

**Commonwealth of Kentucky  
Before the Public Service Commission**

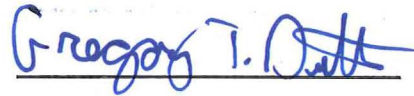
In the Matter of:

ELECTRONIC APPLICATION OF KENTUCKY )  
UTILITIES COMPANY FOR AN ADJUSTMENT )  
OF ITS ELECTRIC RATES AND FOR CERTIFICATES )  
OF PUBLIC CONVENIENCE AND NECESSITY )

Case No.  
2016- 00370

**Initial Requests for Information to  
Kentucky Utilities Co. from  
Kentucky League of Cities**

Respectfully submitted,

  
Gregory T. Dutton

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## **INSTRUCTIONS**

- (1) Please identify the witness (es) who will be prepared to answer questions concerning each request.
- (2) Please repeat the question to which each response is intended to refer. An electronic version of these data requests can be provided, upon request.
- (3) These requests shall be deemed continuing so as to require further and supplemental responses if the company receives or generates additional information within the scope of these requests between the time of the response and the time of any hearing conducted hereon. Those supplemental responses shall be provided as soon as the Company becomes aware of or in possession of the new or additional information.
- (4) Each response shall be answered under oath or, for representatives of a public or private corporation or a partnership or association, be accompanied by a signed certification of the preparer or person supervising the preparation of the response on behalf of the entity that the response is true and accurate to the best of that person's knowledge, information, and belief formed after a reasonable inquiry.
- (5) To the extent that the specific document, workpaper or information as requested does not exist, but a similar document, workpaper or information does exist, provide the similar document, workpaper, or information.
- (6) As used herein, the words "document" or "documents" are to be construed broadly and shall mean the original of the same (and all non-identical copies or drafts thereof) and if the original is not available, the best copy available.
- (7) For any document withheld on the basis of privilege, state the following: date; author; addressee; indicated or blind copies; all persons to whom distributed, shown, or explained; and, the nature and legal basis for the privilege asserted.
- (8) In the event any document called for has been destroyed or transferred beyond the control of the company, please state: the identity of the person by whom it was destroyed or transferred, and the person authorizing the destruction or transfer; the time, place, and method of destruction or transfer; and, the reason(s) for its destruction or transfer. If destroyed or disposed of by operation of a retention policy, state the retention policy.
- (9) Please provide all spreadsheets used in responses to these requests for information in excel format with all cells unlocked and functional.

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1. Referring to Application Attachment to Tab 4, P.S.C. No. 18, Original Sheet No. 15.1 (PDF Pg. No. 27):
  - a. Explain the circumstances that determine whether KU and LG&E choose to install a kilovolt-ampere (kVA) meter or to apply the formula for adjusting billing demand.
  - b. How many customers are billed under the formula?
2. Referring to Application Attachment to Tab 16 - Item A, page 5 (PDF Pg. No. 375), when does management approve the annual budget for the upcoming fiscal year?
3. Referring to Application Attachment to Tab 16 - Item G, page 7 (PDF Pg. No. 463):
  - a. Provide the planned maintenance schedule by generating unit, including the beginning/ending date, duration and reasons for the outage (*i.e.*, inspection, overhaul).
  - b. Provide a list of all maintenance outages by generating unit, including the beginning/ending date, duration and reasons for the outage (*i.e.*, inspection, overhaul) for the period 2013-2016.
  - c. Provide a schedule showing the Henry Hub natural gas prices for the years 2017 and 2018 used in the forecast.
4. Referring to Application Attachment to Tab 16 - Item H, page 19 (PDF Pg. No. 487), for each overhaul state the beginning/ending date and anticipated outage duration.
5. Referring to Application Attachment to Tab 16 - Item I, page 17 (PDF Pg. No. 535):
  - a. Provide the same information as presented in the schedule for the following periods:
    - i. Actual 2014;
    - ii. Actual 2016;
    - iii. Test Year.
  - b. Provide the same information as presented in this schedule separately for KU and LG&E.
  - c. Provide the same information as presented in this schedule separately for KU and LG&E for the following periods:
    - i. Actual 2014;
    - ii. Actual 2016;
    - iii. Test Year.

