Company**

P.S.C. No. 16, Original Sheet No. 40

Standard Rate

CTAC

**Cable Television Attachment Charges****APPLICABLE**

In all territory served.

**AVAILABILITY OF SERVICE**

Where Company is willing to permit the attachments of cables, wires and appliances to its poles where, in Company's judgment, such attachments will not interfere with its electric service requirements and other prior licensees using Company's poles. Attachments will be permitted upon execution by both parties of a Cable Television Attachment Agreement supplied by Company.

**ATTACHMENT CHARGE**

\$9.69 per year for each attachment to pole.

**BILLING**

Attachment Charges to be billed semi-annually based on the number of pole attachments being maintained on December 1 and June 1. Provided, however, that should the Agreement be terminated in accordance with the terms of the said Agreement, the Attachment Charges will be prorated to the date of such termination. Payment will be due within thirty (30) days from date of bill. Non-payment of bills shall constitute a default of the Agreement.

**TERM OF AGREEMENT**

The Cable Television Attachment Agreement shall become effective upon execution by both parties and shall continue in effect for not less than one (1) year, subject to provisions contained in the agreement. At any time thereafter, the Customer may terminate the agreement by giving not less than six (6) months' prior written notice. Upon termination of the agreement, Customer shall immediately remove its cables, wire, appliances and all other attachments from all poles of Company.

**TERMS AND CONDITIONS OF POLE ATTACHMENTS**

Pole attachments shall be permitted in accordance with this Schedule. Company's Terms and Conditions shall be applicable, to the extent they are not in conflict with or inconsistent with, the special provisions of this Schedule.

Upon written Agreement, Company is willing to permit, to the extent it may lawfully do so, the attachment of cables, wires and appliances to its poles by a cable television system operator, hereinafter "Customer," where, in its judgment, such use will not interfere with its electric service requirements and other prior licensees using Company's poles, including consideration of economy and safety, in accordance with this schedule approved by the Public Service Commission. The Terms and Conditions applicable to such service are as follows:

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**DATE OF ISSUE:** May 24, 2013

**DATE EFFECTIVE:** January 1, 2013

**ISSUED BY: /s/** Edwin R. Staton, Vice President  
State Regulation and Rates  
Lexington, Kentucky

**Kentucky Utilities Company**

Thomas/Conroy

P.S.C. No. 16, First Revision of Original Sheet No. 40.1

Canceling P.S.C. No. 16, Original Sheet No. 40.1

Standard Rate

CTAC

**Cable Television Attachment Charges****1. ATTACHMENT APPLICATIONS AND PERMITS**

Before making attachment to any pole or poles of Company, Customer shall make application and receive a permit therefore on a form to be supplied by Company. The information submitted by Customer with the application for a permit shall consist of drawings and associated descriptive matter which shall be adequate in all detail to enable Company to thoroughly check the proposed installation of Customer. Before the attachments are made, the permit must be approved by Company. Customer shall not build separate pole lines along existing facilities of Company and shall not place intermediate poles in spans of Company, unless authorized by Company in writing. Company shall have the right to remove unauthorized Customer attachments at Customer's expense after notice to Customer. In the event a pole attachment count does not correspond to the recorded attachment count, Customer will pay a back attachment fee for any excess attachments. The back attachment fee will be double the rate otherwise in effect over the time since last pole attachment count and shall be payable on demand.

**2. PERMITTED ATTACHMENTS**

Customer shall be permitted to make only one bolt attachment for one messenger on tangent poles and two bolt attachments for two messengers on corner poles. A maximum of five individual coaxial cables may be supported by any single messenger if these cables are all attached to the messenger by suitable lashings or bindings, and so that the maximum overall dimension of the resulting cable bundle does not exceed two (2) inches. Any messenger attachment other than to tangent poles must be properly braced with guys and anchors provided by Customer to the satisfaction of Company. The use of existing Company anchors for this purpose must be specifically authorized in writing, subject to additional charge, and will not ordinarily be permitted. The use of crossarms or brackets shall not be permitted. In addition to messenger attachments, Customer will be permitted one Customer amplifier installation per pole and four service drops to be tapped on cable messenger strand and not on pole. Customer power supply installations shall be permitted, but only at pole locations specifically approved by Company. Any or all of the above are considered one attachment for billing purposes. Any additional attachments desired by Customer will be considered on an individual basis by Company, and as a separate attachment application.

