

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

**In the Matter of:**

**THE APPLICATION OF KENTUCKY UTILITIES )  
COMPANY FOR CERTIFICATES OF PUBLIC )  
CONVENIENCE AND NECESSITY AND )  
APPROVAL OF ITS 2016 COMPLIANCE PLAN ) CASE NO. 2016-00026  
FOR RECOVERY BY ENVIRONMENTAL )  
SURCHARGE )**

**THE APPLICATION OF LOUISVILLE GAS AND )  
ELECTRIC COMPANY FOR CERTIFICATES OF )  
PUBLIC CONVENIENCE AND NECESSITY AND )  
APPROVAL OF ITS 2016 COMPLIANCE PLAN ) CASE NO. 2016-00027  
FOR RECOVERY BY ENVIRONMENTAL )  
SURCHARGE )**

**DIRECT TESTIMONY  
AND EXHIBITS  
OF  
LANE KOLLEN**

**ON BEHALF OF  
KENTUCKY INDUSTRIAL UTILITY CUSTOMERS**

**J. Kennedy and Associates, Inc.  
570 Colonial Park Drive, Suite 305  
Roswell, GA 30075**

**MAY 2016**

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**DIRECT TESTIMONY OF LANE KOLLEN**

**I. QUALIFICATIONS AND SUMMARY**

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- Q. Please state your name and business address.**
- A. My name is Lane Kollen. My business address is J. Kennedy and Associates, Inc. ("Kennedy and Associates"), 570 Colonial Park Drive, Suite 305, Roswell, Georgia 30075.
- Q. What is your occupation and by whom are you employed?**
- A. I am a utility rate and planning consultant holding the position of Vice President and Principal with the firm of Kennedy and Associates.

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**Q. Please describe your education and professional experience.**

A. I earned both a Bachelor of Business Administration in Accounting degree and a Master of Business Administration degree from the University of Toledo. I also earned a Master of Arts degree in Theology from Luther Rice University. I am a Certified Public Accountant, with a practice license, Certified Management Accountant, and Chartered Global Management Accountant. I am a member of numerous professional organizations.

I have been an active participant in the utility industry for more than thirty years, both as an employee and as a consultant. Since 1986, I have been a consultant with J. Kennedy and Associates, Inc., providing services to consumers of utility services and state government agencies in the ratemaking, financial, tax, accounting, and management areas. From 1983 to 1986, I was a consultant with Energy Management Associates, providing services to investor and consumer owned utility companies. From 1976 to 1983, I was employed by The Toledo Edison Company in a series of positions encompassing accounting, tax, financial, and planning functions.

I have appeared as an expert witness on accounting, tax, finance, ratemaking, and planning issues before regulatory commissions and courts at the federal and state levels on hundreds of occasions. I have testified in numerous proceedings before the Kentucky Public Service Commission (“Commission”), including numerous base, fuel adjustment clause, and environmental surcharge ratemaking proceedings involving Kentucky Utilities Company (“KU” or the “Company”), Louisville Gas and Electric Company

1 (“LGE” or the “Company”), Kentucky Power Company, Big Rivers Electric  
2 Corporation, and East Kentucky Power Cooperative.<sup>1</sup>  
3

4 **Q. On whose behalf are you testifying?**

5 A. I am offering testimony on behalf of the Kentucky Industrial Utility Customers, Inc.  
6 (“KIUC”), a group of large industrial companies taking electric service on the KU and  
7 LGE (together, the “Companies”) systems.  
8

9 **Q. What is the purpose of your testimony?**

10 A. The purpose of my testimony is to address and make recommendations regarding the  
11 Companies’ requests for Certificates of Public Necessity and Convenience (“CPCNs”)  
12 for various proposed environmental projects that are or may be necessary to comply with  
13 the U.S. Environmental Protection Agency’s (“EPA”) Coal Combustion Residuals Final  
14 Rule (“CCR Rule”) and construct new process water systems at the Ghent Generating  
15 Station (“Ghent”), Brown Station (“Brown”), Mill Creek Station (“Mill Creek”), and the  
16 Trimble County Generating Station (“Trimble County”), as well as their requests for  
17 approval of other environmental projects and recovery of the costs of all these projects  
18 through their environmental cost recovery (“environmental surcharge” or “ECR”) tariffs.  
19 In addition to the projects that are or may be necessary to comply with the CCR and  
20 other EPA requirements, KU also seeks approval of surface impoundment closure  
21 projects at the retired Tyrone Station (“Tyrone”), Green River Station (“Green River”)

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<sup>1</sup> My qualifications and regulatory appearances are further detailed in my Exhibit \_\_\_ (LK-1).

1 and Pineville Station (“Pineville”) and recovery of these retirement costs through the  
2 environmental surcharge even though there are no present federal or state requirements  
3 to implement these projects.

4 On a combined basis, KU and LGE propose nearly \$1.0 billion in capital  
5 expenditures and impoundment closure costs over the next seven years. KU estimates  
6 the cost of all its proposed 2016 Compliance Plan projects at \$677.7 million, of which it  
7 proposes to include \$640.0 million in the ECR. KU proposes to commence the  
8 impoundment closure projects and construction of the new process water system at  
9 Ghent in 2016 and complete all work by 2022. KU proposes to commence the  
10 impoundment closure projects and construction of the new process water system at  
11 Trimble County in 2017 and complete all work by 2023. KU proposes to commence the  
12 impoundment closure projects and construction of the new process water systems at  
13 Brown in 2017 and complete all work by 2023.

14 LGE estimates the cost of all its proposed 2016 Compliance Plan projects at  
15 \$315.9 million, of which it proposes to include \$309.1 million in the ECR. LGE  
16 proposes to commence the impoundment closure projects and construction of the new  
17 process water system at Mill Creek in 2016 and complete all work by 2020. KU  
18 proposes to commence the impoundment closure projects and construction of the new  
19 process water system at Trimble County in 2017 and complete all work by 2023.

20  
21 **Q. Please summarize your testimony.**

1 A. I recommend that the Commission reject KU's request for approval of Project 39  
2 included in its 2016 Compliance Plan and, if it is approved, reject recovery of the costs  
3 of this project through the ECR over a four-year amortization period. KU Project 39  
4 involves surface impoundment closures at Green River, Pineville, and the Tyrone, all of  
5 which are retired and no longer operating. Project 39 is not presently required by any  
6 federal or state statute or regulation and does not qualify for recovery through the ECR.  
7 However, if the Commission approves the project and authorizes recovery of the costs  
8 through the ECR, then I recommend that it direct the Company to defer the *actual* costs  
9 incurred and amortize the costs over a ten-year amortization period instead of recovering  
10 *projected* costs over the inordinately short four-year period as proposed by KU.

11 In addition, I recommend that the Commission reject the Companies' proposal to  
12 increase their depreciation rates to include *projected* impoundment closure costs for the  
13 active and operating power plants reflected in KU Projects 40 (Ghent), 41 (Trimble  
14 County) and 42 (Brown) and LGE Projects 29 (Mill Creek) and 30 (Trimble County).  
15 Unlike the capital costs for other proposed projects that will be recovered through the  
16 ECR, this proposal will require the Commission to guess at the scope of the projects and  
17 the magnitude of the costs, which presently are unknown and subject to significant  
18 uncertainty; provide recovery based on estimated costs prior to the incurrence of the  
19 actual costs; and impose costs for increased income tax expense on customers due to  
20 recovery of the estimated costs before they actually are incurred; all of which is  
21 unnecessary and unreasonable. Instead, I recommend that, if the Commission approves  
22 the projects and recovery of the costs through the ECR, it authorize the Companies to

1 defer the *actual* removal costs incurred and subsequently recover the costs through  
2 amortization expense over the remaining average service lives of each Station.

3 Further, I recommend that the Commission direct the Companies to include the  
4 federal Section 199 deduction as soon as it is available to them on a standalone tax  
5 return basis. Since 2004, the Commission included the Section 199 deduction in the  
6 calculation of the gross-up factor applied to the weighted equity return on environmental  
7 rate base for all projects recovered through the environmental surcharge. However, in  
8 2014, the Commission agreed to exclude the Section 199 deduction based on the  
9 Companies' assertions that they were unable to take the deduction due to the magnitude  
10 of accelerated tax depreciation and tax bonus depreciation deductions. However, the  
11 Section 199 deduction likely will be available for the Companies in the future as the  
12 bonus depreciation is phased-out.

13 Finally, I recommend that the Commission condition its approval of the  
14 requested CPCNs for KU 40, 41, and 42, and LGE Projects 29 and 30 as a customer  
15 safeguard. Approval should be subject to the condition that the Companies complete  
16 their testing, assessments, engineering estimates, and cost estimates; revise their studies  
17 based on the scope of work that is necessary after completion of these assessments;  
18 return to the Commission for approval of any material modifications in the scope of  
19 work and/or any changes in the cost estimates of 10% or more, excluding contingencies;  
20 and demonstrate that the projects remain economic and the least cost option for  
21 compliance.



1     **II. KU PROJECT 39 IS NOT REQUIRED BY STATUTE OR REGULATION AND**  
2             **DOES NOT QUALIFY FOR RECOVERY THROUGH THE**  
3                     **ENVIRONMENTAL SURCHARGE**  
4

5     **Q.     Is KU Project 39 required by statute or regulation?**

6     A.     No. KU acknowledged that there is no legal requirement for this project in response to  
7             discovery:

8                     KU is not aware of an existing legal requirement mandating the closure of the  
9                     surface impoundments at Green River, Tyrone, and Pineville as they are being  
10                    operated today, although there are environmental legal requirements in the state  
11                    regulations that apply to the closures of those surface impoundments when the  
12                    closures occur (e.g., 401 KAR 45.110), as KU is proposing to do in this  
13                    proceeding by December 2018 for Green River and by December 2019 for  
14                    Pineville and Tyrone.<sup>2</sup>  
15

16    **Q.     Why is this relevant?**

17    A.     KRS 278.183 authorizes environmental surcharge recovery of approved projects only if  
18             the costs are incurred pursuant to the “Federal Clean Air Act as amended and those  
19             federal, state, or local environmental requirements which apply to coal combustion  
20             wastes and by-products from facilities utilized for production of energy from coal in  
21             accordance with the utility’s compliance plan as designated in subsection (2) of this  
22             section.” Subsection 2 requires the utility to “submit to the Commission a plan . . . for  
23             complying with the applicable environmental requirements set forth in subsection (1) of  
24             this section.” Subsection 2(a) states the Commission shall conduct a hearing to  
25             “consider and approve the plan and rate surcharge *if* the Commission finds the plan and  
26             rate surcharge reasonable and cost-effective for compliance with the applicable

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<sup>2</sup> KU response to KIUC 2-1. I have attached a copy of this response as my Exhibit \_\_\_ (LK-2).

1 environmental requirements set forth in subsection (1) of this section.” (emphasis  
2 added).

3 In short, Project 39 does not meet the requirements set forth in the statute either  
4 for approval in a compliance plan or recovery through the ECR. There are no applicable  
5 federal, state, or local environmental requirements; therefore, the proposed  
6 impoundment closures are not necessary for compliance with any statute or regulation  
7 and cannot be included in a “compliance” plan. In addition, the plants are retired;  
8 therefore, they are not utilized for the production of energy from coal.

9  
10 **Q. Does that mean KU cannot proceed with Project 39?**

11 A. No. It means only that the costs of Project 39 cannot be recovered through the ECR. If  
12 KU nevertheless proceeds with the impoundment closures at the retired plant sites, then  
13 the costs will be subject to review in future rate proceedings in the same manner that all  
14 other utility investment is subject to review for prudence and reasonableness.

15  
16 **Q. KU stated in its response to KIUC 2-1 that the action of proceeding with Project 39**  
17 **will trigger state environmental requirements (“there are environmental legal**  
18 **requirements in the state regulations that apply to the closures of those surface**  
19 **impoundments when the closures occur”). Please respond.**

20 A. The Commission should deny KU environmental surcharge recovery of these costs if it  
21 proceeds with Project 39 and that action itself subjects the impoundment facilities to  
22 state environmental requirements related to closures pursuant to 401 KAR 45.110. If the

1 costs are not mandatory absent a discretionary triggering action, then they should not be  
2 recovered through the ECR.

3  
4 **Q. Are there any penalties if KU does not proceed with Project 39?**

5 A. No. KU stated in response to discovery that it “has not asserted that it will incur  
6 penalties, and is not aware of any penalties under current law it will incur.”<sup>3</sup>

7  
8 **Q. Are there economic penalties to customers if KU proceeds with Project 39?**

9 A. Yes. The ECR revenues for Project 39 will be subject to income tax on recoveries that  
10 precede actual costs incurred. These income tax effects will be reflected on KU’s  
11 balance sheet as deferred tax assets (“DTAs”). KU plans to include the DTAs in rate  
12 base. The penalty to KU’s customers will be \$0.508 million in 2016 alone.<sup>4</sup> The  
13 penalty will continue until the costs incurred exceed the recoveries at some point in  
14 2017.

15 The DTAs will unnecessarily increase the ECR revenue requirement, thus  
16 penalizing customers and compounding the effect of the Companies’ proposed projects.  
17 Although this is a penalty to customers, it neither benefits nor harms KU. I would  
18 further note that this is a permanent penalty to customers.

19  
20 **Q. Are there other problems with the KU proposal?**

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<sup>3</sup> KU response to KIUC 2-3. I have attached a copy of this response as my Exhibit \_\_ (LK-3).

<sup>4</sup> Excel spreadsheet Attachment to KU response to KIUC 1-5(a). KU calculated the DTA for Project 39 at December 31, 2016 at \$5.006 million. KU calculated the grossed-up rate of return on this spreadsheet at 10.15%. The DTA increases KU’s revenue requirement by \$0.508 million.

1 A. Yes. These costs are not capital expenditures; they are costs of removal. Thus, instead  
2 of including the *actual* costs in construction work in progress (“CWIP”) and then  
3 closing the actual completed cost to electric plant in service (“EPIS”), KU proposes to  
4 *estimate* the costs and reflect the costs as terminal net negative salvage in the  
5 depreciation rates for the environmental plant accounts.

6 In addition, the KU proposal results in a dramatic increase in the terminal net  
7 salvage recovered through depreciation rates first allowed by the Commission in a  
8 settlement in the 2012 base rate case that included depreciation rates, among other  
9 issues, in Case No. 2012-0022. Prior to that case, depreciation rates did not include  
10 terminal net salvage. Terminal net salvage was addressed on a case by case basis.

11 Although Mr. Spanos did not provide the depreciation rates resulting from the  
12 KU proposal, instead showing only the annual depreciation expenses, the proposed  
13 depreciation rates for Tyrone, Green River, and Pineville are 569.24%, 775.57%, and  
14 2,193.86%, respectively.<sup>5</sup>

15  
16 **Q. KU witness Mr. John Spanos proposes a four-year amortization period for the**  
17 **Project 39 costs. Is that reasonable?**

18 A. No. If the Commission approves Project 39, then a four-year amortization period is  
19 unreasonably short. The amortization period is arbitrary, so the Commission should  
20 attempt to minimize the effect on customers with a longer amortization period. Mr.

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<sup>5</sup> I computed the depreciation rates by dividing the annual depreciation expense accrual by the gross plant balances for each plant as shown on Mr. Spanos’ Exhibit JJS-2. The reason that the proposed depreciation rates are at these levels is that the gross plant is relatively minimal and the costs of removal are much larger than the gross plant.

1 Spanos offers no support for the four-year amortization period other than the costs  
2 would be incurred over a four year period. Presumably, Mr. Spanos views that as  
3 meaningful. However, the fact that the costs will be incurred over a four-year period has  
4 no relevance to an appropriate recovery period. In essence, the KU proposal will  
5 provide recovery as the costs are incurred, at least on an average annual basis, even  
6 though the recovery initially will exceed the costs incurred. This is an extremely and  
7 unnecessarily aggressive recovery schedule, particularly given the magnitude of the  
8 estimated costs.

9  
10 **Q. What amortization period would be reasonable?**

11 A. A ten-year amortization period would be more reasonable in order to mitigate the effects  
12 on customers. KU estimates the closure costs at \$77.5 million for the three retired  
13 power plants. The amortization over four years would be \$19.4 million (\$77.5 million  
14 divided by 4 years), all else equal. The amortization over ten years would be \$7.8  
15 million, all else equal (\$77.5 million divided by ten years). The amortization would be  
16 in addition to the return on the closure costs, which could add as much as \$8.1 million  
17 (\$77.5 million times 10.15% grossed-up rate of return) if the costs were incurred in the  
18 first year, all else equal, and disregarding the penalty on customers due to prepayment of  
19 income taxes.

20  
21 **Q. What is your recommendation?**

1 A. I recommend that the Commission reject recovery of these costs through the ECR. KU  
2 Project 39 is not required by statute or regulation and does not qualify for recovery  
3 through the ECR. If it does approve the project and authorizes recovery through the  
4 ECR, then it should direct KU to defer the actual costs incurred and amortize the actual  
5 costs over ten years. This ensures that recovery does not occur before costs are incurred  
6 and known with certainty and ensures that customers are not further penalized with the  
7 income tax consequences through the DTA in rate base. The ten year amortization  
8 period would mitigate the effect on customers without harming the Companies.  
9

10 **III. ACTUAL SURFACE IMPOUNDMENT CLOSURE COSTS AT OPERATING**  
11 **PLANTS SHOULD BE DEFERRED AND AMORTIZED, NOT INCLUDED**  
12 **AS NET NEGATIVE SALVAGE IN DEPRECIATION RATES**  
13

14 **Q. Please describe the Companies' proposal to recover the projected surface**  
15 **impoundment costs at the operating power plants through net negative salvage**  
16 **included in the proposed depreciation rates.**

17 A. Similar to the Companies' proposal for KU Project 39, the Companies propose to  
18 include the *projected* impoundment costs at the operating power plants as terminal net  
19 salvage in the depreciation rates proposed by Mr. Spanos. Despite this proposal, the  
20 Companies have indicated in response to KIUC discovery that they are "open to  
21 considering alternative forms of recovery."<sup>6</sup>  
22

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<sup>6</sup> KU response to KIUC 1-8(f) and LGE response to KIUC 1-6(f), copies of which are included as my Exhibit \_\_\_ (LK-4).