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6. Referring to Application Attachment to Tab 16 - Item I, page 49 (PDF Pg. No. 567):
  - a. Provide the information shown in this schedule separately for KU and LG&E.
  - b. Provide actual information for 2016.
  - c. Provide the information for the Test Year.
  - d. Provide the assumptions underlying the \$1.1 million increase in Line Clearance expenses between the 2018 and 2019 Plans.
  
7. Referring to Application Attachment to Tab 16 - Item I, page 100 (PDF Pg. No. 618):
  - a. Provide the information separately for KU and LG&E.
  - b. Provide the information for actual 2016.
  - c. Explain the projected escalation in Line Clearing expenses for the years 2016-2018.
  - d. Provide a history of transmission operation and maintenance (O&M) expenses associated with Line Clearing and Storm Restoration separately for KU and LG&E for the period 2012-2014.
  
8. Referring to Application Attachment to Tab 16 - Item I, page 101 (PDF Pg. No. 619):
  - a. Provide the information separately for KU and LG&E.
  - b. Provide information for actual 2016.
  - c. Explain the projected escalation in Misc. Transmission Expense for the years 2016-2018.
  
9. Referring to Application Attachment to Tab 16 - Item I, page 102 (PDF Pg. No. 620):
  - a. Explain the scope of activities included under Overhead Lines.
  - b. Explain the increases in headcount for Overhead Lines projected in 2016-2018.
  
10. Referring to Application Attachment to Tab 16 - Item I, page 108 (PDF Pg. No. 628):
  - a. Provide the actual 2016 information.
  - b. Provide the information separately for KU and LG&E for the periods shown and for the Test Year.
  - c. Explain the \$3 million jump in O&M expense in 2018.
  
11. Referring to the presentation entitled "Energy Supply and Analysis 2017 Business Plan" found in Application Attachment to Tab 16 - Item I, beginning on page 116 (PDF Pg. No. 634) , explain why pages 3, 4 and 11 (a.k.a. PDF Pg. Nos. 118, 119 and 126) are blank.
  
12. Referring to Application Attachment to Tab 16 - Item I, page 185 (PDF Pg. No. 703):
  - a. Provide the information separately for KU and LG&E.
  - b. Provide information for actual 2016.
  - c. Provide the information separately for KU and LG&E for the Test Year.
  - d. Explain the projected escalations for the years 2017-2018.

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13. Referring to Application Attachment to Tab 16 - Item I, page 191 (PDF Pg. No. 709), explain the increases in HW/SW Maintenance expenses projected in 2017 and 2018.
14. Referring to Application Attachment to Tab 16 - Item I, page 193 (PDF Pg. No. 711), explain the reasons for the increase in the contingency amount from 2017 and 2018.
15. Referring to Application Attachment to Tab 16 - Item I, page 212 (PDF Pg. No. 730):
  - a. Provide the actual 2016 information.
  - b. Provide the information separately for KU and LG&E for the periods shown and for the Test Year.
  - c. Explain the projected increases in pension expense in 2017 and 2018.
16. Referring to Volume 8 of the Application, "KU\_Filing\_Requirements\_(Tabs\_47-68)\_-Part\_3.pdf, Schedule B-5, page 1 (PDF Pg. No. 129):
  - a. Explain why fuel expense is not removed in determining cash working capital.
  - b. Provide citations to prior Kentucky PSC decisions issued in the past ten years authorizing a cash working capital allowance calculated in the manner that KU is proposing in this case (*i.e.*, where fuel costs are not removed).
  - c. Provide citations to prior regulatory decisions issued in the past ten years that include fuel costs in applying the 45-day formula for determining cash working capital.
17. Referring to Schedule M-2.3, page 1 (PDF Pg. No. 343), reconcile the Revenue Adjusted in Schedule M-2.3 to the corresponding Total Revenue at Present Rates as shown in Schedule M-2.1.
18. Referring to Direct Testimony of Mr. Conroy, page 6:
  - a. Provide a schedule showing the hourly loss of load probabilities (LOLPs) used in allocating fixed production costs.
  - b. Provide a schedule showing the hourly LOLPs for the years 2013-2016.
19. Referring to Direct Testimony of Mr. Conroy, page 35:
  - a. Provide a schedule showing the projected \$470 million nominal dollar savings by year.
  - b. Provide workpapers demonstrating how these projected savings are being reflected in test year O&M expenses.
  - c. Quantify the projected savings associated with the proposed DA deployment by year and provide workpapers demonstrating how these projected savings are being reflected in test year O&M expenses.