**3. CONSTRUCTION AND MAINTENANCE REQUIREMENTS AND SPECIFICATIONS**

Customer's cables, wires and appliances, in each and every location, shall be erected and maintained in accordance with the requirements and specifications of the National Electrical Safety Code, current edition, and Company's construction practices, or any amendments or revisions of said Code and in compliance with any rules or orders now in effect or that hereinafter may be issued by the Public Service Commission of Kentucky, or other authority having jurisdiction. In the event any of Customer's construction does not meet any of the foregoing requirements, Customer will correct same in fifteen work days after written notification. Company may make corrections and bill Customer for total costs incurred, if not corrected by Customer.

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**DATE OF ISSUE:** January 31, 2013

**DATE EFFECTIVE:** August 1, 2010

**ISSUED BY: /s/** Lonnie E. Bellar, Vice President  
State Regulation and Rates  
Lexington, Kentucky



**Kentucky Utilities Company**

Thomas/Conroy

P.S.C. No. 16, First Revision of Original Sheet No. 40.2

Canceling P.S.C. No. 16, Original Sheet No. 40.2

Standard Rate

CTAC

**Cable Television Attachment Charges****4. MAINTENANCE OF ATTACHMENTS**

Customer shall, at its own expense, make and maintain said attachments in safe condition and in thorough repair, and in a manner suitable to Company and so as not to conflict with the use of said poles by Company, or by other parties, firms, corporations, governmental units, etc., using said poles, pursuant to any license or permit by Company, or interfere with the working

use of facilities thereon or which may, from time to time, be placed thereon. Customer shall promptly at any time, at its own expense, upon written notice from Company, relocate, replace or renew its facilities placed on said poles, and transfer them to substituted poles, or perform any other work in connection with said facilities that may be required by Company but in no case longer than 30 day after date of written request. In cases of emergency, however, Company may arrange to relocate, replace or renew the facilities placed on said poles by Customer, transfer them to substituted poles or perform any other work in connection with said facilities that may be required in the maintenance, replacement, removal or relocation of said poles, the facilities thereon or which may be placed thereon, or for the service needs of Company, or its other licensees, and Customer shall, on demand, reimburse Company for the expense thereby incurred.

**5. COSTS ASSOCIATED WITH ATTACHMENTS**

In the event that any pole or poles of Company to which Customer desires to make attachments are inadequate to support the additional facilities in accordance with the aforesaid specifications, Company will indicate on the application and permit form the changes necessary to provide adequate poles and the estimated cost thereof to Customer. If Customer still desires to make the attachments, Company will replace such inadequate poles with suitable poles and Customer will, on demand, reimburse Company for the total cost of pole replacement necessary to accommodate Customer attachments, less the salvage value of any pole that is removed, and the expense of transferring Company's facilities from the old to the new poles. Where Customer desired attachments can be accommodated on present poles of Company by rearranging Company's facilities thereon, Customer will compensate Company for the full expense incurred in completing such rearrangements, within ten days after receipt of Company's invoice for such expense. Customer will also, on demand, reimburse the owner or owners of other facilities attached to said poles for any expense incurred by it or them in transferring or rearranging said facilities. In the event Customer makes an unauthorized attachment which necessitates rearrangements when discovered, then Customer shall pay on demand twice the expense incurred in completing such rearrangements.

**6. MAINTENANCE AND OPERATION OF COMPANY'S FACILITIES**

Company reserves to itself, its successors and assigns, the right to maintain its poles and to operate its facilities thereon in such manner as will, in its own judgment, best enable it to fulfill its electric service requirements, but in accordance with the specifications herein before referred to. Company shall not be liable to Customer for any interruption to service to

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**DATE OF ISSUE:** January 31, 2013

**DATE EFFECTIVE:** August 1, 2010

**ISSUED BY: /s/** Lonnie E. Bellar, Vice President  
State Regulation and Rates  
Lexington, Kentucky

**Kentucky Utilities Company**

Thomas/Conroy

P.S.C. No. 16, First Revision of Original Sheet No. 40.3

Canceling P.S.C. No. 16, Original Sheet No. 40.3

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**Standard Rate****CTAC****Cable Television Attachment Charges**

Customer's subscribers or for interference with the operation of the cables, wires and appliances of Customer arising in any manner out of the use of Company's poles hereunder.