1 **Q. Does the Companies' proposal suffer from many of the same infirmities as the**  
2 **proposal for KU Project 39?**

3 A. Yes. First, the scope and costs of these Projects are open-ended due to the uncertainties  
4 of the Companies' approach and their ongoing assessments and engineering work. The  
5 Companies have included large contingency adders to the estimated costs to address  
6 these "unknowns." Even still, the Companies state that the costs may be significantly  
7 more than they estimated. Second, the proposal initially will result in recovery of these  
8 costs before they are incurred. Third, the proposal will permanently and unnecessarily  
9 penalize customers due to the DTA in rate base in the initial recovery period. The  
10 Companies confirmed that their proposal will result where "book depreciation exceeds  
11 the costs paid for closure activities, a deferred tax asset is recorded resulting in an  
12 increase in rate base, and thus, an increase in the revenue requirement."<sup>7</sup> Fourth, the  
13 proposal will result in significant increases in the approved depreciation rates that will  
14 not be revised to true-up the projected costs to the actual cost unless and until the  
15 depreciation rates are reset in a future ECR or base rate proceeding.

16  
17 **Q. What is your recommendation?**

18 A. Instead of relying on the Companies' uncertain cost estimates and reflecting these  
19 estimates as net negative salvage in revised depreciation rates, the Commission should  
20 direct the Companies to defer the actual costs when incurred and allow amortization of

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<sup>7</sup> KU response to KIUC 1-6 and LGE response to KIUC 1-4, copies of which are included as my<sup>7</sup> KU response to KIUC 1-6 and LGE response to KIUC 1-4, copies of which are included as my Exhibit \_\_\_ (LK-5).

1 the deferred costs over the remaining service lives of the stations. The remaining service  
2 lives of the stations are shown in the final column on Mr. Spanos' Exhibit JJS-2.

3  
4 **Q. Is your recommendation a better alternative?**

5 A. Yes. This alternative avoids guessing at the scope of work and the costs for the  
6 impoundment closure aspects of the projects, both of which presently are uncertain, and  
7 limits recovery to actual costs incurred based on the actual scope of work. This  
8 alternative also avoids recovery of costs before they are incurred. In addition, it avoids  
9 the need to modify and then subsequently revise the depreciation rates to true-up actual  
10 costs to the projected costs in future environmental surcharge or base rate proceedings.  
11 Further, it avoids the DTA penalty. Further, it ensures that the Commission does not  
12 inadvertently establish a precedent to include any and all projected terminal net salvage  
13 costs in depreciation rates and expense for all other plant costs in the ECR and base rate  
14 proceedings. Finally, it provides the Companies full recovery of their actual costs, no  
15 more and no less.

16  
17 **IV. FEDERAL SECTION 199 DEDUCTION SHOULD BE REFLECTED IN THE**  
18 **CALCULATION OF INCOME TAX EXPENSE AS SOON AS IT IS AGAIN**  
19 **AVAILABLE**  
20

21 **Q. Please describe the calculation of income tax expense in the ECR revenue**  
22 **requirement.**

23 A. Income tax expense is calculated and included in the ECR revenue requirement through  
24 the gross-up factor applied to the weighted equity return times the ECR rate base.



1 Historically, the Commission has calculated income tax expense on a standalone tax  
2 return basis and assumed the maximum federal and state income tax rates for both ECR  
3 and base rate purposes. The Commission has set the federal and state Section 199  
4 deductions in the calculation of the gross-up factor at the full statutory percentages if  
5 they are available or at 0% if they are not available.

6 In 2004, the Commission modified the calculation of the gross-up factor to  
7 include the federal and state Section 199 domestic production activities deduction.<sup>8</sup> KU  
8 and LGE agreed with the modifications adopted by the Commission. The calculation of  
9 the gross-up factor is (federal income tax rate \* (1 – % federal Section 199 deduction) +  
10 (state income tax rate \* (1 – federal income tax rate) \* (1 – % state Section 199  
11 deduction))). Once the federal Section 199 deduction was fully phased-in, the gross-up  
12 factor was 35.516%, calculated as (.35 \* (1 - .09) + (.06 \* (1 - .35) \* (1 - .06))).

13 In 2014, the Commission set the federal Section 199 deduction at 0% based on  
14 KU and LGE’s claims that they were unable to take the deduction due to the magnitude  
15 of their bonus tax depreciation deductions.<sup>9</sup> The gross-up factor is presently 38.6660%,  
16 calculated as (.35 \* (1 - .0) + (.06 \* (1 - .35) \* (1 - .06))).<sup>10</sup>

17 In these environmental surcharge proceedings, the Commission has adopted a  
18 “yes” or “no” test. If the Section 199 deduction is available, then it is included in the  
19 gross-up factor; if it is not available, then it is not included in the gross-up factor.

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<sup>8</sup> KU Case No. 2004-00426 and LGE Case No. 2004-00421.

<sup>9</sup> KU Case No. 2015-00020 and LGE Case No. 2015-00021.

<sup>10</sup> KU response to KIUC 2-5, including attachment to KIUC 2-5(b), and LGE response to KIUC 2-2, including attachment to KIUC 2-2(b), which provide the Companies’ calculation of the present gross-up factor showing the federal Section 199 deduction at 0%. I have attached a copy of these KU and LGE responses as my Exhibit\_\_ (LK-6).

1

2 **Q. What is your recommendation?**

3 A. I recommend that the Commission direct the Companies to include the federal Section  
4 199 deduction in the calculation of the gross-up factor as soon as it is available on either  
5 a projected basis or in the periodic true-ups of the Companies' ECR recoveries in the six  
6 month and two-year review proceedings. Although the Companies agree that the  
7 deduction should be included when it is again available, the Commission should ensure  
8 that it is reflected and direct them to do so, preferably as soon as they project that it will  
9 be available.

10

11 **V. SAFEGUARDS ARE NECESSARY TO ENSURE THAT PROJECTS REMAIN**  
12 **ECONOMIC IF THERE ARE MATERIAL CHANGES IN SCOPE AND/OR**  
13 **COST OF PROJECTS**  
14

15 **Q. Is there significant uncertainty regarding the scope of the proposed KU CCR**  
16 **Projects 40 (Ghent), 41 (Trimble County) and 42 (Brown) and LGE CCR Projects**  
17 **29 (Mill Creek) and 30 (Trimble County) for impoundment closures and**  
18 **replacement of process water systems?**

19 A. Yes. The Companies are presently performing assessments and ongoing engineering  
20 analyses to determine the scope of work necessary to comply with the CCR and the  
21 recently released Clean Power Plan ("CPP") and Effluent Limitations Guidelines and

1 Standards for the Steam Electric Power Generating Point Source Category (“ELG”)  
2 requirements.<sup>11</sup>

3 The Companies recognize that there is significant uncertainty in the scope of  
4 work required for the impoundment closures and the replacement of the process water  
5 systems. Company witness Mr. Conroy states: “as engineering proceeds and matures for  
6 each proposed closure and the assessments of the CCR Rule’s criteria for each surface  
7 impoundment’s circumstances becomes clearer, the closure approach and costs for a  
8 given surface impoundment could change, perhaps significantly, especially if larger  
9 quantities of virgin fill materials become necessary for closure.”<sup>12</sup>

10  
11 **Q. Is there significant uncertainty regarding the cost of these CCR projects?**

12 A. Yes. The costs are driven primarily by the scope of the work that will be required. In  
13 addition to the uncertainty regarding the scope of the work, the Companies have  
14 included significant contingencies in their cost estimates. Even so, the Companies warn  
15 that there may be changes in the cost estimates, perhaps significant changes.<sup>13</sup>

16  
17 **Q. Are there significant risks for customers with the uncertainty regarding the scope  
18 of work and the cost, either of which may changes, “perhaps significantly”?**

19 A. Yes. There are risks resulting from potential expansions in the scope of work and the  
20 costs to achieve compliance regardless of the scope of work. Ultimately, it may not be

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<sup>11</sup> Voyles Direct at 6-13.

<sup>12</sup> Conroy Direct at 11.

<sup>13</sup> Voyles Direct at 24, repeating verbatim the Direct Testimony of Mr. Conroy cited in the preceding footnote.

1 economic for the Companies to proceed with these projects, particularly when the CCR  
2 requirements are considered together with the CPP and ELG requirements.

3

4 **Q. What is your recommendation?**

5 A. The Commission should specifically decline to authorize changes in approach,  
6 expansions in scope of work, or unlimited cost recovery if it approves CPCNs for these  
7 projects and recovery of the costs through the ECR. It should condition its approvals on  
8 the Companies returning to the Commission for additional review if there is a material  
9 change in the approach or scope of work for any of the projects and/or if there is a  
10 change of 10% or more in the estimated cost of a project. In addition, in such filings,  
11 the Commission should require the Companies to demonstrate that the projects remain  
12 economic compared to alternatives, including, but not limited to, retirement of the power  
13 plants before the Companies incur significant costs.

14

15 **Q. Does this complete your testimony?**

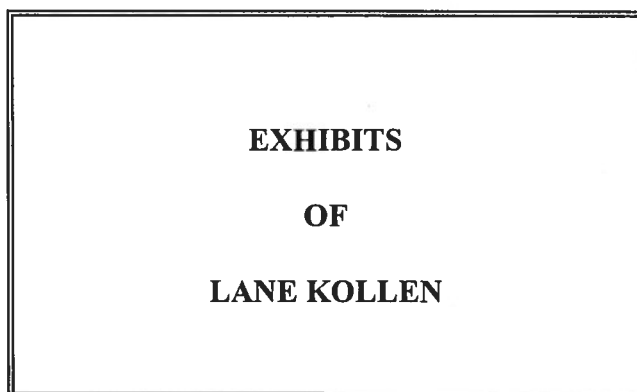
16 A. Yes.

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

**In the Matter of:**

**THE APPLICATION OF KENTUCKY UTILITIES )  
COMPANY FOR CERTIFICATES OF PUBLIC )  
CONVENIENCE AND NECESSITY AND )  
APPROVAL OF ITS 2016 COMPLIANCE PLAN ) CASE NO. 2016-00026  
FOR RECOVERY BY ENVIRONMENTAL )  
SURCHARGE )**

**THE APPLICATION OF LOUISVILLE GAS AND )  
ELECTRIC COMPANY FOR CERTIFICATES OF )  
PUBLIC CONVENIENCE AND NECESSITY AND )  
APPROVAL OF ITS 2016 COMPLIANCE PLAN ) CASE NO. 2016-00027  
FOR RECOVERY BY ENVIRONMENTAL )  
SURCHARGE )**



**ON BEHALF OF  
KENTUCKY INDUSTRIAL UTILITY CUSTOMERS**

**J. Kennedy and Associates, Inc.  
570 Colonial Park Drive, Suite 305  
Roswell, GA 30075**

**MAY 2016**

**EXHIBIT \_\_\_\_ (LK-1)**

## RESUME OF LANE KOLLEN, VICE PRESIDENT

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### EDUCATION

University of Toledo, BBA  
Accounting

University of Toledo, MBA

Luther Rice University, MA

### PROFESSIONAL CERTIFICATIONS

Certified Public Accountant (CPA)

Certified Management Accountant (CMA)

### PROFESSIONAL AFFILIATIONS

American Institute of Certified Public Accountants

Georgia Society of Certified Public Accountants

Institute of Management Accountants

Mr. Kollen has more than thirty years of utility industry experience in the financial, rate, tax, and planning areas. He specializes in revenue requirements analyses, taxes, evaluation of rate and financial impacts of traditional and nontraditional ratemaking, utility mergers/acquisition and diversification. Mr. Kollen has expertise in proprietary and nonproprietary software systems used by utilities for budgeting, rate case support and strategic and financial planning.

## RESUME OF LANE KOLLEN, VICE PRESIDENT

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### EXPERIENCE

1986 to

Present:

**J. Kennedy and Associates, Inc.:** Vice President and Principal. Responsible for utility stranded cost analysis, revenue requirements analysis, cash flow projections and solvency, financial and cash effects of traditional and nontraditional ratemaking, and research, speaking and writing on the effects of tax law changes. Testimony before Connecticut, Florida, Georgia, Indiana, Louisiana, Kentucky, Maine, Maryland, Minnesota, New York, North Carolina, Ohio, Pennsylvania, Tennessee, Texas, West Virginia and Wisconsin state regulatory commissions and the Federal Energy Regulatory Commission.

1983 to

1986:

**Energy Management Associates:** Lead Consultant.

Consulting in the areas of strategic and financial planning, traditional and nontraditional ratemaking, rate case support and testimony, diversification and generation expansion planning. Directed consulting and software development projects utilizing PROSCREEN II and ACUMEN proprietary software products. Utilized ACUMEN detailed corporate simulation system, PROSCREEN II strategic planning system and other custom developed software to support utility rate case filings including test year revenue requirements, rate base, operating income and pro-forma adjustments. Also utilized these software products for revenue simulation, budget preparation and cost-of-service analyses.

1976 to

1983:

**The Toledo Edison Company:** Planning Supervisor.

Responsible for financial planning activities including generation expansion planning, capital and expense budgeting, evaluation of tax law changes, rate case strategy and support and computerized financial modeling using proprietary and nonproprietary software products. Directed the modeling and evaluation of planning alternatives including:

Rate phase-ins.

Construction project cancellations and write-offs.

Construction project delays.

Capacity swaps.

Financing alternatives.

Competitive pricing for off-system sales.

Sale/leasebacks.



**RESUME OF LANE KOLLEN, VICE PRESIDENT**

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**CLIENTS SERVED**

**Industrial Companies and Groups**

Air Products and Chemicals, Inc.	Lehigh Valley Power Committee
Airco Industrial Gases	Maryland Industrial Group
Alcan Aluminum	Multiple Intervenors (New York)
Armco Advanced Materials Co.	National Southwire
Armco Steel	North Carolina Industrial Energy Consumers
Bethlehem Steel	Occidental Chemical Corporation
CF&I Steel, L.P.	Ohio Energy Group
Climax Molybdenum Company	Ohio Industrial Energy Consumers
Connecticut Industrial Energy Consumers	Ohio Manufacturers Association
ELCON	Philadelphia Area Industrial Energy Users Group
Enron Gas Pipeline Company	PSI Industrial Group
Florida Industrial Power Users Group	Smith Cogeneration
Gallatin Steel	Taconite Intervenors (Minnesota)
General Electric Company	West Penn Power Industrial Intervenors
GPU Industrial Intervenors	West Virginia Energy Users Group
Indiana Industrial Group	Westvaco Corporation
Industrial Consumers for Fair Utility Rates - Indiana	
Industrial Energy Consumers - Ohio	
Kentucky Industrial Utility Customers, Inc.	
Kimberly-Clark Company	

**Regulatory Commissions and  
Government Agencies**

Cities in Texas-New Mexico Power Company's Service Territory  
Cities in AEP Texas Central Company's Service Territory  
Cities in AEP Texas North Company's Service Territory  
Georgia Public Service Commission Staff  
Kentucky Attorney General's Office, Division of Consumer Protection  
Louisiana Public Service Commission Staff  
Maine Office of Public Advocate  
New York State Energy Office  
Office of Public Utility Counsel (Texas)

**RESUME OF LANE KOLLEN, VICE PRESIDENT**

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**Utilities**

Allegheny Power System  
Atlantic City Electric Company  
Carolina Power & Light Company  
Cleveland Electric Illuminating Company  
Delmarva Power & Light Company  
Duquesne Light Company  
General Public Utilities  
Georgia Power Company  
Middle South Services  
Nevada Power Company  
Niagara Mohawk Power Corporation

Otter Tail Power Company  
Pacific Gas & Electric Company  
Public Service Electric & Gas  
Public Service of Oklahoma  
Rochester Gas and Electric  
Savannah Electric & Power Company  
Seminole Electric Cooperative  
Southern California Edison  
Talquin Electric Cooperative  
Tampa Electric  
Texas Utilities  
Toledo Edison Company

**Expert Testimony Appearances  
of  
Lane Kollen  
as of April 2016**

<b>Date</b>	<b>Case</b>	<b>Jurisdict.</b>	<b>Party</b>	<b>Utility</b>	<b>Subject</b>
10/86	U-17282 Interim	LA	Louisiana Public Service Commission Staff	Gulf States Utilities	Cash revenue requirements financial solvency.
11/86	U-17282 Interim Rebuttal	LA	Louisiana Public Service Commission Staff	Gulf States Utilities	Cash revenue requirements financial solvency.
12/86	9613	KY	Attorney General Div. of Consumer Protection	Big Rivers Electric Corp.	Revenue requirements accounting adjustments financial workout plan.
1/87	U-17282 Interim	LA 19th Judicial District Ct.	Louisiana Public Service Commission Staff	Gulf States Utilities	Cash revenue requirements, financial solvency.
3/87	General Order 236	WV	West Virginia Energy Users' Group	Monongahela Power Co.	Tax Reform Act of 1986.
4/87	U-17282 Prudence	LA	Louisiana Public Service Commission Staff	Gulf States Utilities	Prudence of River Bend 1, economic analyses, cancellation studies.
4/87	M-100 Sub 113	NC	North Carolina Industrial Energy Consumers	Duke Power Co.	Tax Reform Act of 1986.
5/87	86-524-E-SC	WV	West Virginia Energy Users' Group	Monongahela Power Co.	Revenue requirements, Tax Reform Act of 1986.
5/87	U-17282 Case In Chief	LA	Louisiana Public Service Commission Staff	Gulf States Utilities	Revenue requirements, River Bend 1 phase-in plan, financial solvency.
7/87	U-17282 Case In Chief Surrebuttal	LA	Louisiana Public Service Commission Staff	Gulf States Utilities	Revenue requirements, River Bend 1 phase-in plan, financial solvency.
7/87	U-17282 Prudence Surrebuttal	LA	Louisiana Public Service Commission Staff	Gulf States Utilities	Prudence of River Bend 1, economic analyses, cancellation studies.
7/87	86-524 E-SC Rebuttal	WV	West Virginia Energy Users' Group	Monongahela Power Co.	Revenue requirements, Tax Reform Act of 1986.
8/87	9885	KY	Attorney General Div. of Consumer Protection	Big Rivers Electric Corp.	Financial workout plan.
8/87	E-015/GR-87-223	MN	Taconite Intervenor	Minnesota Power & Light Co.	Revenue requirements, O&M expense, Tax Reform Act of 1986.
10/87	870220-EI	FL	Occidental Chemical Corp.	Florida Power Corp.	Revenue requirements, O&M expense, Tax Reform Act of 1986.
11/87	87-07-01	CT	Connecticut Industrial Energy Consumers	Connecticut Light & Power Co.	Tax Reform Act of 1986.
1/88	U-17282	LA 19th Judicial District Ct.	Louisiana Public Service Commission	Gulf States Utilities	Revenue requirements, River Bend 1 phase-in plan, rate of return.
2/88	9934	KY	Kentucky Industrial Utility Customers	Louisville Gas & Electric Co.	Economics of Trimble County, completion.
2/88	10064	KY	Kentucky Industrial Utility Customers	Louisville Gas & Electric Co.	Revenue requirements, O&M expense, capital structure, excess deferred income taxes.