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20. Referring to Direct Testimony of Mr. Seelye, page 8:
  - a. Explain how Mr. Seelye determined that capping the increase to 1 percentage point above the overall increase was reasonable.
  - b. Identify any regulatory decisions that adopted the proposal to cap the increase to 1 percentage point above the overall increase was reasonable.
  - c. Explain how Mr. Seelye determined that a 15% rate of return was a reasonable threshold for determining whether the rates charged to a particular class should not be increased.
  - d. Identify any regulatory decisions that adopted the proposal to assign no increase to a class that was producing a 15% or higher rate of return.
  
21. Referring to Direct Testimony of Mr. Seelye, page 9:
  - a. Explain how economic factors impact the rate of return that a class should provide?
  - b. Identify other economic factors that Mr. Seelye believes are relevant to determine a class's rate of return.
  - c. Define the time period over which KU plans to eliminate subsidies.
  - d. Define what Mr. Seelye believes would be an unduly large rate increase for any one major class.
  - e. Identify the major rate classes.
  - f. Does Mr. Seelye believe that different principles should be applied in applying gradualism to the non-major rate classes? If so, identify the gradualism principles that should be applied.
  
22. Referring to Direct Testimony of Mr. Seelye, page 27, with respect to the Rate PS (Power Service):
  - a. Provide the cost basis for the higher Demand charges applicable to Primary customers.
  - b. Provide the cost basis for narrowing the differential in the Energy charges for Secondary and Primary service.
  
23. Referring to Direct Testimony of Mr. Seelye, page 28, provide a copy of the treatise.
  
24. Referring to Direct Testimony of Mr. Seelye, page 56, provide documents supporting the statement that LED fixtures have shorter average service lives than conventional fixtures.
  
25. Referring to Direct Testimony of Mr. Seelye, page 68, explain the rationale for applying the Base-Intermediate-Peak (BIP) methodology to transmission fixed costs.

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26. Referring to Exhibit WSS-4, page 1, provide workpapers showing the derivation of the following:
  - a. Fixed Charges (\$/Yr);
  - b. Distribution Energy per kilowatt-hour (kWh)
  - c. (\$/Yr);
  - d. Distribution Energy Costs; and
  - e. O&M (\$/Yr).
27. Referring to Exhibit WSS-5, page 1, provide workpapers supporting the estimated investment per unit for each type of LED fixture.
28. Referring to Exhibit WSS-12, page 1, provide workpapers showing the derivation of Weighted LOLP factors by Rate Class in native (live EXCEL or compatible format).
29. Referring to Exhibit WSS-16, page 13, explain why energy costs were not similarly allocated between Base, Intermediate and Peak functions.
30. Referring to Exhibit WSS-17, page 49, provide workpapers showing the derivation of the F017 and PROFIX functional vectors.
31. Referring to Exhibit WSS-18, page 35, provide the workpapers showing the derivation of each Demand Allocator in native (live EXCEL or compatible) format.
32. Referring to Exhibit WSS-18, page 37, provide the workpapers showing the derivation of each Production Allocation factor in native (live EXCEL or compatible) format.
33. Regarding the Direct Testimony of Mr. Spanos, provide the following pages from Exhibit JJS-KU-1 in native Excel format with formulas intact:
  - a. VI-3 through VI-9; and
  - b. VII-2 through VII-3.
34. Regarding the Direct Testimony of Mr. Spanos, confirm from Exhibit JJS-KU-1, Part IX, Detailed Depreciation Calculations:
  - a. Is the column titled “Calculated Accrued” the theoretical reserve?
  - b. Provide the formula used to calculate the “Calculated Accrued” amounts.
35. Provide the total amount of short-term incentive compensation included in the base period and forecasted period.