**7. FRANCHISES AND EASEMENTS**

Customer shall submit to Company evidence, satisfactory to Company, of Customer's authority to erect and maintain Customer's facilities within public streets, highways and other thoroughfares within the above described territory which is to be served and shall secure any necessary consent by way of franchise or other satisfactory license, permit or authority, acceptable to Company from State, County or municipal authorities or from the owners of property where necessary to construct and maintain facilities at the locations of poles of Company which it desires to use. Customer must secure its own easement rights on private property. Customer must, regardless of authority received or franchises given by governmental agencies, conform to all requirements of Terms and Conditions with regard to Company's property. Company's approval of attachments shall not constitute any representation or warranty by Company to Customer regarding Customer's right to occupy or use any public or private right-of-way.

**8. INSPECTION OF FACILITIES**

Company reserves the right to inspect each new installation of Customer on its poles and in the vicinity of its lines or appliances and to make periodic inspections, every two (2) years or more often as plant conditions warrant of the entire plant of Customer. Such inspections, made or not, shall not operate to relieve Customer of any responsibility, obligation or liability.

**9. PRECAUTIONS TO AVOID FACILITY DAMAGE**

Customer shall exercise precautions to avoid damage to facilities of Company and of others supported on said poles; and shall assume all responsibility of any and all loss for such damage caused by it. Customer shall make an immediate report to Company of the occurrence of any damage and shall reimburse Company for the expense incurred in making repairs.

**10. INDEMNITIES AND INSURANCE**

Customer shall defend, indemnify and save harmless Company from any and all damage, loss, claim, demand, suit, liability, penalty or forfeiture of every kind and nature-including but not limited to costs and expenses of defending against the same and payment of any settlement or judgment therefore, by reason of (a) injuries or deaths to persons, (b) damages to or destructions of properties, (c) pollutions, contaminations of or other adverse effects on the environment or (d) violations of governmental laws, regulations or orders whether suffered directly by Company it-self or indirectly by reason of claims, demands or suits against it by third parties, resulting or alleged to have resulted from acts or omissions of Customer, its employees, agents, or other representatives or from their presence on the premises of Company, either solely or in concurrence with any alleged joint negligence of Company.

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**DATE OF ISSUE:** January 31, 2013

**DATE EFFECTIVE:** August 1, 2010

**ISSUED BY: /s/** Lonnie E. Bellar, Vice President  
State Regulation and Rates  
Lexington, Kentucky

**Kentucky Utilities Company**

P.S.C. No. 16, First Revision of Original Sheet No. 40.4

Canceling P.S.C. No. 16, Original Sheet No. 40.4

**Standard Rate****CTAC****Cable Television Attachment Charges**

Customer shall provide and maintain in an Insurance Company(s) authorized to do business in the Commonwealth of Kentucky, the following:

- (a) Insurance protection for Customer employees to the extent required by the Workmen's Compensation Law of Kentucky and, where same is not applicable or if necessary to provide a defense for Company, Employer's Liability Protection (covering both Company and Customer) for Customer employees for no less than \$100,000.00 per employee.
- (b) Public Liability and Business Liability insurance with a minimum limit of \$500,000.00 for each person injured and with a minimum total limit of \$1,000,000.00 for each accident and a minimum limit of \$100,000.00 for property damage for each accident.
- (c) Public Liability and Property Damage insurance on all automotive equipment used by Customer on job to the extent of the amounts for Public Liability and Property Damage insurance set out in the preceding Paragraph (b).
- (d) In the event that work covered by the Agreement includes work to be done in places or areas where the Maritime Laws are in effect, then and in that event additional insurance protection to the limits in Paragraph (b) above for liability arising out of said Maritime Laws.
- (e) In the event the work covers fixed wing aircraft, rotor lift, lighter than air aircraft or any other form of aircraft, appropriate insurance will be carried affording protection to the limits prescribed in the preceding Paragraph (b).
- (f) In the event the work covers blasting, explosives or operations underground, in trenches or other excavations, appropriate insurance will be carried affording protection to the limits prescribed in the preceding Paragraph (b), together with products hazard and completed operations insurance where applicable, affording protection to the limits above prescribed. Customer's liability insurance shall be written to eliminate XCU exclusions. Said insurance is to be kept in force for not less than one year after cancellation of the Agreement.

Before starting work, Customer shall furnish to Company a certificate(s) of insurance satisfactory to Company, evidencing the existence of the insurance required by the above provisions, and this insurance may not be canceled for any cause without sixty (60) days advance written notice being first given Company; provided, that failure of Company to require Customer to furnish any such certificate(s) shall not constitute a waiver by Company of Customer's obligation to maintain insurance as provided herein.