**Expert Testimony Appearances  
of  
Lane Kollen  
as of April 2016**

<b>Date</b>	<b>Case</b>	<b>Jurisdct.</b>	<b>Party</b>	<b>Utility</b>	<b>Subject</b>
5/88	10217	KY	Alcan Aluminum National Southwire	Big Rivers Electric Corp.	Financial workout plan.
5/88	M-87017-1C001	PA	GPU Industrial Intervenors	Metropolitan Edison Co.	Nonutility generator deferred cost recovery.
5/88	M-87017-2C005	PA	GPU Industrial Intervenors	Pennsylvania Electric Co.	Nonutility generator deferred cost recovery.
6/88	U-17282	LA 19th Judicial District Ct.	Louisiana Public Service Commission	Gulf States Utilities	Prudence of River Bend 1 economic analyses, cancellation studies, financial modeling.
7/88	M-87017-1C001 Rebuttal	PA	GPU Industrial Intervenors	Metropolitan Edison Co.	Nonutility generator deferred cost recovery, SFAS No. 92.
7/88	M-87017-2C005 Rebuttal	PA	GPU Industrial Intervenors	Pennsylvania Electric Co.	Nonutility generator deferred cost recovery, SFAS No. 92.
9/88	88-05-25	CT	Connecticut Industrial Energy Consumers	Connecticut Light & Power Co.	Excess deferred taxes, O&M expenses.
9/88	10064 Rehearing	KY	Kentucky Industrial Utility Customers	Louisville Gas & Electric Co.	Premature retirements, interest expense.
10/88	88-170-EL-AIR	OH	Ohio Industrial Energy Consumers	Cleveland Electric Illuminating Co.	Revenue requirements, phase-in, excess deferred taxes, O&M expenses, financial considerations, working capital.
10/88	88-171-EL-AIR	OH	Ohio Industrial Energy Consumers	Toledo Edison Co.	Revenue requirements, phase-in, excess deferred taxes, O&M expenses, financial considerations, working capital.
10/88	8800-355-EI	FL	Florida Industrial Power Users' Group	Florida Power & Light Co.	Tax Reform Act of 1986, tax expenses, O&M expenses, pension expense (SFAS No. 87).
10/88	3780-U	GA	Georgia Public Service Commission Staff	Atlanta Gas Light Co.	Pension expense (SFAS No. 87).
11/88	U-17282 Remand	LA	Louisiana Public Service Commission Staff	Gulf States Utilities	Rate base exclusion plan (SFAS No. 71).
12/88	U-17970	LA	Louisiana Public Service Commission Staff	AT&T Communications of South Central States	Pension expense (SFAS No. 87).
12/88	U-17949 Rebuttal	LA	Louisiana Public Service Commission Staff	South Central Bell	Compensated absences (SFAS No. 43), pension expense (SFAS No. 87), Part 32, income tax normalization.
2/89	U-17282 Phase II	LA	Louisiana Public Service Commission Staff	Gulf States Utilities	Revenue requirements, phase-in of River Bend 1, recovery of canceled plant.
6/89	881602-EU 890326-EU	FL	Talquin Electric Cooperative	Talquin/City of Tallahassee	Economic analyses, incremental cost-of-service, average customer rates.
7/89	U-17970	LA	Louisiana Public Service Commission Staff	AT&T Communications of South Central States	Pension expense (SFAS No. 87), compensated absences (SFAS No. 43), Part 32.
8/89	8555	TX	Occidental Chemical Corp.	Houston Lighting & Power Co.	Cancellation cost recovery, tax expense, revenue requirements.

**Expert Testimony Appearances  
of  
Lane Kollen  
as of April 2016**

<b>Date</b>	<b>Case</b>	<b>Jurisdct.</b>	<b>Party</b>	<b>Utility</b>	<b>Subject</b>
8/89	3840-U	GA	Georgia Public Service Commission Staff	Georgia Power Co.	Promotional practices, advertising, economic development.
9/89	U-17282 Phase II Detailed	LA	Louisiana Public Service Commission Staff	Gulf States Utilities	Revenue requirements, detailed investigation.
10/89	8880	TX	Enron Gas Pipeline	Texas-New Mexico Power Co.	Deferred accounting treatment, sale/leaseback.
10/89	8928	TX	Enron Gas Pipeline	Texas-New Mexico Power Co.	Revenue requirements, imputed capital structure, cash working capital.
10/89	R-891364	PA	Philadelphia Area Industrial Energy Users Group	Philadelphia Electric Co.	Revenue requirements.
11/89 12/89	R-891364 Surrebuttal (2 Filings)	PA	Philadelphia Area Industrial Energy Users Group	Philadelphia Electric Co.	Revenue requirements, sale/leaseback.
1/90	U-17282 Phase II Detailed Rebuttal	LA	Louisiana Public Service Commission Staff	Gulf States Utilities	Revenue requirements, detailed investigation.
1/90	U-17282 Phase III	LA	Louisiana Public Service Commission Staff	Gulf States Utilities	Phase-in of River Bend 1, deregulated asset plan.
3/90	890319-EI	FL	Florida Industrial Power Users Group	Florida Power & Light Co.	O&M expenses, Tax Reform Act of 1986.
4/90	890319-EI Rebuttal	FL	Florida Industrial Power Users Group	Florida Power & Light Co.	O&M expenses, Tax Reform Act of 1986.
4/90	U-17282	LA 19 <sup>th</sup> Judicial District Ct.	Louisiana Public Service Commission	Gulf States Utilities	Fuel clause, gain on sale of utility assets.
9/90	90-158	KY	Kentucky Industrial Utility Customers	Louisville Gas & Electric Co.	Revenue requirements, post-test year additions, forecasted test year.
12/90	U-17282 Phase IV	LA	Louisiana Public Service Commission Staff	Gulf States Utilities	Revenue requirements.
3/91	29327, et. al.	NY	Multiple Intervenors	Niagara Mohawk Power Corp.	Incentive regulation.
5/91	9945	TX	Office of Public Utility Counsel of Texas	El Paso Electric Co.	Financial modeling, economic analyses, prudence of Palo Verde 3.
9/91	P-910511 P-910512	PA	Allegheny Ludlum Corp., Armco Advanced Materials Co., The West Penn Power Industrial Users' Group	West Penn Power Co.	Recovery of CAAA costs, least cost financing.
9/91	91-231-E-NC	WV	West Virginia Energy Users Group	Monongahela Power Co.	Recovery of CAAA costs, least cost financing.
11/91	U-17282	LA	Louisiana Public Service Commission Staff	Gulf States Utilities	Asset impairment, deregulated asset plan, revenue requirements.

**Expert Testimony Appearances  
of  
Lane Kollen  
as of April 2016**

<b>Date</b>	<b>Case</b>	<b>Jurisdct.</b>	<b>Party</b>	<b>Utility</b>	<b>Subject</b>
12/91	91-410-EL-AIR	OH	Air Products and Chemicals, Inc., Armco Steel Co., General Electric Co., Industrial Energy Consumers	Cincinnati Gas & Electric Co.	Revenue requirements, phase-in plan.
12/91	PUC Docket 10200	TX	Office of Public Utility Counsel of Texas	Texas-New Mexico Power Co.	Financial integrity, strategic planning, declined business affiliations.
5/92	910890-EI	FL	Occidental Chemical Corp.	Florida Power Corp.	Revenue requirements, O&M expense, pension expense, OPEB expense, fossil dismantling, nuclear decommissioning.
8/92	R-00922314	PA	GPU Industrial Intervenors	Metropolitan Edison Co.	Incentive regulation, performance rewards, purchased power risk, OPEB expense.
9/92	92-043	KY	Kentucky Industrial Utility Consumers	Generic Proceeding	OPEB expense.
9/92	920324-EI	FL	Florida Industrial Power Users' Group	Tampa Electric Co.	OPEB expense.
9/92	39348	IN	Indiana Industrial Group	Generic Proceeding	OPEB expense.
9/92	910840-PU	FL	Florida Industrial Power Users' Group	Generic Proceeding	OPEB expense.
9/92	39314	IN	Industrial Consumers for Fair Utility Rates	Indiana Michigan Power Co.	OPEB expense.
11/92	U-19904	LA	Louisiana Public Service Commission Staff	Gulf States Utilities /Entergy Corp.	Merger.
11/92	8649	MD	Westvaco Corp., Eastalco Aluminum Co.	Potomac Edison Co.	OPEB expense.
11/92	92-1715-AU-COI	OH	Ohio Manufacturers Association	Generic Proceeding	OPEB expense.
12/92	R-00922378	PA	Armco Advanced Materials Co., The WPP Industrial Intervenors	West Penn Power Co.	Incentive regulation, performance rewards, purchased power risk, OPEB expense.
12/92	U-19949	LA	Louisiana Public Service Commission Staff	South Central Bell	Affiliate transactions, cost allocations, merger.
12/92	R-00922479	PA	Philadelphia Area Industrial Energy Users' Group	Philadelphia Electric Co.	OPEB expense.
1/93	8487	MD	Maryland Industrial Group	Baltimore Gas & Electric Co., Bethlehem Steel Corp.	OPEB expense, deferred fuel, CWIP in rate base.
1/93	39498	IN	PSI Industrial Group	PSI Energy, Inc.	Refunds due to over-collection of taxes on Marble Hill cancellation.
3/93	92-11-11	CT	Connecticut Industrial Energy Consumers	Connecticut Light & Power Co	OPEB expense.
3/93	U-19904 (Surrebuttal)	LA	Louisiana Public Service Commission Staff	Gulf States Utilities /Entergy Corp.	Merger.

**Expert Testimony Appearances  
of  
Lane Kollen  
as of April 2016**

<b>Date</b>	<b>Case</b>	<b>Jurisdict.</b>	<b>Party</b>	<b>Utility</b>	<b>Subject</b>
3/93	93-01-EL-EFC	OH	Ohio Industrial Energy Consumers	Ohio Power Co.	Affiliate transactions, fuel.
3/93	EC92-21000 ER92-806-000	FERC	Louisiana Public Service Commission Staff	Gulf States Utilities /Entergy Corp.	Merger.
4/93	92-1464-EL-AIR	OH	Air Products Armco Steel Industrial Energy Consumers	Cincinnati Gas & Electric Co.	Revenue requirements, phase-in plan.
4/93	EC92-21000 ER92-806-000 (Rebuttal)	FERC	Louisiana Public Service Commission	Gulf States Utilities /Entergy Corp.	Merger.
9/93	93-113	KY	Kentucky Industrial Utility Customers	Kentucky Utilities	Fuel clause and coal contract refund.
9/93	92-490, 92-490A, 90-360-C	KY	Kentucky Industrial Utility Customers and Kentucky Attorney General	Big Rivers Electric Corp.	Disallowances and restitution for excessive fuel costs, illegal and improper payments, recovery of mine closure costs.
10/93	U-17735	LA	Louisiana Public Service Commission Staff	Cajun Electric Power Cooperative	Revenue requirements, debt restructuring agreement, River Bend cost recovery.
1/94	U-20647	LA	Louisiana Public Service Commission Staff	Gulf States Utilities Co.	Audit and investigation into fuel clause costs.
4/94	U-20647 (Surrebuttal)	LA	Louisiana Public Service Commission Staff	Gulf States Utilities Co.	Nuclear and fossil unit performance, fuel costs, fuel clause principles and guidelines.
4/94	U-20647 (Supplemental Surrebuttal)	LA	Louisiana Public Service Commission Staff	Gulf States Utilities Co.	Audit and investigation into fuel clause costs.
5/94	U-20178	LA	Louisiana Public Service Commission Staff	Louisiana Power & Light Co.	Planning and quantification issues of least cost integrated resource plan.
9/94	U-19904 Initial Post-Merger Earnings Review	LA	Louisiana Public Service Commission Staff	Gulf States Utilities Co.	River Bend phase-in plan, deregulated asset plan, capital structure, other revenue requirement issues.
9/94	U-17735	LA	Louisiana Public Service Commission Staff	Cajun Electric Power Cooperative	G&T cooperative ratemaking policies, exclusion of River Bend, other revenue requirement issues.
10/94	3905-U	GA	Georgia Public Service Commission Staff	Southern Bell Telephone Co.	Incentive rate plan, earnings review.
10/94	5258-U	GA	Georgia Public Service Commission Staff	Southern Bell Telephone Co.	Alternative regulation, cost allocation.
11/94	U-19904 Initial Post-Merger Earnings Review (Surrebuttal)	LA	Louisiana Public Service Commission Staff	Gulf States Utilities Co.	River Bend phase-in plan, deregulated asset plan, capital structure, other revenue requirement issues.
11/94	U-17735 (Rebuttal)	LA	Louisiana Public Service Commission Staff	Cajun Electric Power Cooperative	G&T cooperative ratemaking policy, exclusion of River Bend, other revenue requirement issues.
4/95	R-00943271	PA	PP&L Industrial Customer Alliance	Pennsylvania Power & Light Co.	Revenue requirements. Fossil dismantling, nuclear decommissioning.

**Expert Testimony Appearances  
of  
Lane Kollen  
as of April 2016**

<b>Date</b>	<b>Case</b>	<b>Jurisdct.</b>	<b>Party</b>	<b>Utility</b>	<b>Subject</b>
6/95	3905-U Rebuttal	GA	Georgia Public Service Commission	Southern Bell Telephone Co.	Incentive regulation, affiliate transactions, revenue requirements, rate refund.
6/95	U-19904 (Direct)	LA	Louisiana Public Service Commission Staff	Gulf States Utilities Co.	Gas, coal, nuclear fuel costs, contract prudence, base/fuel realignment.
10/95	95-02614	TN	Tennessee Office of the Attorney General Consumer Advocate	BellSouth Telecommunications, Inc.	Affiliate transactions.
10/95	U-21485 (Direct)	LA	Louisiana Public Service Commission Staff	Gulf States Utilities Co.	Nuclear O&M, River Bend phase-in plan, base/fuel realignment, NOL and AltMin asset deferred taxes, other revenue requirement issues.
11/95	U-19904 (Surrebuttal)	LA	Louisiana Public Service Commission Staff	Gulf States Utilities Co. Division	Gas, coal, nuclear fuel costs, contract prudence, base/fuel realignment.
11/95	U-21485 (Supplemental Direct)	LA	Louisiana Public Service Commission Staff	Gulf States Utilities Co.	Nuclear O&M, River Bend phase-in plan, base/fuel realignment, NOL and AltMin asset deferred taxes, other revenue requirement issues.
12/95	U-21485 (Surrebuttal)				
1/96	95-299-EL-AIR 95-300-EL-AIR	OH	Industrial Energy Consumers	The Toledo Edison Co., The Cleveland Electric Illuminating Co.	Competition, asset write-offs and revaluation, O&M expense, other revenue requirement issues.
2/96	PUC Docket 14965	TX	Office of Public Utility Counsel	Central Power & Light	Nuclear decommissioning.
5/96	95-485-LCS	NM	City of Las Cruces	El Paso Electric Co.	Stranded cost recovery, municipalization.
7/96	8725	MD	The Maryland Industrial Group and Redland Genstar, Inc.	Baltimore Gas & Electric Co., Potomac Electric Power Co., and Constellation Energy Corp.	Merger savings, tracking mechanism, earnings sharing plan, revenue requirement issues.
9/96 11/96	U-22092 U-22092 (Surrebuttal)	LA	Louisiana Public Service Commission Staff	Entergy Gulf States, Inc.	River Bend phase-in plan, base/fuel realignment, NOL and AltMin asset deferred taxes, other revenue requirement issues, allocation of regulated/nonregulated costs.
10/96	96-327	KY	Kentucky Industrial Utility Customers, Inc.	Big Rivers Electric Corp.	Environmental surcharge recoverable costs.
2/97	R-00973877	PA	Philadelphia Area Industrial Energy Users Group	PECO Energy Co.	Stranded cost recovery, regulatory assets and liabilities, intangible transition charge, revenue requirements.
3/97	96-489	KY	Kentucky Industrial Utility Customers, Inc.	Kentucky Power Co.	Environmental surcharge recoverable costs, system agreements, allowance inventory, jurisdictional allocation.
6/97	TO-97-397	MO	MCI Telecommunications Corp., Inc., MCImetro Access Transmission Services, Inc.	Southwestern Bell Telephone Co.	Price cap regulation, revenue requirements, rate of return.



**Expert Testimony Appearances  
of  
Lane Kollen  
as of April 2016**

<b>Date</b>	<b>Case</b>	<b>Jurisdct.</b>	<b>Party</b>	<b>Utility</b>	<b>Subject</b>
6/97	R-00973953	PA	Philadelphia Area Industrial Energy Users Group	PECO Energy Co.	Restructuring, deregulation, stranded costs, regulatory assets, liabilities, nuclear and fossil decommissioning.
7/97	R-00973954	PA	PP&L Industrial Customer Alliance	Pennsylvania Power & Light Co.	Restructuring, deregulation, stranded costs, regulatory assets, liabilities, nuclear and fossil decommissioning.
7/97	U-22092	LA	Louisiana Public Service Commission Staff	Entergy Gulf States, Inc.	Depreciation rates and methodologies, River Bend phase-in plan.
8/97	97-300	KY	Kentucky Industrial Utility Customers, Inc.	Louisville Gas & Electric Co., Kentucky Utilities Co.	Merger policy, cost savings, surcredit sharing mechanism, revenue requirements, rate of return.
8/97	R-00973954 (Surrebuttal)	PA	PP&L Industrial Customer Alliance	Pennsylvania Power & Light Co.	Restructuring, deregulation, stranded costs, regulatory assets, liabilities, nuclear and fossil decommissioning.
10/97	97-204	KY	Alcan Aluminum Corp. Southwire Co.	Big Rivers Electric Corp.	Restructuring, revenue requirements, reasonableness.
10/97	R-974008	PA	Metropolitan Edison Industrial Users Group	Metropolitan Edison Co.	Restructuring, deregulation, stranded costs, regulatory assets, liabilities, nuclear and fossil decommissioning, revenue requirements.
10/97	R-974009	PA	Penelec Industrial Customer Alliance	Pennsylvania Electric Co.	Restructuring, deregulation, stranded costs, regulatory assets, liabilities, nuclear and fossil decommissioning, revenue requirements.
11/97	97-204 (Rebuttal)	KY	Alcan Aluminum Corp. Southwire Co.	Big Rivers Electric Corp.	Restructuring, revenue requirements, reasonableness of rates, cost allocation.
11/97	U-22491	LA	Louisiana Public Service Commission Staff	Entergy Gulf States, Inc.	Allocation of regulated and nonregulated costs, other revenue requirement issues.
11/97	R-00973953 (Surrebuttal)	PA	Philadelphia Area Industrial Energy Users Group	PECO Energy Co.	Restructuring, deregulation, stranded costs, regulatory assets, liabilities, nuclear and fossil decommissioning.
11/97	R-973981	PA	West Penn Power Industrial Intervenors	West Penn Power Co.	Restructuring, deregulation, stranded costs, regulatory assets, liabilities, fossil decommissioning, revenue requirements, securitization.
11/97	R-974104	PA	Duquesne Industrial Intervenors	Duquesne Light Co.	Restructuring, deregulation, stranded costs, regulatory assets, liabilities, nuclear and fossil decommissioning, revenue requirements, securitization.
12/97	R-973981 (Surrebuttal)	PA	West Penn Power Industrial Intervenors	West Penn Power Co.	Restructuring, deregulation, stranded costs, regulatory assets, liabilities, fossil decommissioning, revenue requirements.
12/97	R-974104 (Surrebuttal)	PA	Duquesne Industrial Intervenors	Duquesne Light Co.	Restructuring, deregulation, stranded costs, regulatory assets, liabilities, nuclear and fossil decommissioning, revenue requirements, securitization.
1/98	U-22491 (Surrebuttal)	LA	Louisiana Public Service Commission Staff	Entergy Gulf States, Inc.	Allocation of regulated and nonregulated costs, other revenue requirement issues.

**Expert Testimony Appearances  
of  
Lane Kollen  
as of April 2016**

<b>Date</b>	<b>Case</b>	<b>Jurisdiction</b>	<b>Party</b>	<b>Utility</b>	<b>Subject</b>
2/98	8774	MD	Westvaco	Potomac Edison Co.	Merger of Duquesne, AE, customer safeguards, savings sharing.
3/98	U-22092 (Allocated Stranded Cost Issues)	LA	Louisiana Public Service Commission Staff	Entergy Gulf States, Inc.	Restructuring, stranded costs, regulatory assets, securitization, regulatory mitigation.
3/98	8390-U	GA	Georgia Natural Gas Group, Georgia Textile Manufacturers Assoc.	Atlanta Gas Light Co.	Restructuring, unbundling, stranded costs, incentive regulation, revenue requirements.
3/98	U-22092 (Allocated Stranded Cost Issues) (Surrebuttal)	LA	Louisiana Public Service Commission Staff	Entergy Gulf States, Inc.	Restructuring, stranded costs, regulatory assets, securitization, regulatory mitigation.
3/98	U-22491 (Supplemental Surrebuttal)	LA	Louisiana Public Service Commission Staff	Entergy Gulf States, Inc.	Allocation of regulated and nonregulated costs, other revenue requirement issues.
10/98	97-596	ME	Maine Office of the Public Advocate	Bangor Hydro-Electric Co.	Restructuring, unbundling, stranded costs, T&D revenue requirements.
10/98	9355-U	GA	Georgia Public Service Commission Adversary Staff	Georgia Power Co.	Affiliate transactions.
10/98	U-17735	LA	Louisiana Public Service Commission Staff	Cajun Electric Power Cooperative	G&T cooperative ratemaking policy, other revenue requirement issues.
11/98	U-23327	LA	Louisiana Public Service Commission Staff	SWEPCO, CSW and AEP	Merger policy, savings sharing mechanism, affiliate transaction conditions.
12/98	U-23358 (Direct)	LA	Louisiana Public Service Commission Staff	Entergy Gulf States, Inc.	Allocation of regulated and nonregulated costs, tax issues, and other revenue requirement issues.
12/98	98-577	ME	Maine Office of Public Advocate	Maine Public Service Co.	Restructuring, unbundling, stranded cost, T&D revenue requirements.
1/99	98-10-07	CT	Connecticut Industrial Energy Consumers	United Illuminating Co.	Stranded costs, investment tax credits, accumulated deferred income taxes, excess deferred income taxes.
3/99	U-23358 (Surrebuttal)	LA	Louisiana Public Service Commission Staff	Entergy Gulf States, Inc.	Allocation of regulated and nonregulated costs, tax issues, and other revenue requirement issues.
3/99	98-474	KY	Kentucky Industrial Utility Customers, Inc.	Louisville Gas and Electric Co.	Revenue requirements, alternative forms of regulation.
3/99	98-426	KY	Kentucky Industrial Utility Customers, Inc.	Kentucky Utilities Co.	Revenue requirements, alternative forms of regulation.
3/99	99-082	KY	Kentucky Industrial Utility Customers, Inc.	Louisville Gas and Electric Co.	Revenue requirements.
3/99	99-083	KY	Kentucky Industrial Utility Customers, Inc.	Kentucky Utilities Co.	Revenue requirements.

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4/99	U-23358 (Supplemental Surrebuttal)	LA	Louisiana Public Service Commission Staff	Entergy Gulf States, Inc.	Allocation of regulated and nonregulated costs, tax issues, and other revenue requirement issues.
4/99	99-03-04	CT	Connecticut Industrial Energy Consumers	United Illuminating Co.	Regulatory assets and liabilities, stranded costs, recovery mechanisms.
4/99	99-02-05	Ct	Connecticut Industrial Utility Customers	Connecticut Light and Power Co.	Regulatory assets and liabilities, stranded costs, recovery mechanisms.
5/99	98-426 99-082 (Additional Direct)	KY	Kentucky Industrial Utility Customers, Inc.	Louisville Gas and Electric Co.	Revenue requirements.
5/99	98-474 99-083 (Additional Direct)	KY	Kentucky Industrial Utility Customers, Inc.	Kentucky Utilities Co.	Revenue requirements.
5/99	98-426 98-474 (Response to Amended Applications)	KY	Kentucky Industrial Utility Customers, Inc.	Louisville Gas and Electric Co., Kentucky Utilities Co.	Alternative regulation.
6/99	97-596	ME	Maine Office of Public Advocate	Bangor Hydro- Electric Co.	Request for accounting order regarding electric industry restructuring costs.
6/99	U-23358	LA	Louisiana Public Service Commission Staff	Entergy Gulf States, Inc.	Affiliate transactions, cost allocations.
7/99	99-03-35	CT	Connecticut Industrial Energy Consumers	United Illuminating Co.	Stranded costs, regulatory assets, tax effects of asset divestiture.
7/99	U-23327	LA	Louisiana Public Service Commission Staff	Southwestern Electric Power Co., Central and South West Corp, American Electric Power Co.	Merger Settlement and Stipulation.
7/99	97-596 Surrebuttal	ME	Maine Office of Public Advocate	Bangor Hydro- Electric Co.	Restructuring, unbundling, stranded cost, T&D revenue requirements.
7/99	98-0452-E-GI	WV	West Virginia Energy Users Group	Monongahela Power, Potomac Edison, Appalachian Power, Wheeling Power	Regulatory assets and liabilities.
8/99	98-577 Surrebuttal	ME	Maine Office of Public Advocate	Maine Public Service Co.	Restructuring, unbundling, stranded costs, T&D revenue requirements.
8/99	98-426 99-082 Rebuttal	KY	Kentucky Industrial Utility Customers, Inc.	Louisville Gas and Electric Co.	Revenue requirements.
8/99	98-474 98-083 Rebuttal	KY	Kentucky Industrial Utility Customers, Inc.	Kentucky Utilities Co.	Revenue requirements.

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8/99	98-0452-E-GI Rebuttal	WV	West Virginia Energy Users Group	Monongahela Power, Polomac Edison, Appalachian Power, Wheeling Power	Regulatory assets and liabilities.
10/99	U-24182 Direct	LA	Louisiana Public Service Commission Staff	Entergy Gulf States, Inc.	Allocation of regulated and nonregulated costs, affiliate transactions, tax issues, and other revenue requirement issues.
11/99	PUC Docket 21527	TX	The Dallas-Fort Worth Hospital Council and Coalition of Independent Colleges and Universities	TXU Electric	Restructuring, stranded costs, taxes, securitization.
11/99	U-23358 Surrebuttal Affiliate Transactions Review	LA	Louisiana Public Service Commission Staff	Entergy Gulf States, Inc.	Service company affiliate transaction costs.
01/00	U-24182 Surrebuttal	LA	Louisiana Public Service Commission Staff	Entergy Gulf States, Inc.	Allocation of regulated and nonregulated costs, affiliate transactions, tax issues, and other revenue requirement issues.
04/00	99-1212-EL-ETP 99-1213-EL-ATA 99-1214-EL-AAM	OH	Greater Cleveland Growth Association	First Energy (Cleveland Electric Illuminating, Toledo Edison)	Historical review, stranded costs, regulatory assets, liabilities.
05/00	2000-107	KY	Kentucky Industrial Utility Customers, Inc.	Kentucky Power Co.	ECR surcharge roll-in to base rates.
05/00	U-24182 Supplemental Direct	LA	Louisiana Public Service Commission Staff	Entergy Gulf States, Inc.	Affiliate expense proforma adjustments.
05/00	A-110550F0147	PA	Philadelphia Area Industrial Energy Users Group	PECO Energy	Merger between PECO and Unicom.
05/00	99-1658-EL-ETP	OH	AK Steel Corp.	Cincinnati Gas & Electric Co.	Regulatory transition costs, including regulatory assets and liabilities, SFAS 109, ADIT, EDIT, ITC.
07/00	PUC Docket 22344	TX	The Dallas-Fort Worth Hospital Council and The Coalition of Independent Colleges and Universities	Statewide Generic Proceeding	Escalation of O&M expenses for unbundled T&D revenue requirements in projected test year.
07/00	U-21453	LA	Louisiana Public Service Commission	SWEPCO	Stranded costs, regulatory assets and liabilities.
08/00	U-24064	LA	Louisiana Public Service Commission Staff	CLECO	Affiliate transaction pricing ratemaking principles, subsidization of nonregulated affiliates, ratemaking adjustments.
10/00	SOAH Docket 473-00-1015 PUC Docket 22350	TX	The Dallas-Fort Worth Hospital Council and The Coalition of Independent Colleges and Universities	TXU Electric Co.	Restructuring, T&D revenue requirements, mitigation, regulatory assets and liabilities.

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10/00	R-00974104 Affidavit	PA	Duquesne Industrial Intervenors	Duquesne Light Co.	Final accounting for stranded costs, including treatment of auction proceeds, taxes, capital costs, switchback costs, and excess pension funding.
11/00	P-00001837 R-00974008 P-00001838 R-00974009	PA	Metropolitan Edison Industrial Users Group Penelec Industrial Customer Alliance	Metropolitan Edison Co., Pennsylvania Electric Co.	Final accounting for stranded costs, including treatment of auction proceeds, taxes, regulatory assets and liabilities, transaction costs.
12/00	U-21453, U-20925, U-22092 (Subdocket C) Surrebuttal	LA	Louisiana Public Service Commission Staff	SWEPCO	Stranded costs, regulatory assets.
01/01	U-24993 Direct	LA	Louisiana Public Service Commission Staff	Entergy Gulf States, Inc.	Allocation of regulated and nonregulated costs, tax issues, and other revenue requirement issues.
01/01	U-21453, U-20925, U-22092 (Subdocket B) Surrebuttal	LA	Louisiana Public Service Commission Staff	Entergy Gulf States, Inc.	Industry restructuring, business separation plan, organization structure, hold harmless conditions, financing.
01/01	Case No. 2000-386	KY	Kentucky Industrial Utility Customers, Inc.	Louisville Gas & Electric Co.	Recovery of environmental costs, surcharge mechanism.
01/01	Case No. 2000-439	KY	Kentucky Industrial Utility Customers, Inc.	Kentucky Utilities Co.	Recovery of environmental costs, surcharge mechanism.
02/01	A-110300F0095 A-110400F0040	PA	Met-Ed Industrial Users Group, Penelec Industrial Customer Alliance	GPU, Inc. FirstEnergy Corp.	Merger, savings, reliability.
03/01	P-00001860 P-00001861	PA	Met-Ed Industrial Users Group, Penelec Industrial Customer Alliance	Metropolitan Edison Co., Pennsylvania Electric Co.	Recovery of costs due to provider of last resort obligation.
04/01	U-21453, U-20925, U-22092 (Subdocket B) Settlement Term Sheet	LA	Louisiana Public Service Commission Staff	Entergy Gulf States, Inc.	Business separation plan: settlement agreement on overall plan structure.
04/01	U-21453, U-20925, U-22092 (Subdocket B) Contested Issues	LA	Louisiana Public Service Commission Staff	Entergy Gulf States, Inc.	Business separation plan: agreements, hold harmless conditions, separations methodology.
05/01	U-21453, U-20925, U-22092 (Subdocket B) Contested Issues Transmission and Distribution Rebuttal	LA	Louisiana Public Service Commission Staff	Entergy Gulf States, Inc.	Business separation plan: agreements, hold harmless conditions, separations methodology.

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07/01	U-21453, U-20925, U-22092 (Subdocket B) Transmission and Distribution Term Sheet	LA	Louisiana Public Service Commission Staff	Entergy Gulf States, Inc.	Business separation plan; settlement agreement on T&D issues, agreements necessary to implement T&D separations, hold harmless conditions, separations methodology.
10/01	14000-U	GA	Georgia Public Service Commission Adversary Staff	Georgia Power Company	Revenue requirements, Rate Plan, fuel clause recovery.
11/01	14311-U Direct Panel with Bolin Killings	GA	Georgia Public Service Commission Adversary Staff	Atlanta Gas Light Co	Revenue requirements, revenue forecast, O&M expense, depreciation, plant additions, cash working capital.
11/01	U-25687 Direct	LA	Louisiana Public Service Commission Staff	Entergy Gulf States, Inc.	Revenue requirements, capital structure, allocation of regulated and nonregulated costs, River Bend uprate.
02/02	PUC Docket 25230	TX	The Dallas-Fort Worth Hospital Council and the Coalition of Independent Colleges and Universities	TXU Electric	Stipulation. Regulatory assets, securitization financing.
02/02	U-25687 Surrebuttal	LA	Louisiana Public Service Commission Staff	Entergy Gulf States, Inc.	Revenue requirements, corporate franchise tax, conversion to LLC, River Bend uprate.
03/02	14311-U Rebuttal Panel with Bolin Killings	GA	Georgia Public Service Commission Adversary Staff	Atlanta Gas Light Co.	Revenue requirements, earnings sharing plan, service quality standards.
03/02	14311-U Rebuttal Panel with Michelle L. Thebert	GA	Georgia Public Service Commission Adversary Staff	Atlanta Gas Light Co.	Revenue requirements, revenue forecast, O&M expense, depreciation, plant additions, cash working capital.
03/02	001148-EI	FL	South Florida Hospital and Healthcare Assoc.	Florida Power & Light Co.	Revenue requirements. Nuclear life extension, storm damage accruals and reserve, capital structure, O&M expense.
04/02	U-25687 (Suppl. Surrebuttal)	LA	Louisiana Public Service Commission	Entergy Gulf States, Inc.	Revenue requirements, corporate franchise tax, conversion to LLC, River Bend uprate.
04/02	U-21453, U-20925 U-22092 (Subdocket C)	LA	Louisiana Public Service Commission	SWEPSCO	Business separation plan, T&D Term Sheet, separations methodologies, hold harmless conditions.
08/02	EL01-88-000	FERC	Louisiana Public Service Commission	Entergy Services, Inc. and the Entergy Operating Companies	System Agreement, production cost equalization, tariffs.
08/02	U-25888	LA	Louisiana Public Service Commission Staff	Entergy Gulf States, Inc. and Entergy Louisiana, Inc.	System Agreement, production cost disparities, prudence.
09/02	2002-00224 2002-00225	KY	Kentucky Industrial Utilities Customers, Inc.	Kentucky Utilities Co., Louisville Gas & Electric Co.	Line losses and fuel clause recovery associated with off-system sales.

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11/02	2002-00146 2002-00147	KY	Kentucky Industrial Utilities Customers, Inc.	Kentucky Utilities Co., Louisville Gas & Electric Co.	Environmental compliance costs and surcharge recovery.
01/03	2002-00169	KY	Kentucky Industrial Utilities Customers, Inc.	Kentucky Power Co.	Environmental compliance costs and surcharge recovery.
04/03	2002-00429 2002-00430	KY	Kentucky Industrial Utilities Customers, Inc.	Kentucky Utilities Co., Louisville Gas & Electric Co.	Extension of merger surcredit, flaws in Companies' studies.
04/03	U-26527	LA	Louisiana Public Service Commission Staff	Entergy Gulf States, Inc.	Revenue requirements, corporate franchise tax, conversion to LLC, capital structure, post-test year adjustments.
06/03	EL01-88-000 Rebuttal	FERC	Louisiana Public Service Commission	Entergy Services, Inc. and the Entergy Operating Companies	System Agreement, production cost equalization, tariffs.
06/03	2003-00068	KY	Kentucky Industrial Utility Customers	Kentucky Utilities Co.	Environmental cost recovery, correction of base rate error.
11/03	ER03-753-000	FERC	Louisiana Public Service Commission	Entergy Services, Inc. and the Entergy Operating Companies	Unit power purchases and sale cost-based tariff pursuant to System Agreement.
11/03	ER03-583-000, ER03-583-001, ER03-583-002  ER03-681-000, ER03-681-001  ER03-682-000, ER03-682-001, ER03-682-002  ER03-744-000, ER03-744-001 (Consolidated)	FERC	Louisiana Public Service Commission	Entergy Services, Inc., the Entergy Operating Companies, EWO Marketing, L.P, and Entergy Power, Inc.	Unit power purchases and sale agreements, contractual provisions, projected costs, levelized rates, and formula rates.
12/03	U-26527 Surrebuttal	LA	Louisiana Public Service Commission Staff	Entergy Gulf States, Inc.	Revenue requirements, corporate franchise tax, conversion to LLC, capital structure, post-test year adjustments.
12/03	2003-0334 2003-0335	KY	Kentucky Industrial Utility Customers, Inc.	Kentucky Utilities Co., Louisville Gas & Electric Co.	Earnings Sharing Mechanism.
12/03	U-27136	LA	Louisiana Public Service Commission Staff	Entergy Louisiana, Inc.	Purchased power contracts between affiliates, terms and conditions.
03/04	U-26527 Supplemental Surrebuttal	LA	Louisiana Public Service Commission Staff	Entergy Gulf States, Inc.	Revenue requirements, corporate franchise tax, conversion to LLC, capital structure, post-test year adjustments.
03/04	2003-00433	KY	Kentucky Industrial Utility Customers, Inc.	Louisville Gas & Electric Co.	Revenue requirements, depreciation rates, O&M expense, deferrals and amortization, earnings sharing mechanism, merger surcredit, VDT surcredit.