Each policy required hereunder shall contain a contractual endorsement written as follows: "The insurance provided herein shall also be for the benefit of Kentucky Utilities Company so to guarantee, within the policy limits, the performance by the named insured of the indemnity

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**DATE OF ISSUE:** January 31, 2013

**DATE EFFECTIVE:** August 1, 2010

**ISSUED BY: /s/** Lonnie E. Bellar, Vice President  
State Regulation and Rates  
Lexington, Kentucky

**Kentucky Utilities Company**

P.S.C. No. 16, First Revision of Original Sheet No. 40.5

Canceling P.S.C. No. 16, Original Sheet No. 40.5

**Standard Rate****CTAC****Cable Television Attachment Charges**

provisions of the Cable Television Attachment Agreement between the named insured and Kentucky Utilities Company. This insurance may not be canceled for any cause without sixty (60) days advance written notice being first given to Kentucky Utilities Company."

**11. ATTACHMENT REMOVAL AND NOTICES**

Customer may at any time voluntarily remove its attachments from any pole or poles of Company, but shall immediately give Company written notice of such removal on a form to be supplied by Company. No refund of any attachment charge will be due on account of such voluntary removal.

**12. FORBIDDEN USE OF POLES**

Prior to Customer's initial attachment, Company reserves the right due to engineering design requirements to refuse use by Customer of certain or specific poles or structures (such as normal transmission routes). Upon notice from Company to Customer that the use of any pole or poles is forbidden by municipal or other public authorities or by property owners, the permit covering the use of such pole or poles shall immediately terminate and Customer shall remove its facilities from the affected pole or poles at once. No refund of any attachment charge will be due on account of any removal resulting from such forbidden use.

**13. NON-COMPLIANCE**

If Customer shall fail to comply with any of the provisions of these Rules and Regulations or Terms and Conditions or default in any of its obligations under these Rules and Regulations or Terms and Conditions and shall fail within thirty (30) days after written notice from Company to correct such default or non-compliance, Company may, at its option, forthwith terminate the Agreement or the permit covering the poles as to which such default or non-compliance shall have occurred, by giving written notice to Customer of said termination. No refund of any rental will be due on account of such termination.

**14. WAIVERS**

Failure to enforce or insist upon compliance with any of these Rules and Regulations or Terms and Conditions or the Agreement shall not constitute a general waiver or relinquishment thereof, but the same shall be and remain at all times in full force and effect.

**15. USE OF COMPANY'S FACILITIES BY OTHERS**

Nothing herein contained shall be construed as affecting the rights or privileges previously conferred by Company, by contract or otherwise, to others, not parties to the Agreement, to use any poles covered by the Agreement; and Company shall have the right to continue and to extend such rights or privileges. The attachment privileges herein granted shall at all times be subject to such existing contracts and arrangements.

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**DATE OF ISSUE:** January 31, 2013

**DATE EFFECTIVE:** August 1, 2010

**ISSUED BY: /s/** Lonnie E. Bellar, Vice President  
State Regulation and Rates  
Lexington, Kentucky

**Kentucky Utilities Company**

P.S.C. No. 16, First Revision of Original Sheet No. 40.6

Canceling P.S.C. No. 16, Original Sheet No. 40.6

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**Standard Rate****CTAC****Cable Television Attachment Charges****16. ASSIGNMENT**

Customer shall not assign, transfer or sublet the privileges hereby granted and/or provided in the Agreement without the prior consent in writing of Company.

**17. PROPERTY RIGHTS**

No use, however extended, of Company poles under the Agreement shall create or vest in Customer any ownership or property rights in said poles, but Customer shall be and remain a customer only. Nothing herein contained shall be construed to compel Company to maintain any of said poles for a period longer than demanded by its electric service requirements.

**18. FAILURE TO PROCEED**

Customer agrees to proceed as expeditiously as practical with the work of providing the television cable service to the area described in the Agreement. Within ninety (90) days from the date of the Agreement, Customer shall make progress reasonably satisfactory to Company in the installation of its facilities or shall demonstrate, to the reasonable satisfaction of Company, its ability to proceed expeditiously.

**19. TERMINATION**

Upon termination of the Agreement in accordance with any of its terms, Customer shall immediately remove its cables, wires and appliances from all poles of Company. If not removed, Company shall have the right to remove them at the cost and expense of Customer.