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03/04	2003-00434	KY	Kentucky Industrial Utility Customers, Inc.	Kentucky Utilities Co.	Revenue requirements, depreciation rates, O&M expense, deferrals and amortization, earnings sharing mechanism, merger surcredit, VDT surcredit.
03/04	SOAH Docket 473-04-2459 PUC Docket 29206	TX	Cities Served by Texas-New Mexico Power Co.	Texas-New Mexico Power Co.	Stranded costs true-up, including valuation issues, ITC, ADIT, excess earnings.
05/04	04-169-EL-UNC	OH	Ohio Energy Group, Inc.	Columbus Southern Power Co. & Ohio Power Co.	Rate stabilization plan, deferrals, T&D rate increases, earnings.
06/04	SOAH Docket 473-04-4555 PUC Docket 29526	TX	Houston Council for Health and Education	CenterPoint Energy Houston Electric	Stranded costs true-up, including valuation issues, ITC, EDIT, excess mitigation credits, capacity auction true-up revenues, interest.
08/04	SOAH Docket 473-04-4555 PUC Docket 29526 (Suppl Direct)	TX	Houston Council for Health and Education	CenterPoint Energy Houston Electric	Interest on stranded cost pursuant to Texas Supreme Court remand.
09/04	U-23327 Subdocket B	LA	Louisiana Public Service Commission Staff	SWEPCO	Fuel and purchased power expenses recoverable through fuel adjustment clause, trading activities, compliance with terms of various LPSC Orders.
10/04	U-23327 Subdocket A	LA	Louisiana Public Service Commission Staff	SWEPCO	Revenue requirements.
12/04	Case Nos. 2004-00321, 2004-00372	KY	Gallatin Steel Co.	East Kentucky Power Cooperative, Inc., Big Sandy Recc, et al.	Environmental cost recovery, qualified costs, TIER requirements, cost allocation.
01/05	30485	TX	Houston Council for Health and Education	CenterPoint Energy Houston Electric, LLC	Stranded cost true-up including regulatory Central Co. assets and liabilities, ITC, EDIT, capacity auction, proceeds, excess mitigation credits, retrospective and prospective ADIT.
02/05	18638-U	GA	Georgia Public Service Commission Adversary Staff	Atlanta Gas Light Co.	Revenue requirements.
02/05	18638-U Panel with Tony Wackerly	GA	Georgia Public Service Commission Adversary Staff	Atlanta Gas Light Co.	Comprehensive rate plan, pipeline replacement program surcharge, performance based rate plan.
02/05	18638-U Panel with Michelle Thebert	GA	Georgia Public Service Commission Adversary Staff	Atlanta Gas Light Co.	Energy conservation, economic development, and tariff issues.
03/05	Case Nos. 2004-00426, 2004-00421	KY	Kentucky Industrial Utility Customers, Inc.	Kentucky Utilities Co., Louisville Gas & Electric	Environmental cost recovery, Jobs Creation Act of 2004 and §199 deduction, excess common equity ratio, deferral and amortization of nonrecurring O&M expense.
06/05	2005-00068	KY	Kentucky Industrial Utility Customers, Inc.	Kentucky Power Co.	Environmental cost recovery, Jobs Creation Act of 2004 and §199 deduction, margins on allowances used for AEP system sales.



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06/05	050045-EI	FL	South Florida Hospital and Healthcare Assoc.	Florida Power & Light Co.	Storm damage expense and reserve, RTO costs, O&M expense projections, return on equity performance incentive, capital structure, selective second phase post-test year rate increase.
08/05	31056	TX	Alliance for Valley Healthcare	AEP Texas Central Co.	Stranded cost true-up including regulatory assets and liabilities, ITC, EDIT, capacity auction, proceeds, excess mitigation credits, retrospective and prospective ADIT.
09/05	20298-U	GA	Georgia Public Service Commission Adversary Staff	Atmos Energy Corp.	Revenue requirements, roll-in of surcharges, cost recovery through surcharge, reporting requirements.
09/05	20298-U Panel with Victoria Taylor	GA	Georgia Public Service Commission Adversary Staff	Atmos Energy Corp.	Affiliate transactions, cost allocations, capitalization, cost of debt.
10/05	04-42	DE	Delaware Public Service Commission Staff	Artesian Water Co.	Allocation of tax net operating losses between regulated and unregulated.
11/05	2005-00351 2005-00352	KY	Kentucky Industrial Utility Customers, Inc.	Kentucky Utilities Co., Louisville Gas & Electric	Workforce Separation Program cost recovery and shared savings through VDT surcredit.
01/06	2005-00341	KY	Kentucky Industrial Utility Customers, Inc.	Kentucky Power Co.	System Sales Clause Rider, Environmental Cost Recovery Rider, Net Congestion Rider, Storm damage, vegetation management program, depreciation, off-system sales, maintenance normalization, pension and OPEB.
03/06	PUC Docket 31994	TX	Cities	Texas-New Mexico Power Co.	Stranded cost recovery through competition transition or change.
05/06	31994 Supplemental	TX	Cities	Texas-New Mexico Power Co.	Retrospective ADFIT, prospective ADFIT.
03/06	U-21453, U-20925, U-22092	LA	Louisiana Public Service Commission Staff	Entergy Gulf States, Inc.	Jurisdictional separation plan.
03/06	NOPR Reg 104385-OR	IRS	Alliance for Valley Health Care and Houston Council for Health Education	AEP Texas Central Company and CenterPoint Energy Houston Electric	Proposed Regulations affecting flow-through to ratepayers of excess deferred income taxes and investment tax credits on generation plant that is sold or deregulated.
04/06	U-25116	LA	Louisiana Public Service Commission Staff	Entergy Louisiana, Inc.	2002-2004 Audit of Fuel Adjustment Clause Filings. Affiliate transactions.
07/06	R-00061366, Et. al.	PA	Met-Ed Ind. Users Group Pennsylvania Ind. Customer Alliance	Metropolitan Edison Co., Pennsylvania Electric Co.	Recovery of NUG-related stranded costs, government mandated program costs, storm damage costs.
07/06	U-23327	LA	Louisiana Public Service Commission Staff	Southwestern Electric Power Co.	Revenue requirements, formula rate plan, banking proposal.
08/06	U-21453, U-20925, U-22092 (Subdocket J)	LA	Louisiana Public Service Commission Staff	Entergy Gulf States, Inc.	Jurisdictional separation plan.

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11/06	05CVH03-3375 Franklin County Court Affidavit	OH	Various Taxing Authorities (Non-Utility Proceeding)	State of Ohio Department of Revenue	Accounting for nuclear fuel assemblies as manufactured equipment and capitalized plant.
12/06	U-23327 Subdocket A Reply Testimony	LA	Louisiana Public Service Commission Staff	Southwestern Electric Power Co.	Revenue requirements, formula rate plan, banking proposal.
03/07	U-29764	LA	Louisiana Public Service Commission Staff	Entergy Gulf States, Inc., Entergy Louisiana, LLC	Jurisdictional allocation of Entergy System Agreement equalization remedy receipts.
03/07	PUC Docket 33309	TX	Cities	AEP Texas Central Co.	Revenue requirements, including functionalization of transmission and distribution costs.
03/07	PUC Docket 33310	TX	Cities	AEP Texas North Co.	Revenue requirements, including functionalization of transmission and distribution costs.
03/07	2006-00472	KY	Kentucky Industrial Utility Customers, Inc.	East Kentucky Power Cooperative	Interim rate increase, RUS loan covenants, credit facility requirements, financial condition.
03/07	U-29157	LA	Louisiana Public Service Commission Staff	Cleco Power, LLC	Permanent (Phase II) storm damage cost recovery.
04/07	U-29764 Supplemental and Rebuttal	LA	Louisiana Public Service Commission Staff	Entergy Gulf States, Inc., Entergy Louisiana, LLC	Jurisdictional allocation of Entergy System Agreement equalization remedy receipts.
04/07	ER07-682-000 Affidavit	FERC	Louisiana Public Service Commission	Entergy Services, Inc. and the Entergy Operating Companies	Allocation of intangible and general plant and A&G expenses to production and state income tax effects on equalization remedy receipts.
04/07	ER07-684-000 Affidavit	FERC	Louisiana Public Service Commission	Entergy Services, Inc. and the Entergy Operating Companies	Fuel hedging costs and compliance with FERC USOA.
05/07	ER07-682-000 Affidavit	FERC	Louisiana Public Service Commission	Entergy Services, Inc. and the Entergy Operating Companies	Allocation of intangible and general plant and A&G expenses to production and account 924 effects on MSS-3 equalization remedy payments and receipts.
06/07	U-29764	LA	Louisiana Public Service Commission Staff	Entergy Louisiana, LLC, Entergy Gulf States, Inc.	Show cause for violating LPSC Order on fuel hedging costs.
07/07	2006-00472	KY	Kentucky Industrial Utility Customers, Inc.	East Kentucky Power Cooperative	Revenue requirements, post-test year adjustments, TIER, surcharge revenues and costs, financial need.
07/07	ER07-956-000 Affidavit	FERC	Louisiana Public Service Commission	Entergy Services, Inc.	Storm damage costs related to Hurricanes Katrina and Rita and effects of MSS-3 equalization payments and receipts.
10/07	05-UR-103 Direct	WI	Wisconsin Industrial Energy Group	Wisconsin Electric Power Company, Wisconsin Gas, LLC	Revenue requirements, carrying charges on CWIP, amortization and return on regulatory assets, working capital, incentive compensation, use of rate base in lieu of capitalization, quantification and use of Point Beach sale proceeds.

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10/07	05-UR-103 Surrebuttal	WI	Wisconsin Industrial Energy Group	Wisconsin Electric Power Company, Wisconsin Gas, LLC	Revenue requirements, carrying charges on CWIP, amortization and return on regulatory assets, working capital, incentive compensation, use of rate base in lieu of capitalization, quantification and use of Point Beach sale proceeds.
10/07	25060-U Direct	GA	Georgia Public Service Commission Public Interest Adversary Staff	Georgia Power Company	Affiliate costs, incentive compensation, consolidated income taxes, §199 deduction.
11/07	06-0033-E-CN Direct	WV	West Virginia Energy Users Group	Appalachian Power Company	IGCC surcharge during construction period and post-in-service date.
11/07	ER07-682-000 Direct	FERC	Louisiana Public Service Commission	Entergy Services, Inc. and the Entergy Operating Companies	Functionalization and allocation of intangible and general plant and A&G expenses.
01/08	ER07-682-000 Cross-Answering	FERC	Louisiana Public Service Commission	Entergy Services, Inc. and the Entergy Operating Companies	Functionalization and allocation of intangible and general plant and A&G expenses.
01/08	07-551-EL-AIR Direct	OH	Ohio Energy Group, Inc.	Ohio Edison Company, Cleveland Electric Illuminating Company, Toledo Edison Company	Revenue requirements.
02/08	ER07-956-000 Direct	FERC	Louisiana Public Service Commission	Entergy Services, Inc. and the Entergy Operating Companies	Functionalization of expenses, storm damage expense and reserves, tax NOL carrybacks in accounts, ADIT, nuclear service lives and effects on depreciation and decommissioning.
03/08	ER07-956-000 Cross-Answering	FERC	Louisiana Public Service Commission	Entergy Services, Inc. and the Entergy Operating Companies	Functionalization of expenses, storm damage expense and reserves, tax NOL carrybacks in accounts, ADIT, nuclear service lives and effects on depreciation and decommissioning.
04/08	2007-00562, 2007-00563	KY	Kentucky Industrial Utility Customers, Inc.	Kentucky Utilities Co., Louisville Gas and Electric Co.	Merger surcredit.
04/08	26837 Direct Bond, Johnson, Thebert, Kollen Panel	GA	Georgia Public Service Commission Staff	SCANA Energy Marketing, Inc.	Rule Nisi complaint.
05/08	26837 Rebuttal Bond, Johnson, Thebert, Kollen Panel	GA	Georgia Public Service Commission Staff	SCANA Energy Marketing, Inc.	Rule Nisi complaint.
05/08	26837 Suppl Rebuttal Bond, Johnson, Thebert, Kollen Panel	GA	Georgia Public Service Commission Staff	SCANA Energy Marketing, Inc.	Rule Nisi complaint.

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06/08	2008-00115	KY	Kentucky Industrial Utility Customers, Inc.	East Kentucky Power Cooperative, Inc.	Environmental surcharge recoveries, including costs recovered in existing rates, TIER.
07/08	27163 Direct	GA	Georgia Public Service Commission Public Interest Advocacy Staff	Atmos Energy Corp.	Revenue requirements, including projected test year rate base and expenses.
07/08	27163 Taylor, Kollen Panel	GA	Georgia Public Service Commission Public Interest Advocacy Staff	Atmos Energy Corp.	Affiliate transactions and division cost allocations, capital structure, cost of debt.
08/08	6680-CE-170 Direct	WI	Wisconsin Industrial Energy Group, Inc.	Wisconsin Power and Light Company	Nelson Dewey 3 or Colombia 3 fixed financial parameters.
08/08	6680-UR-116 Direct	WI	Wisconsin Industrial Energy Group, Inc.	Wisconsin Power and Light Company	CWIP in rate base, labor expenses, pension expense, financing, capital structure, decoupling.
08/08	6680-UR-116 Rebuttal	WI	Wisconsin Industrial Energy Group, Inc.	Wisconsin Power and Light Company	Capital structure.
08/08	6690-UR-119 Direct	WI	Wisconsin Industrial Energy Group, Inc.	Wisconsin Public Service Corp.	Prudence of Weston 3 outage, incentive compensation, Crane Creek Wind Farm incremental revenue requirement, capital structure.
09/08	6690-UR-119 Surrebuttal	WI	Wisconsin Industrial Energy Group, Inc.	Wisconsin Public Service Corp.	Prudence of Weston 3 outage, Section 199 deduction.
09/08	08-935-EL-SSO, 08-918-EL-SSO	OH	Ohio Energy Group, Inc.	First Energy	Standard service offer rates pursuant to electric security plan, significantly excessive earnings test.
10/08	08-917-EL-SSO	OH	Ohio Energy Group, Inc.	AEP	Standard service offer rates pursuant to electric security plan, significantly excessive earnings test.
10/08	2007-00564, 2007-00565, 2008-00251 2008-00252	KY	Kentucky Industrial Utility Customers, Inc.	Louisville Gas and Electric Co., Kentucky Utilities Company	Revenue forecast, affiliate costs, depreciation expenses, federal and state income tax expense, capitalization, cost of debt.
11/08	EL08-51	FERC	Louisiana Public Service Commission	Entergy Services, Inc.	Spindletop gas storage facilities, regulatory asset and bandwidth remedy.
11/08	35717	TX	Cities Served by Oncor Delivery Company	Oncor Delivery Company	Recovery of old meter costs, asset AD FIT, cash working capital, recovery of prior year restructuring costs, leveled recovery of storm damage costs, prospective storm damage accrual, consolidated tax savings adjustment.
12/08	27800	GA	Georgia Public Service Commission	Georgia Power Company	AFUDC versus CWIP in rate base, mirror CWIP, certification cost, use of short term debt and trust preferred financing, CWIP recovery, regulatory incentive.
01/09	ER08-1056	FERC	Louisiana Public Service Commission	Entergy Services, Inc.	Entergy System Agreement bandwidth remedy calculations, including depreciation expense, ADIT, capital structure.
01/09	ER08-1056 Supplemental Direct	FERC	Louisiana Public Service Commission	Entergy Services, Inc.	Blytheville leased turbines; accumulated depreciation.

**Expert Testimony Appearances  
of  
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<b>Date</b>	<b>Case</b>	<b>Jurisdct.</b>	<b>Party</b>	<b>Utility</b>	<b>Subject</b>
02/09	EL08-51 Rebuttal	FERC	Louisiana Public Service Commission	Entergy Services, Inc.	Spindletop gas storage facilities regulatory asset and bandwidth remedy.
02/09	2008-00409 Direct	KY	Kentucky Industrial Utility Customers, Inc.	East Kentucky Power Cooperative, Inc.	Revenue requirements.
03/09	ER08-1056 Answering	FERC	Louisiana Public Service Commission	Entergy Services, Inc.	Entergy System Agreement bandwidth remedy calculations, including depreciation expense, ADIT, capital structure.
03/09	U-21453, U-20925 U-22092 (Sub J) Direct	LA	Louisiana Public Service Commission Staff	Entergy Gulf States Louisiana, LLC	Violation of EGSI separation order, ETI and EGSL separation accounting, Spindletop regulatory asset.
04/09	Rebuttal				
04/09	2009-00040 Direct-Interim (Oral)	KY	Kentucky Industrial Utility Customers, Inc.	Big Rivers Electric Corp.	Emergency interim rate increase; cash requirements.
04/09	PUC Docket 36530	TX	State Office of Administrative Hearings	Oncor Electric Delivery Company, LLC	Rate case expenses.
05/09	ER08-1056 Rebuttal	FERC	Louisiana Public Service Commission	Entergy Services, Inc.	Entergy System Agreement bandwidth remedy calculations, including depreciation expense, ADIT, capital structure.
06/09	2009-00040 Direct- Permanent	KY	Kentucky Industrial Utility Customers, Inc.	Big Rivers Electric Corp.	Revenue requirements, TIER, cash flow.
07/09	080677-EI	FL	South Florida Hospital and Healthcare Association	Florida Power & Light Company	Multiple test years, GBRA rider, forecast assumptions, revenue requirement, O&M expense, depreciation expense, Economic Stimulus Bill, capital structure.
08/09	U-21453, U- 20925, U-22092 (Subdocket J) Supplemental Rebuttal	LA	Louisiana Public Service Commission	Entergy Gulf States Louisiana, LLC	Violation of EGSI separation order, ETI and EGSL separation accounting, Spindletop regulatory asset.
08/09	8516 and 29950	GA	Georgia Public Service Commission Staff	Atlanta Gas Light Company	Modification of PRP surcharge to include infrastructure costs.
09/09	05-UR-104 Direct and Surrebuttal	WI	Wisconsin Industrial Energy Group	Wisconsin Electric Power Company	Revenue requirements, Incentive compensation, depreciation, deferral mitigation, capital structure, cost of debt.
09/09	09AL-299E	CO	CF&I Steel, Rocky Mountain Steel Mills LP, Climax Molybdenum Company	Public Service Company of Colorado	Forecasted test year, historic test year, proforma adjustments for major plant additions, tax depreciation.
09/09	6680-UR-117 Direct and Surrebuttal	WI	Wisconsin Industrial Energy Group	Wisconsin Power and Light Company	Revenue requirements, CWIP in rate base, deferral mitigation, payroll, capacity shutdowns, regulatory assets, rate of return.

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**J. KENNEDY AND ASSOCIATES, INC.**

**Expert Testimony Appearances  
of  
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<b>Date</b>	<b>Case</b>	<b>Jurisdct.</b>	<b>Party</b>	<b>Utility</b>	<b>Subject</b>
10/09	09A-415E Answer	CO	Cripple Creek & Victor Gold Mining Company, et al.	Black Hills/CO Electric Utility Company	Cost prudence, cost sharing mechanism.
10/09	EL09-50 Direct	FERC	Louisiana Public Service Commission	Entergy Services, Inc.	Waterford 3 sale/leaseback accumulated deferred income taxes, Entergy System Agreement bandwidth remedy calculations.
10/09	2009-00329	KY	Kentucky Industrial Utility Customers, Inc.	Louisville Gas and Electric Company, Kentucky Utilities Company	Trimble County 2 depreciation rates.
12/09	PUE-2009-00030	VA	Old Dominion Committee for Fair Utility Rates	Appalachian Power Company	Return on equity incentive.
12/09	ER09-1224 Direct	FERC	Louisiana Public Service Commission	Entergy Services, Inc.	Hypothetical versus actual costs, out of period costs, Spindletop deferred capital costs, Waterford 3 sale/leaseback ADIT.
01/10	ER09-1224 Cross-Answering	FERC	Louisiana Public Service Commission	Entergy Services, Inc.	Hypothetical versus actual costs, out of period costs, Spindletop deferred capital costs, Waterford 3 sale/leaseback ADIT.
01/10	EL09-50 Rebuttal  Supplemental Rebuttal	FERC	Louisiana Public Service Commission	Entergy Services, Inc.	Waterford 3 sale/leaseback accumulated deferred income taxes, Entergy System Agreement bandwidth remedy calculations.
02/10	ER09-1224 Final	FERC	Louisiana Public Service Commission	Entergy Services, Inc.	Hypothetical versus actual costs, out of period costs, Spindletop deferred capital costs, Waterford 3 sale/leaseback ADIT.
02/10	30442 Wackerly-Kollen Panel	GA	Georgia Public Service Commission Staff	Atmos Energy Corporation	Revenue requirement issues.
02/10	30442 McBride-Kollen Panel	GA	Georgia Public Service Commission Staff	Atmos Energy Corporation	Affiliate/division transactions, cost allocation, capital structure.
02/10	2009-00353	KY	Kentucky Industrial Utility Customers, Inc., Attorney General	Louisville Gas and Electric Company, Kentucky Utilities Company	Ratemaking recovery of wind power purchased power agreements.
03/10	2009-00545	KY	Kentucky Industrial Utility Customers, Inc.	Kentucky Power Company	Ratemaking recovery of wind power purchased power agreement.
03/10	E015/GR-09-1151	MN	Large Power Interveners	Minnesota Power	Revenue requirement issues, cost overruns on environmental retrofit project.
03/10	EL10-55	FERC	Louisiana Public Service Commission	Entergy Services, Inc., Entergy Operating Cos	Depreciation expense and effects on System Agreement tariffs.
04/10	2009-00459	KY	Kentucky Industrial Utility Customers, Inc.	Kentucky Power Company	Revenue requirement issues.

**Expert Testimony Appearances  
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<b>Date</b>	<b>Case</b>	<b>Jurisdct.</b>	<b>Party</b>	<b>Utility</b>	<b>Subject</b>
04/10	2009-00458, 2009-00459	KY	Kentucky Industrial Utility Customers, Inc.	Kentucky Utilities Company, Louisville Gas and Electric Company	Revenue requirement issues.
08/10	31647	GA	Georgia Public Service Commission Staff	Atlanta Gas Light Company	Revenue requirement and synergy savings issues.
08/10	31647 Wackerly-Kollen Panel	GA	Georgia Public Service Commission Staff	Atlanta Gas Light Company	Affiliate transaction and Customer First program issues.
08/10	2010-00204	KY	Kentucky Industrial Utility Customers, Inc.	Louisville Gas and Electric Company, Kentucky Utilities Company	PPL acquisition of E.ON U.S. (LG&E and KU) conditions, acquisition savings, sharing deferral mechanism.
09/10	38339 Direct and Cross-Rebuttal	TX	Gulf Coast Coalition of Cities	CenterPoint Energy Houston Electric	Revenue requirement issues, including consolidated tax savings adjustment, incentive compensation FIN 48; AMS surcharge including roll-in to base rates; rate case expenses.
09/10	EL10-55	FERC	Louisiana Public Service Commission	Entergy Services, Inc., Entergy Operating Cos	Depreciation rates and expense input effects on System Agreement tariffs.
09/10	2010-00167	KY	Gallatin Steel	East Kentucky Power Cooperative, Inc.	Revenue requirements.
09/10	U-23327 Subdocket E Direct	LA	Louisiana Public Service Commission	SWEPCO	Fuel audit: SO2 allowance expense, variable O&M expense, off-system sales margin sharing.
11/10	U-23327 Rebuttal	LA	Louisiana Public Service Commission	SWEPCO	Fuel audit: SO2 allowance expense, variable O&M expense, off-system sales margin sharing.
09/10	U-31351	LA	Louisiana Public Service Commission Staff	SWEPCO and Valley Electric Membership Cooperative	Sale of Valley assets to SWEPCO and dissolution of Valley.
10/10	10-1261-EL-JNC	OH	Ohio OCC, Ohio Manufacturers Association, Ohio Energy Group, Ohio Hospital Association, Appalachian Peace and Justice Network	Columbus Southern Power Company	Significantly excessive earnings test.
10/10	10-0713-E-PC	WV	West Virginia Energy Users Group	Monongahela Power Company, Potomac Edison Power Company	Merger of First Energy and Allegheny Energy.
10/10	U-23327 Subdocket F Direct	LA	Louisiana Public Service Commission Staff	SWEPCO	AFUDC adjustments in Formula Rate Plan.
11/10	EL10-55 Rebuttal	FERC	Louisiana Public Service Commission	Entergy Services, Inc., Entergy Operating Cos	Depreciation rates and expense input effects on System Agreement tariffs.

**Expert Testimony Appearances  
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<b>Date</b>	<b>Case</b>	<b>Jurisdict.</b>	<b>Party</b>	<b>Utility</b>	<b>Subject</b>
12/10	ER10-1350 Direct	FERC	Louisiana Public Service Commission	Entergy Services, Inc. Entergy Operating Cos	Waterford 3 lease amortization, ADIT, and fuel inventory effects on System Agreement tariffs.
01/11	ER10-1350 Cross-Answering	FERC	Louisiana Public Service Commission	Entergy Services, Inc., Entergy Operating Cos	Waterford 3 lease amortization, ADIT, and fuel inventory effects on System Agreement tariffs.
03/11	ER10-2001 Direct	FERC	Louisiana Public Service Commission	Entergy Services, Inc., Entergy Arkansas, Inc.	EAI depreciation rates.
04/11	U-23327 Subdocket E	LA	Louisiana Public Service Commission Staff	SWEPCO	Settlement, incl resolution of S02 allowance expense, var O&M expense, sharing of OSS margins.
04/11	38306 Direct	TX	Cities Served by Texas- New Mexico Power Company	Texas-New Mexico Power Company	AMS deployment plan, AMS Surcharge, rate case expenses.
05/11	11-0274-E-GI	WV	West Virginia Energy Users Group	Appalachian Power Company, Wheeling Power Company	Deferral recovery phase-in, construction surcharge.
05/11	2011-00036	KY	Kentucky Industrial Utility Customers, Inc.	Big Rivers Electric Corp.	Revenue requirements.
06/11	29849	GA	Georgia Public Service Commission Staff	Georgia Power Company	Accounting issues related to Vogtle risk-sharing mechanism.
07/11	ER11-2161 Direct and Answering	FERC	Louisiana Public Service Commission	Entergy Services, Inc. and Entergy Texas, Inc.	ETI depreciation rates; accounting issues.
07/11	PUE-2011-00027	VA	Virginia Committee for Fair Utility Rates	Virginia Electric and Power Company	Return on equity performance incentive.
07/11	11-346-EL-SSO 11-348-EL-SSO 11-349-EL-AAM 11-350-EL-AAM	OH	Ohio Energy Group	AEP-OH	Equity Stabilization Incentive Plan; actual earned returns; ADIT offsets in riders.
08/11	U-23327 Subdocket F Rebuttal	LA	Louisiana Public Service Commission Staff	SWEPCO	Depreciation rates and service lives; AFUDC adjustments.
08/11	05-UR-105	WI	Wisconsin Industrial Energy Group	WE Energies, Inc.	Suspended amortization expenses; revenue requirements.
08/11	ER11-2161 Cross-Answering	FERC	Louisiana Public Service Commission	Entergy Services, Inc. and Entergy Texas, Inc.	ETI depreciation rates; accounting issues.
09/11	PUC Docket 39504	TX	Gulf Coast Coalition of Cities	CenterPoint Energy Houston Electric	Investment tax credit, excess deferred income taxes; normalization.
09/11	2011-00161 2011-00162	KY	Kentucky Industrial Utility Consumers, Inc.	Louisville Gas & Electric Company, Kentucky Utilities Company	Environmental requirements and financing.



**Expert Testimony Appearances  
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<b>Date</b>	<b>Case</b>	<b>Jurisdiction</b>	<b>Party</b>	<b>Utility</b>	<b>Subject</b>
10/11	11-4571-EL-UNC 11-4572-EL-UNC	OH	Ohio Energy Group	Columbus Southern Power Company, Ohio Power Company	Significantly excessive earnings.
10/11	4220-UR-117 Direct	WI	Wisconsin Industrial Energy Group	Northern States Power-Wisconsin	Nuclear O&M, depreciation.
11/11	4220-UR-117 Surrebuttal	WI	Wisconsin Industrial Energy Group	Northern States Power-Wisconsin	Nuclear O&M, depreciation.
11/11	PUC Docket 39722	TX	Cities Served by AEP Texas Central Company	AEP Texas Central Company	Investment tax credit, excess deferred income taxes; normalization.
02/12	PUC Docket 40020	TX	Cities Served by Oncor	Lone Star Transmission, LLC	Temporary rates.
03/12	11AL-947E Answer	CO	Climax Molybdenum Company and CF&I Steel, L.P. d/b/a Evraz Rocky Mountain Steel	Public Service Company of Colorado	Revenue requirements, including historic test year, future test year, CACJA CWIP, contra-AFUDC.
03/12	2011-00401	KY	Kentucky Industrial Utility Customers, Inc.	Kentucky Power Company	Big Sandy 2 environmental retrofits and environmental surcharge recovery.
4/12	2011-00036 Direct Rehearing Supplemental Direct Rehearing	KY	Kentucky Industrial Utility Customers, Inc.	Big Rivers Electric Corp.	Rate case expenses, depreciation rates and expense.
04/12	10-2929-EL-UNC	OH	Ohio Energy Group	AEP Ohio Power	State compensation mechanism, CRES capacity charges, Equity Stabilization Mechanism
05/12	11-346-EL-SSO 11-348-EL-SSO	OH	Ohio Energy Group	AEP Ohio Power	State compensation mechanism, Equity Stabilization Mechanism, Retail Stability Rider.
05/12	11-4393-EL-RDR	OH	Ohio Energy Group	Duke Energy Ohio, Inc.	Incentives for over-compliance on EE/PDR mandates.
06/12	40020	TX	Cities Served by Oncor	Lone Star Transmission, LLC	Revenue requirements, including ADIT, bonus depreciation and NOL, working capital, self insurance, depreciation rates, federal income tax expense.
07/12	120015-EI	FL	South Florida Hospital and Healthcare Association	Florida Power & Light Company	Revenue requirements, including vegetation management, nuclear outage expense, cash working capital, CWIP in rate base.
07/12	2012-00063	KY	Kentucky Industrial Utility Customers, Inc.	Big Rivers Electric Corp.	Environmental retrofits, including environmental surcharge recovery.
09/12	05-UR-106	WI	Wisconsin Industrial Energy Group, Inc.	Wisconsin Electric Power Company	Section 1603 grants, new solar facility, payroll expenses, cost of debt.
10/12	2012-00221 2012-00222	KY	Kentucky Industrial Utility Customers, Inc.	Louisville Gas and Electric Company, Kentucky Utilities Company	Revenue requirements, including off-system sales, outage maintenance, storm damage, injuries and damages, depreciation rates and expense.

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<b>Date</b>	<b>Case</b>	<b>Jurisdic.</b>	<b>Party</b>	<b>Utility</b>	<b>Subject</b>
10/12	120015-EI Direct	FL	South Florida Hospital and Healthcare Association	Florida Power & Light Company	Settlement issues.
11/12	120015-EI Rebuttal	FL	South Florida Hospital and Healthcare Association	Florida Power & Light Company	Settlement issues.
10/12	40604	TX	Steering Committee of Cities Served by Oncor	Cross Texas Transmission, LLC	Policy and procedural issues, revenue requirements, including AFUDC, ADIT – bonus depreciation & NOL, incentive compensation, staffing, self-insurance, net salvage, depreciation rates and expense, income tax expense.
11/12	40627 Direct	TX	City of Austin d/b/a Austin Energy	City of Austin d/b/a Austin Energy	Rate case expenses.
12/12	40443	TX	Cities Served by SWEPCO	Southwestern Electric Power Company	Revenue requirements, including depreciation rates and service lives, O&M expenses, consolidated tax savings, CWIP in rate base, Turk plant costs.
12/12	U-29764	LA	Louisiana Public Service Commission Staff	Entergy Gulf States Louisiana, LLC and Entergy Louisiana, LLC	Termination of purchased power contracts between EGSL and ETI, Spindletop regulatory asset.
01/13	ER12-1384 Rebuttal	FERC	Louisiana Public Service Commission	Entergy Gulf States Louisiana, LLC and Entergy Louisiana, LLC	Little Gypsy 3 cancellation costs.
02/13	40627 Rebuttal	TX	City of Austin d/b/a Austin Energy	City of Austin d/b/a Austin Energy	Rate case expenses.
03/13	12-426-EL-SSO	OH	The Ohio Energy Group	The Dayton Power and Light Company	Capacity charges under state compensation mechanism, Service Stability Rider, Switching Tracker.
04/13	12-2400-EL-UNC	OH	The Ohio Energy Group	Duke Energy Ohio, Inc.	Capacity charges under state compensation mechanism, deferrals, rider to recover deferrals.
04/13	2012-00578	KY	Kentucky Industrial Utility Customers, Inc.	Kentucky Power Company	Resource plan, including acquisition of interest in Mitchell plant.
05/13	2012-00535	KY	Kentucky Industrial Utility Customers, Inc.	Big Rivers Electric Corporation	Revenue requirements, excess capacity, restructuring.
06/13	12-3254-EL-UNC	OH	The Ohio Energy Group, Inc.,  Office of the Ohio Consumers' Counsel	Ohio Power Company	Energy auctions under CBP, including reserve prices.
07/13	2013-00144	KY	Kentucky Industrial Utility Customers, Inc.	Kentucky Power Company	Biomass renewable energy purchase agreement.
07/13	2013-00221	KY	Kentucky Industrial Utility Customers, Inc.	Big Rivers Electric Corporation	Agreements to provide Century Hawesville Smelter market access.
10/13	2013-00199	KY	Kentucky Industrial Utility Customers, Inc.	Big Rivers Electric Corporation	Revenue requirements, excess capacity, restructuring.