**20. SECURITY**

Customer shall furnish bond for the purposes hereinafter specified as follows:

- (a) during the period of Customer's initial installation of its facilities and at the time of any expansion involving more than seventy-five (75) poles, a bond in the amount of \$2,000 for each 100 poles (or fraction thereof) to which Customer intends to attach its facilities;
- (b) following the satisfactory completion of Customer's initial installation, the amount of bond shall be reduced to \$1,000 for each 100 poles (or fraction thereof);
- (c) after Customer has been a customer of Company pursuant to the Agreement and is not in default thereunder for a period of three years, the bond shall be reduced to \$500 for each 100 poles (or fraction thereof).
- (d) such bond shall contain the provision that it shall not be terminated prior to six (6) months' after receipt by Company of written notice of the desire of the bonding or insurance company to terminate such bond. This six (6) months' termination clause may be waived by Company if an acceptable replacement bond is received before the six (6) months has ended. Upon receipt of such termination notice, Company shall request Customer to immediately remove its cables, wires and all other facilities from all poles of Company. If

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**DATE OF ISSUE:** January 31, 2013

**DATE EFFECTIVE:** January 1, 2013

**ISSUED BY: /s/** Lonnie E. Bellar, Vice President  
State Regulation and Rates  
Lexington, Kentucky

**Kentucky Utilities Company**

P.S.C. No. 16, Original Sheet No. 40.7

**Standard Rate****CTAC****Cable Television Attachment Charges**

Customer should fail to complete the removal of all of its facilities from the poles of Company within thirty (30) days after receipt of such request from Company, then Company shall have the right to remove them at the cost and expense of Customer and without being liable for any damage to Customer's wires, cables, fixtures or appurtenances. Such bond shall guarantee the payment of any sums which may become due to Company for rentals, inspections or work performed for the benefit of Customer under the Agreement, including the removal of attachments upon termination of the Agreement by any of its provisions.

- (e) Company in its sole discretion may agree in writing to accept other collateral (such as a cash deposit or an irrevocable bank letter of credit) in substitution for the bond required by, and subject to the other requirements of, this Section 20.

**21. NOTICES**

Any notice, or request, required by these Rules and Regulations or Terms and Conditions or the Agreement shall be deemed properly given if mailed, postage pre-paid, to Company, in the case of Company; or in the case of the Customer, to its representative designated in the Agreement. The designation of the person to be notified, and/or his address may be changed by Company or Customer at any time, or from time to time, by similar notice.

**22. ADJUSTMENTS**

Nothing contained herein or in any Agreement shall be construed as affecting in any way the right of Company, and Company shall at all times have the right, to unilaterally file with the Public Service Commission a change in rental charges for attachments to poles, other charges as provided for, any rule, regulation, condition or any other change required. Such change or changes to become effective upon approval of the Commission or applicable regulations or statutes, and shall constitute an amendment to the Agreement.

**23. BINDING EFFECT**

Subject to the provisions of Section 16 hereof, the Agreement and these Rules and Regulations or Terms and Conditions shall extend to and bind the successors and assigns of the parties hereto.

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**DATE OF ISSUE:** January 31, 2013

**DATE EFFECTIVE:** January 1, 2013

**ISSUED BY: /s/** Lonnie E. Bellar, Vice President  
State Regulation and Rates  
Lexington, Kentucky

# Attachment Confidential

The entire attachment is  
Confidential and  
provided separately  
under seal.

**KENTUCKY UTILITIES COMPANY**

**CASE NO. 2014-00371**

**Response to Lexington-Fayette Urban County  
Government's Supplemental Request for Information  
Dated February 5, 2015**

**Question No. 3**

**Responding Witness: Robert M. Conroy**

Q-3. Please refer to your response to LFUCG Request for Information No. 32. Are the following statements accurate? If not, please explain why not.

- (a) The suggested rate increase of approximately 9.6% is not necessarily the rate increase which will be experienced by a particular customer.
- (b) The actual proposed rate increase for a particular customer is dependent upon their usage as the various demand factor(s) may impact their actual rate increase.

A-3. (a) The statement is accurate. The increase for all rate classes served by KU was calculated by applying the same proposed increase of 9.57% to all of the rate classes that KU serves. See Schedule N in Tab 66 of the Filing Requirements for the impact of the proposed rate increase for all rate classes with various usage levels shown.

- (b) The statement is not accurate. The "actual proposed rate increase" is calculated for the overall system and for each rate class but not for a particular customer. The impact of the proposed rate increase for a particular customer, who is part of a rate class, is dependent upon that customer's usage. See the response to part (a).