**Expert Testimony Appearances  
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<b>Date</b>	<b>Case</b>	<b>Jurisdic.</b>	<b>Party</b>	<b>Utility</b>	<b>Subject</b>
12/13	2013-00413	KY	Kentucky Industrial Utility Customers, Inc.	Big Rivers Electric Corporation	Agreements to provide Century Sebree Smelter market access.
01/14	ER10-1350	FERC	Louisiana Public Service Commission	Entergy Services, Inc.	Waterford 3 lease accounting and treatment in annual bandwidth filings.
04/14	ER13-432 Direct	FERC	Louisiana Public Service Commission	Entergy Gulf States Louisiana, LLC and Entergy Louisiana, LLC	UP Settlement benefits and damages.
05/14	PUE-2013-00132	VA	HP Hood LLC	Shenandoah Valley Electric Cooperative	Market based rate; load control tariffs.
07/14	PUE-2014-00033	VA	Virginia Committee for Fair Utility Rates	Virginia Electric and Power Company	Fuel and purchased power hedge accounting, change in FAC Definitional Framework.
08/14	ER13-432 Rebuttal	FERC	Louisiana Public Service Commission	Entergy Gulf States Louisiana, LLC and Entergy Louisiana, LLC	UP Settlement benefits and damages.
08/14	2014-00134	KY	Kentucky Industrial Utility Customers, Inc.	Big Rivers Electric Corporation	Requirements power sales agreements with Nebraska entities.
09/14	E-015/CN-12-1163 Direct	MN	Large Power Intervenors	Minnesota Power	Great Northern Transmission Line; cost cap; AFUDC v. current recovery; rider v. base recovery; class cost allocation.
10/14	2014-00225	KY	Kentucky Industrial Utility Customers, Inc.	Kentucky Power Company	Allocation of fuel costs to off-system sales.
10/14	ER13-1508	FERC	Louisiana Public Service Commission	Entergy Services, Inc.	Entergy service agreements and tariffs for affiliate power purchases and sales; return on equity.
10/14	14-0702-E-42T 14-0701-E-D	WV	West Virginia Energy Users Group	First Energy-Monongahela Power, Potomac Edison	Consolidated tax savings; payroll; pension, OPEB, amortization; depreciation; environmental surcharge.
11/14	E-015/CN-12-1163 Surrebuttal	MN	Large Power Intervenors	Minnesota Power	Great Northern Transmission Line; cost cap; AFUDC v. current recovery; rider v. base recovery; class allocation.
11/14	05-376-EL-UNC	OH	Ohio Energy Group	Ohio Power Company	Refund of IGCC CWIP financing cost recoveries.
11/14	14AL-0660E	CO	Cimax, CF&I Steel	Public Service Company of Colorado	Historic test year v. future test year; AFUDC v. current return; CACJA rider, transmission rider; equivalent availability rider; ADIT; depreciation; royalty income; amortization.
12/14	EL14-026	SD	Black Hills Industrial Intervenors	Black Hills Power Company	Revenue requirement issues, including depreciation expense and affiliate charges.
12/14	14-1152-E-42T	WV	West Virginia Energy Users Group	AEP-Appalachian Power Company	Income taxes, payroll, pension, OPEB, deferred costs and write offs, depreciation rates, environmental projects surcharge.
01/15	9400-YO-100 Direct	WI	Wisconsin Industrial Energy Group	Wisconsin Energy Corporation	WEC acquisition of Integrys Energy Group, Inc.

**Expert Testimony Appearances  
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<b>Date</b>	<b>Case</b>	<b>Jurisdic.</b>	<b>Party</b>	<b>Utility</b>	<b>Subject</b>
01/15	14F-0336EG 14F-0404EG	CO	Development Recovery Company LLC	Public Service Company of Colorado	Line extension policies and refunds.
02/15	9400-YO-100 Rebuttal	WI	Wisconsin Industrial Energy Group	Wisconsin Energy Corporation	WEC acquisition of Integrys Energy Group, Inc.
03/15	2014-00396	KY	Kentucky Industrial Utility Customers, Inc.	AEP-Kentucky Power Company	Base, Big Sandy 2 retirement rider, environmental surcharge, and Big Sandy 1 operation rider revenue requirements, depreciation rates, financing, deferrals.
03/15	2014-00371 2014-00372	KY	Kentucky Industrial Utility Customers, Inc.	Kentucky Utilities Company and Louisville Gas and Electric Company	Revenue requirements, staffing and payroll, depreciation rates.
04/15	2014-00450	KY	Kentucky Industrial Utility Customers, Inc. and the Attorney General of the Commonwealth of Kentucky	AEP-Kentucky Power Company	Allocation of fuel costs between native load and off- system sales.
04/15	2014-00455	KY	Kentucky Industrial Utility Customers, Inc. and the Attorney General of the Commonwealth of Kentucky	Big Rivers Electric Corporation	Allocation of fuel costs between native load and off- system sales.
04/15	ER2014-0370	MO	Midwest Energy Consumers' Group	Kansas City Power & Light Company	Affiliate transactions, operation and maintenance expense, management audit.
05/15	PUE-2015-00022	VA	Virginia Committee for Fair Utility Rates	Virginia Electric and Power Company	Fuel and purchased power hedge accounting; change in FAC Definitional Framework.
05/15 09/15	EL10-65 Direct, Rebuttal Complaint	FERC	Louisiana Public Service Commission	Entergy Services, Inc.	Accounting for AFUDC Debt, related ADIT.
07/15	EL10-65 Direct and Answering Consolidated Bandwidth Dockets	FERC	Louisiana Public Service Commission	Entergy Services, Inc.	Waterford 3 sale/leaseback ADIT, Bandwidth Formula.
09/15	14-1693-EL-RDR	OH	Public Utilities Commission of Ohio	Ohio Energy Group	PPA rider for charges or credits for physical hedges against market.
12/15	45188	TX	Cities Served by Oncor Electric Delivery Company	Oncor Electric Delivery Company	Hunt family acquisition of Oncor; transaction structure; income tax savings from real estate investment trust (REIT) structure; conditions.
12/15 01/16	6680-CE-176 Direct, Surrebuttal Supplemental Rebuttal, Supplemental Surrebuttal	WI	Wisconsin Industrial Energy Group, Inc.	Wisconsin Power and Light Company	Need for capacity and economics of proposed Riverside Energy Center Expansion project; ratemaking conditions.

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<b>Date</b>	<b>Case</b>	<b>Jurisdct.</b>	<b>Party</b>	<b>Utility</b>	<b>Subject</b>
03/16	EL01-88 Remand	FERC	Louisiana Public Service Commission	Entergy Services, Inc.	Bandwidth Formula: Capital structure, fuel inventory, Waterford 3 sale/leaseback, Vidalia purchased power, ADIT, Blythesville, Spindletop, River Bend AFUDC, property insurance reserve, nuclear depreciation expense.
03/16	15-1673-E-T	WV	West Virginia Energy Users Group	Appalachian Power Company	Terms and conditions of utility service for commercial and industrial customers, including security deposits.
04/16	39971	GA	Georgia Public Service Commission Staff	Southern Company, AGL Resources, Georgia Power Company, Atlanta Gas Light Company	Southern Company acquisition of AGL Resources, risks, opportunities, quantification of savings, ratemaking implications, conditions, settlement.
04/16	2015-00343	KY	Office of the Attorney General	Atmos Energy Corporation	Revenue requirements, including NOL ADIT, affiliate transactions.
04/16	2016-00070	KY	Office of the Attorney General	Atmos Energy Corporation	R & D Rider.

**EXHIBIT \_\_\_\_ (LK-2)**

**KENTUCKY UTILITIES COMPANY**

**Response to Kentucky Industrial Utility Customers, Inc.**

**Second Set of Data Requests Dated April 8, 2016**

**Case No. 2016-00026**

**Question No. 2-1**

**Witness: John N. Voyles, Jr. / Gary H. Revlett**

- Q.2-1 Refer to the Company's responses to KIUC 1-1 and 1-2(a). The responses reference the Company's response to Staff 1-22. The Company's response to Staff 1-22 does not provide a response to KIUC 1-1 or KIUC 1-2(a). The question and response to Staff 1-22 address only the recovery of costs due to future ELG requirements, not present CCR or other requirements. Please provide a response to the two KIUC questions as posed. If there is no legal requirement at present, then please so state. If there presently is a legal requirement, then identify the specific requirement and legal citation relied on for this assertion.
- A.2-1 KU does not agree with the premise set forth in this supplemental request for information, but in the interest of clarity states: KU is not aware of an existing legal requirement mandating the closure of the surface impoundments at Green River, Tyrone, and Pineville as they are being operated today, although there are environmental legal requirements in the state regulations that apply to the closures of those surface impoundments when the closures occur (e.g., 401 KAR 45.110), as KU is proposing to do in this proceeding by December 2018 for Green River and by December 2019 for Pineville and Tyrone. When KU closes these impoundments, it will have to incur costs to comply with applicable environmental regulations (again, e.g., 401 KAR 45:110); KU will not be able to avoid the costs of complying with those regulations. As set forth in detail in KU's response to PSC 1-22 and as addressed in the testimony of John N. Voyles, Jr. and Gary H. Revlett, closing the surface impoundments as proposed is prudent and lowest-reasonable-cost for several reasons. Therefore, because the proposed closures, including the proposed timing of the closures, are prudent and lowest-reasonable-cost, and because the closures will have to comply with state environmental requirements applicable to "coal combustion wastes and by-products from facilities utilized for production of energy from coal" (e.g., 401 KAR 45.110), the closures' costs are recoverable through KU's environmental surcharge mechanism consistent with KRS 278.183.

**EXHIBIT \_\_\_\_ (LK-3)**



**KENTUCKY UTILITIES COMPANY**

**Response to Kentucky Industrial Utility Customers, Inc.**

**Second Set of Data Requests Dated April 8, 2016**

**Case No. 2016-00026**

**Question No. 2-3**

**Witness: Christopher M. Garrett**

- Q.2-3 Refer to the Company's response to KIUC 1-3. Please describe any penalty that the Company will incur if it does not complete the impoundment closures as proposed by the Company by December 2018 for Green River and December 2019 for Tyrone and Pineville. Cite to and provide a copy of all authorities relied on for your response.
- A.2-3 See the response to Question No. 2-1. KU has not asserted that it will incur penalties, and is not aware of any penalties under current law it will incur, if it does not close the surface impoundments at Green River, Pineville, and Tyrone as proposed. But the threat of a penalty is not a requirement for AROs, and the current lack of a penalty threat does not make KU's proposed closures any less prudent nor does it alter KU's lowest-reasonable-cost conclusion.

**EXHIBIT \_\_\_\_ (LK-4)**

**KENTUCKY UTILITIES COMPANY**

**Response to Kentucky Industrial Utility Customers, Inc.**

**First Set of Data Requests Dated March 11, 2016**

**Case No. 2016-00026**

**Question No. 1-8**

**Witness: John J. Spanos / Christopher M. Garrett**

- Q.1-8 Refer to Exhibit JJS-2 showing how the proposed depreciation rates were developed for the active and retired plants.
- a. Please describe the nature of the original cost investment shown for unit in each plant account. For example, the exhibit shows \$4.563 million for Trimble County Unit 2 in plant account 311 and \$4.611 million for Trimble County Unit 2 in plant account 312. What are the original costs reflected in each plant account and how do the projected impoundment closure costs relate to the costs for this unit reflected in each plant account?
  - b. Please confirm that the depreciation accruals for the active plants reflect recovery of the remaining net plant before the proposed impoundment closure costs plus the recovery of the impoundment closure costs.
  - c. Please confirm that the depreciation rates for the active plants are calculated by dividing the proposed depreciation accruals by the existing gross plant investment recorded in plant accounts 311 and 312.
  - d. Please confirm that these depreciation rates will be applied to all plant additions to these accounts as well as the existing plant. If this is not correct, then please describe how the gross plant investment recorded in plant accounts 311 and 312 will be separated between plant additions and existing plant. In addition, please provide the depreciation rates that will be applied to plant accounts 311 and 312 for all plant additions to these accounts in the future.
  - e. Please confirm that if the Company is not required to incur the impoundment closure costs or if they are less than projected that the depreciation rates will be overstated.
  - f. Please indicate if the Company would oppose the deferral of actual impoundment closure costs and subsequent amortization of those costs in lieu of recovery through depreciation rates. If so, then please provide all reasons for opposing this approach.

- A.1-8 a. In each plant account of Exhibit JJS-2, the original cost represents the investment that has been placed into service prior to December 31, 2015 related to ash ponds for each unit listed. These assets have been placed in service and identified by unit consistent with the property records. The amounts shown are a subset of the rest of the plant in service by unit and plant account. The projected impoundment closure costs relate to the capping and closing of these facilities and are separate and distinct from the original construction costs.
- b. The original cost in Exhibit JJS-2 reflects only assets related to the impoundments at each location. The active plants or generating units have separate original cost and depreciation rates. The amount of plant and associated accumulated depreciation for the impoundments have been segregated from the active plants.
- c. Depreciation rates for both the impoundments in Exhibit JJS-2 and the active plants (generating units) are calculated using the remaining life method. Therefore, rates are determined based on gross plant minus the accumulated depreciation and the net salvage component. In other words, future accruals divided by the composite remaining life.
- d. The amounts set forth in Exhibit JJS-2 only represent original cost for the impoundments; therefore, these rates will only apply to the impoundments. There are no expected additions to these impoundments, so no change for any other asset classes. The plant in service for the generating units in Accounts 311 and 312 will maintain the existing approved rates until another depreciation study is conducted.
- e. The Commission reviews and approves new depreciation rates under Kentucky practice every four to five years to reflect changes in circumstances and current information. Any difference created by a change in circumstances between depreciation studies will be reflected in the next depreciation study for Commission review.
- f. KU is open to considering alternative forms of recovery of its costs through the environmental surcharge mechanism provided KU is allowed to earn a recovery of and a return on the impoundment closure costs. However, alternative forms of recovery may increase the accounting complexity should another jurisdiction take a different approach.

**LOUISVILLE GAS AND ELECTRIC COMPANY**

**Response to Kentucky Industrial Utility Customers, Inc.**

**First Set of Data Requests Dated March 11, 2016**

**Case No. 2016-00027**

**Question No. 1-6**

**Witness: John J. Spanos / Christopher M. Garrett**

**Q.1-6 Refer to Exhibit JJS-2 showing how the proposed depreciation rates were developed for the active and retired plants.**

- a. Please describe the nature of the original cost investment shown for unit in each plant account. For example, the exhibit shows \$4.563 million for Trimble County Unit 2 in plant account 311 and \$4.611 million for Trimble County Unit 2 in plant account 312. What are the original costs reflected in each plant account and how do the projected impoundment closure costs relate to the costs for this unit reflected in each plant account?
- b. Please confirm that the depreciation accruals for the active plants reflect recovery of the remaining net plant before the proposed impoundment closure costs plus the recovery of the impoundment closure costs.
- c. Please confirm that the depreciation rates for the active plants are calculated by dividing the proposed depreciation accruals by the existing gross plant investment recorded in plant accounts 311 and 312.
- d. Please confirm that these depreciation rates will be applied to all plant additions to these accounts as well as the existing plant. If this is not correct, then please describe how the gross plant investment recorded in plant accounts 311 and 312 will be separated between plant additions and existing plant. In addition, please provide the depreciation rates that will be applied to plant accounts 311 and 312 for all plant additions to these accounts in the future.
- e. Please confirm that if the Company is not required to incur the impoundment closure costs or if they are less than projected that the depreciation rates will be overstated.
- f. Please indicate if the Company would oppose the deferral of actual impoundment closure costs and subsequent amortization of those costs in lieu of recovery through depreciation rates. If so, then please provide all reasons for opposing this approach.

- A.1-6 a. The example shown relates only to KU. In each plant account of Exhibit JJS-2, the original cost represents the investment that has been placed into service prior to December 31, 2015 related to impoundments for each unit listed. These assets have been placed in service and identified by unit consistent with the property records. The amounts shown are a subset of the rest of the plant in service by unit and plant account. The projected impoundment closure costs relate to the capping and closing of these facilities and are separate and distinct from the original construction costs.
- b. The original cost in Exhibit JJS-2 reflects only assets related to the impoundments at each location. The active plants or generating units have separate original cost and depreciation rates. The amount of plant and associated accumulated depreciation for the impoundments have been segregated from the active plants.
- c. Depreciation rates for both the impoundments in Exhibit JJS-2 and the active plants (generating units) are calculated using the remaining life method. Therefore, rates are determined based on gross plant minus the accumulated depreciation and the net salvage component. In other words, future accruals divided by the composite remaining life.
- d. The amounts set forth in Exhibit JJS-2 only represent original cost for the impoundments; therefore, these rates will only apply to the impoundments. There are no expected additions to these impoundments, so no change for any other asset classes. The plant in service for the generating units in Accounts 311 and 312 will maintain the existing approved rates until another depreciation study is conducted.
- e. The Commission reviews and approves new depreciation rates under Kentucky practice every four to five years to reflect changes in circumstances and current information. Any difference created by a change in circumstances between depreciation studies will be reflected in the next depreciation study for Commission review.
- f. LG&E is open to considering alternative forms of recovery of its costs through the environmental surcharge mechanism provided LG&E is allowed to earn a recovery of and a return on the impoundment closure costs.

**EXHIBIT \_\_\_\_ (LK-5)**

**KENTUCKY UTILITIES COMPANY**

**Response to Kentucky Industrial Utility Customers, Inc.**

**First Set of Data Requests Dated March 11, 2016**

**Case No. 2016-00026**

**Question No. 1-6**

**Witness: Derek A. Rahn / R. Scott Straight / Christopher M. Garrett**

**Q.1-6 Refer to Project 39 on Exhibit DAR-5.**

- a. Please provide a schedule showing projected monthly expenditures for each plant site and each impoundment closure project at each plant site and the expected completion date for each closure project.
- b. Please confirm that the Company's proposal will recover expenditures before they are incurred and before the projects are completed until late 2018.
- c. Please confirm that the Company will deduct the closure costs for income tax purposes in the year that the expenditures are made. If this is not correct, then describe the timing of the income tax deductions for these costs.
- d. Please confirm that the Company's proposal to collect costs before they are incurred results in taxable income and income tax expense, and thus, an increase in the revenue requirement.

**A.1-6 a.** The compliance plan contained in the filing is based on the Company's interpretation of the current and proposed regulations discussed in the Application and Testimony. KU continuously reviews obligations related to environmental compliance and evaluate the need for additional compliance measures when proposed regulations are known. KU cannot at this time with reasonable certainty develop details associated with projected monthly expenditures. KU, however, must comply with the environmental regulations identified in their Applications by the corresponding deadlines.

- b. KU's proposal requests the CCR impoundment closure costs at the retired generation sites be recovered over a four-year period effective with the expense month of July 2016. This proposal provides recovery of the costs of removal associated with the ash pond closures through depreciation expense which is similar to the treatment provided to other generation assets whereby future costs of removal are recovered through depreciation expense over the life of the underlying assets.



- c. Yes, KU will deduct the closure costs for income tax purposes in the year the expenditures are made.
  
- d. To the extent book depreciation exceeds the costs paid for closure activities, a deferred tax asset is recorded resulting in an increase in rate base, and thus, an increase in the revenue requirement. There is no increase in total tax expense associated with this temporary difference as the increase in current tax expense is offset by a decrease in deferred tax expense.

**LOUISVILLE GAS AND ELECTRIC COMPANY**  
**Response to Kentucky Industrial Utility Customers, Inc.**

**First Set of Data Requests Dated March 11, 2016**

**Case No. 2016-00027**

**Question No. 1-4**

**Witness: Derek A. Rahn**

Q.1-4 Refer to Project 39 on Exhibit DAR-5.

- a. Please provide a schedule showing projected monthly expenditures for each plant site and each impoundment closure project at each plant site and the expected completion date for each closure project.
- b. Please confirm that the Company's proposal will recover expenditures before they are incurred and before the projects are completed until late 2018.
- c. Please confirm that the Company will deduct the closure costs for income tax purposes in the year that the expenditures are made. If this is not correct, then describe the timing of the income tax deductions for these costs.
- d. Please confirm that the Company's proposal to collect costs before they are incurred results in taxable income and income tax expense, and thus, an increase in the revenue requirement.

A.1-4 a-d. See KU's response to KIUC 1-6 for information regarding KU Project 39.

**EXHIBIT \_\_\_\_ (LK-6)**

**KENTUCKY UTILITIES COMPANY**

**Response to Kentucky Industrial Utility Customers, Inc.**

**Second Set of Data Requests Dated April 8, 2016**

**Case No. 2016-00026**

**Question No. 2-5**

**Witness: Christopher M. Garrett**

- Q.2-5** Please indicate whether the Company has eliminated or reduced the Section 199 deduction in the calculation of the income tax rate used to calculate income tax expense on projects presently or previously included in the surcharge. If so, please provide the following:
- a. Each month in which the Company eliminated or reduced the Section 199 deduction in the calculation of the income tax rate used to calculate income tax expense on projects presently or previously included in the surcharge.
  - b. In each such month, the calculation of the income tax rate used to calculate income tax expense on projects presently or previously included in the surcharge.
  - c. A copy of each request submitted to the Commission to eliminate or reduce the Section 199 deduction in the calculation of the income tax rate used to calculate income tax expense on projects presently or previously included in the surcharge.
  - d. A copy of each notice provided to the Commission that the Company had eliminated or reduced or proposed to eliminate or reduce the Section 199 deduction in the calculation of the income tax rate used to calculate income tax expense on projects presently or previously included in the surcharge.
  - e. All authorities relied on by the Company as authorization from the Commission to eliminate or reduce the Section 199 deduction in the calculation of the income tax rate used to calculate income tax expense on projects presently or previously included in the surcharge.
- A.2-5** a. KU did not include the Section 199 deduction in the calculation of the effective income tax rate used in the gross-up factor for the expense months January through August 2014 for the reasons previously discussed. The Commission approved this calculation in Case No. 2015-00020. Additionally, KU did not include the Section 199 deduction for the expense months of September 2014 through February 2015 for the reasons discussed. The Commission approved this calculation in Case No. 2015-00221. Finally, KU did not include the Section 199 deduction for the expense months of March

2015 through August 2015 for the reasons discussed. The Commission approved this calculation in Case No. 2015-00411.

Furthermore, effective with the February 2016 billing month, KU received Commission approval of the rate of return excluding the Section 199 deduction to be used in the calculation of the monthly billing factors in Case No. 2015-00221.

- b. See attached for the effective income tax rate calculation excluding the Section 199 deduction.
- c,d,e. See the following links for testimony and responses to data requests provided by the Company in the cases referenced above regarding the exclusion of the Section 199 deduction from the effective income tax rate and the corresponding Commission orders and memos in those cases.

Testimony:

[http://psc.ky.gov/pscecf/2015-00020/robert.conroy%40lge-ku.com/02162015115119/Garrett\\_Testimony - KU 2015-00020\\_FINAL.pdf](http://psc.ky.gov/pscecf/2015-00020/robert.conroy%40lge-ku.com/02162015115119/Garrett_Testimony_-_KU_2015-00020_FINAL.pdf)

[http://psc.ky.gov/pscecf/2015-00221/robert.conroy%40lge-ku.com/08122015020256/2-Conroy\\_Testimony - KU 2015-00221\\_FINAL.pdf](http://psc.ky.gov/pscecf/2015-00221/robert.conroy%40lge-ku.com/08122015020256/2-Conroy_Testimony_-_KU_2015-00221_FINAL.pdf)

[http://psc.ky.gov/pscecf/2015-00411/rick.lovekamp%40lge-ku.com/01152016111654/2 - Rahn Testimony - KU 2015-00411 Final.pdf](http://psc.ky.gov/pscecf/2015-00411/rick.lovekamp%40lge-ku.com/01152016111654/2_-_Rahn_Testimony_-_KU_2015-00411_Final.pdf)

Responses to Data Requests:

[http://psc.ky.gov/pscecf/2015-00020/robert.conroy%40lge-ku.com/02162015115119/KU\\_Formatted\\_1st\\_DR\\_due\\_02-16-15\\_FINAL.pdf](http://psc.ky.gov/pscecf/2015-00020/robert.conroy%40lge-ku.com/02162015115119/KU_Formatted_1st_DR_due_02-16-15_FINAL.pdf)

[http://psc.ky.gov/pscecf/2015-00020/robert.conroy%40lge-ku.com/04022015103328/2-KU\\_Formatted\\_2nd\\_DR\\_due\\_04-02-15\\_FINAL.pdf](http://psc.ky.gov/pscecf/2015-00020/robert.conroy%40lge-ku.com/04022015103328/2-KU_Formatted_2nd_DR_due_04-02-15_FINAL.pdf)

[http://psc.ky.gov/pscecf/2015-00221/robert.conroy%40lge-ku.com/08122015020256/3-KU Responses to Staffs First Data Request filed 08 12 15.pdf](http://psc.ky.gov/pscecf/2015-00221/robert.conroy%40lge-ku.com/08122015020256/3-KU_Responses_to_Staffs_First_Data_Request_filed_08_12_15.pdf)

[http://psc.ky.gov/pscecf/2015-00221/robert.conroy%40lge-ku.com/09212015022028/2 - KU Responses to Staffs Second Data Request filed 09212015.pdf](http://psc.ky.gov/pscecf/2015-00221/robert.conroy%40lge-ku.com/09212015022028/2_-_KU_Responses_to_Staffs_Second_Data_Request_filed_09212015.pdf)

[http://psc.ky.gov/pscecf/2015-00411/derek.rahn%40lge-ku.com/01192016104642/2 - CORRECTED KU Formatted 1st DR 01-19-16.pdf](http://psc.ky.gov/pscecf/2015-00411/derek.rahn%40lge-ku.com/01192016104642/2_-_CORRECTED_KU_Formatted_1st_DR_01-19-16.pdf)

Orders:

[http://psc.ky.gov/pscscf/2015%20Cases/2015-00020/20150612\\_PSC\\_ORDER.pdf](http://psc.ky.gov/pscscf/2015%20Cases/2015-00020/20150612_PSC_ORDER.pdf)

[http://psc.ky.gov/pscscf/2015%20Cases/2015-00221//20151207\\_PSC\\_ORDER.pdf](http://psc.ky.gov/pscscf/2015%20Cases/2015-00221//20151207_PSC_ORDER.pdf)

[http://psc.ky.gov/pscscf/2015%20Cases/2015-00411//20160316\\_PSC\\_ORDER.pdf](http://psc.ky.gov/pscscf/2015%20Cases/2015-00411//20160316_PSC_ORDER.pdf)

Informal Conference:

[http://psc.ky.gov/pscscf/2015%20cases/2015-00020//20150420\\_PSC\\_IC%20Memo.pdf](http://psc.ky.gov/pscscf/2015%20cases/2015-00020//20150420_PSC_IC%20Memo.pdf)

[http://psc.ky.gov/pscscf/2015%20cases/2015-00221//20151201\\_PSC%20IC%20Memo.pdf](http://psc.ky.gov/pscscf/2015%20cases/2015-00221//20151201_PSC%20IC%20Memo.pdf)

[http://psc.ky.gov/pscscf/2015%20cases/2015-00411//20160215\\_PSC%20IC%20Memo.pdf](http://psc.ky.gov/pscscf/2015%20cases/2015-00411//20160215_PSC%20IC%20Memo.pdf)

**ECR - Gross-up Revenue Factor &  
Composite Income Tax Calculation  
Excluding Federal Section 199 deduction**

	W/ 6% State <u>Tax Rate Included</u>	
(1) Assume pre-tax income of	\$ 100.0000	
(2)		
(3) State income tax (see below)	<u>5.6400</u>	(40)
(4)		
(5) Taxable income for Federal income tax before production credit	94.3600	(1)-(3)
(7) a. Production Rate	0%	
(8) b. Allocation to Production Income	100%	
(9) c. Allocated Production Rate (a x b)	0.00%	
(10)		
(11) Less: Production tax credit	<u>-</u>	(6)*(9)
(12)		
(13) Taxable income for Federal income tax	94.3600	(6)-(11)
(14)		
(15) Federal income tax	<u>\$ 33.0260</u>	(13)*35%
(16)		
(17)		
(18) Total State and Federal income taxes	<u>\$ 38.6660</u>	(3)+(15)
(19)		
(20) Gross-up Revenue Factor	<u>\$ 61.3340</u>	100-(18)
(21)		
(22) Therefore, the composite rate is:		
(23) Federal	33.0260%	(15)/100
(24) State	<u>5.6400%</u>	(3)/100
(25) Total	<u>38.6660%</u>	(23)+(24)
(26)		
(27)		
(28)		
(29)		
(30)		
(31) <u>State Income Tax Calculation</u>		
(32) Assume pre-tax income of	\$ 100.0000	
(33)		
(34) Less: Production tax credit @ 6%	<u>6.0000</u>	
(35)		
(36) Taxable income for State income tax	94.0000	(32)-(34)
(37)		
(38) State Tax Rate	<u>6.0000%</u>	
(39)		
(40) State Income Tax	<u>\$ 5.6400</u>	(36)*(38)

**LOUISVILLE GAS AND ELECTRIC COMPANY**

**Response to Kentucky Industrial Utility Customers, Inc.**

**Second Set of Data Requests Dated March 8, 2016**

**Case No. 2016-00027**

**Question No. 2-2**

**Witness: Christopher M. Garrett**

- Q.2-2 Please indicate whether the Company has eliminated or reduced the Section 199 deduction in the calculation of the income tax rate used to calculate income tax expense on projects presently or previously included in the surcharge. If so, please provide the following:
- a. Each month in which the Company eliminated or reduced the Section 199 deduction in the calculation of the income tax rate used to calculate income tax expense on projects presently or previously included in the surcharge.
  - b. In each such month, the calculation of the income tax rate used to calculate income tax expense on projects presently or previously included in the surcharge.
  - c. A copy of each request submitted to the Commission to eliminate or reduce the Section 199 deduction in the calculation of the income tax rate used to calculate income tax expense on projects presently or previously included in the surcharge.
  - d. A copy of each notice provided to the Commission that the Company had eliminated or reduced or proposed to eliminate or reduce the Section 199 deduction in the calculation of the income tax rate used to calculate income tax expense on projects presently or previously included in the surcharge.
  - e. All authorities relied on by the Company as authorization from the Commission to eliminate or reduce the Section 199 deduction in the calculation of the income tax rate used to calculate income tax expense on projects presently or previously included in the surcharge.
- A.2-2 a. LG&E did not include the Section 199 deduction in the calculation of the effective income tax rate used in the gross-up factor for the expense months January through August 2014 for the reasons previously discussed. The Commission approved this calculation in Case No. 2015-00021. Additionally, LG&E did not include the Section 199 deduction for the expense months of September 2014 through February 2015 for the reasons discussed. The Commission approved this calculation in Case No. 2015-00222. Finally, LG&E did not include the Section 199 deduction for the expense



months of March 2015 through August 2015 for the reasons discussed. The Commission approved this calculation in Case No. 2015-00412.

Furthermore, effective with the February 2016 billing month, LG&E received Commission approval of the rate of return excluding the Section 199 deduction to be used in the calculation of the monthly billing factors in Case No. 2015-00222.

- b. See attached for the effective income tax rate calculation excluding the Section 199 deduction.
- c,d,e. See the following links for testimony and responses to data requests provided by the Company in the cases referenced above regarding the exclusion of the Section 199 deduction from the effective income tax rate and the corresponding Commission orders and memos in those cases.

Testimony:[http://psc.ky.gov/pscecf/2015-00021/robert.conroy%40lge-ku.com/02162015115625/Garrett\\_Testimony - LGE 2015-00021\\_FINAL.pdf](http://psc.ky.gov/pscecf/2015-00021/robert.conroy%40lge-ku.com/02162015115625/Garrett_Testimony_-_LGE_2015-00021_FINAL.pdf)

[http://psc.ky.gov/pscecf/2015-00222/robert.conroy%40lge-ku.com/08122015020450/2-Conroy\\_Testimony - LGE 2015-00222\\_FINAL.pdf](http://psc.ky.gov/pscecf/2015-00222/robert.conroy%40lge-ku.com/08122015020450/2-Conroy_Testimony_-_LGE_2015-00222_FINAL.pdf)

[http://psc.ky.gov/pscecf/2015-00412/rick.lovekamp%40lge-ku.com/01152016112315/2 - Rahn Testimony - LGE 2015-00412\\_Final.pdf](http://psc.ky.gov/pscecf/2015-00412/rick.lovekamp%40lge-ku.com/01152016112315/2_-_Rahn_Testimony_-_LGE_2015-00412_Final.pdf)

Responses to Data Requests:

[http://psc.ky.gov/pscecf/2015-00021/robert.conroy%40lge-ku.com/04022015104612/4-REVISED LGE Formatted 1st DR due 04-02-15\\_FINAL.pdf](http://psc.ky.gov/pscecf/2015-00021/robert.conroy%40lge-ku.com/04022015104612/4-REVISED_LGE_Formatted_1st_DR_due_04-02-15_FINAL.pdf)

[http://psc.ky.gov/pscecf/2015-00021/robert.conroy%40lge-ku.com/04022015103615/2-LGE Formatted 2nd DR due 04-02-15\\_FINAL.pdf](http://psc.ky.gov/pscecf/2015-00021/robert.conroy%40lge-ku.com/04022015103615/2-LGE_Formatted_2nd_DR_due_04-02-15_FINAL.pdf)

[http://psc.ky.gov/pscecf/2015-00222/robert.conroy%40lge-ku.com/08122015020450/3-LGE Responses to Staffs First Data Request filed 08 12 15.pdf](http://psc.ky.gov/pscecf/2015-00222/robert.conroy%40lge-ku.com/08122015020450/3-LGE_Responses_to_Staffs_First_Data_Request_filed_08_12_15.pdf)

[http://psc.ky.gov/pscecf/2015-00222/robert.conroy%40lge-ku.com/09212015022237/2 - LGE Responses to Staffs Second Data Request filed 09212015.pdf](http://psc.ky.gov/pscecf/2015-00222/robert.conroy%40lge-ku.com/09212015022237/2_-_LGE_Responses_to_Staffs_Second_Data_Request_filed_09212015.pdf)

[http://psc.ky.gov/pscecf/2015-00412/derek.rahn%40lge-ku.com/01192016105302/2 - CORRECTED LGE Formatted 1st DR 01-19-16\\_Final.pdf](http://psc.ky.gov/pscecf/2015-00412/derek.rahn%40lge-ku.com/01192016105302/2_-_CORRECTED_LGE_Formatted_1st_DR_01-19-16_Final.pdf)

Orders:

[http://psc.ky.gov/pscscf/2015%20Cases/2015-00021//20150612\\_PSC\\_ORDER.pdf](http://psc.ky.gov/pscscf/2015%20Cases/2015-00021//20150612_PSC_ORDER.pdf)

[http://psc.ky.gov/pscscf/2015%20Cases/2015-00021//20150622\\_PSC\\_ORDER.pdf](http://psc.ky.gov/pscscf/2015%20Cases/2015-00021//20150622_PSC_ORDER.pdf)

[http://psc.ky.gov/pscscf/2015%20Cases/2015-00222//20151207\\_PSC\\_ORDER.pdf](http://psc.ky.gov/pscscf/2015%20Cases/2015-00222//20151207_PSC_ORDER.pdf)

[http://psc.ky.gov/pscscf/2015%20Cases/2015-00412//20160316\\_PSC\\_ORDER.pdf](http://psc.ky.gov/pscscf/2015%20Cases/2015-00412//20160316_PSC_ORDER.pdf)

Informal Conference:

[http://psc.ky.gov/pscscf/2015%20cases/2015-00021//20150420\\_PSC\\_IC%20Memo.pdf](http://psc.ky.gov/pscscf/2015%20cases/2015-00021//20150420_PSC_IC%20Memo.pdf)

[http://psc.ky.gov/pscscf/2015%20cases/2015-00222//20151201\\_PSC%20IC%20Memo.pdf](http://psc.ky.gov/pscscf/2015%20cases/2015-00222//20151201_PSC%20IC%20Memo.pdf)

[http://psc.ky.gov/pscscf/2015%20cases/2015-00412//20160215\\_PSC%20IC%20Memo.pdf](http://psc.ky.gov/pscscf/2015%20cases/2015-00412//20160215_PSC%20IC%20Memo.pdf)

**ECR - Gross-up Revenue Factor &  
Composite Income Tax Calculation  
Excluding Federal Section 199 deduction**

	W/ 6% State <u>Tax Rate Included</u>	
(1) Assume pre-tax income of	\$ 100.0000	
(2)		
(3) State income tax (see below)	5.6400	(40)
(4)		
(5) Taxable income for Federal income tax		
(6) before production credit	94.3600	(1)-(3)
(7) a. Production Rate	0%	
(8) b. Allocation to Production Income	100%	
(9) c. Allocated Production Rate (a x b)	0.00%	
(10)		
(11) Less: Production tax credit	-	(6)*(9)
(12)		
(13) Taxable income for Federal income tax	94.3600	(6)-(11)
(14)		
(15) Federal income tax	\$ 33.0260	(13)*35%
(16)		
(17)		
(18) Total State and Federal income taxes	\$ 38.6660	(3)+(15)
(19)		
(20) Gross-up Revenue Factor	\$ 61.3340	100-(18)
(21)		
(22) Therefore, the composite rate is:		
(23) Federal	33.0260%	(15)/100
(24) State	5.6400%	(3)/100
(25) Total	38.6660%	(23)+(24)
(26)		
(27)		
(28)		
(29)		
(30)		
(31) <u>State Income Tax Calculation</u>		
(32) Assume pre-tax income of	\$ 100.0000	
(33)		
(34) Less: Production tax credit @ 6%	6.0000	
(35)		
(36) Taxable income for State income tax	94.0000	(32)-(34)
(37)		
(38) State Tax Rate	6.0000%	
(39)		
(40) State Income Tax	\$ 5.6400	(36)*(38)