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36. Provide the amount of short-term incentive compensation included in the base period and forecasted period that is related to financial based goals such as earnings, earnings per share (EPS), return on equity, etc. Provide work papers detailing how these amounts were determined.
37. Provide the total amount of long-term incentive compensation included in the base period and forecasted period.
38. Provide the amount of long-term incentive compensation included in the base period and forecasted period that is related to financial based goals such as earnings, EPS, return on equity, etc. Provide work papers detailing how these amounts were determined.
39. Provide company instructions describing the short-term and long-term incentive compensation plans and which list goals and weightings used to determine the compensation amounts.
40. Provide a copy of the depreciation study that the current depreciation rates are based upon.
41. Provide the following parameters used to determine the current depreciation rates for each FERC Account and each Production Plant:
  - a. Retirement Year;
  - b. Interim Survivor Curve and Life;
  - c. Net Salvage Percent;
  - d. Remaining Life; and
  - e. Book Depreciation Reserve Ratio.
42. Provide explanations for all changes in the retirement years and survivor curves used to calculate the current rates and the proposed rates.
43. Provide the following parameters used to determine the current depreciation rates for each FERC Account for Transmission, Distribution, General and Common plant:
  - a. Survivor Curve and Life;
  - b. Net Salvage Percent;
  - c. Remaining Life; and
  - d. Book Depreciation Reserve Ratio.
44. Provide an explanation for the differences in the accrual rates for Account No. 312 shown on Schedules B-3.2. Page 1 reflects an accrual rate of 2.81% and page 3 reflects a rate of 3.70%. Please include explanations for all changes in the retirement years, survivor curves and net salvage used to calculate the current rates and the proposed rates.



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45. Provide the annual O&M expenses associated with Steam Turbine/Generator overhauls for the following periods and provide a listing of overhauls that occurred or are planned to occur in each period:
  - a. 2012-2016;
  - b. Base Period;
  - c. Forecasted Test Year; and
  - d. Forecasted 2017 – 2020.
  
46. Provide a schedule for each Municipal customer of KU showing the following information for each account for each KU Municipal customer for calendar years 2015 and 2016:
  - a. Applicable tariff
  - b. Other tariffs that could be applicable to this account.
  - c. Total sum paid
  - d. Customer Class.
  
47. For each customer class listed in response to 46(d) above,
  - a. Provide the proposed percentage increase to that class.
  - b. Provide the percentage of the total revenue increase requested that will be allocated to that class.
  
48. For each Municipality served by KU, provide the quantity, size, type, and street address of each street light located within those municipalities. Also indicate:
  - a. Which entity owns each street light.
  - b. The anticipated retirement/replacement date for each light fixture.
  
49. For each type of light located in a municipality served by KU, provide the cost of obtaining the light and annual maintenance.
  
50. Provide the average time to repair a malfunctioning street light from the time of discovery, either by public reporting or KU representative, to the time the light is restored to operation.
  
51. For each municipality served by KU, provide a schedule of maintenance and repair calls for each street light located in the municipality and the total cost for each call, including both materials and labor.
  
52. Provide any internal policies or procedures with regards to street light maintenance, repair and replacement.
  
53. Provide any data or research in KU's possession on the benefits both in terms of energy efficiency and cost savings related to the use of LED street lighting.

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54. Provide a schedule showing the total miles of electrical line both above and underground in each municipality served by KU.
55. For each municipality served by KU, provide a schedule showing
  - a. The total number of utility poles located within the municipality.
  - b. The number of utility poles in the rights of way.
  - c. Provide the annual revenue received in 2015 and 2016 by KU as a result of fees charged for third party attachments to the poles.
56. Regarding KU response to Commission DR 1-59, state for the years 2013-2015 and the base year the amount of the expense paid for by shareholders and the amount paid out of base rates.
57. Provide a scheduling showing the dates, expense, and details associated with tickets or subscriptions (including those to Rupp Arena, PGA, and other venues) purchased in the years 2014, 2015, 2016 by:
  - a. LKE
  - b. KU
  - c. LKS
  - d. LG&E and KU Capitol LLC
  - e. PPL Corp
  - f. PPL Electric Utilities Corp
  - g. PPL Services Corp
  - h. PPL Capitol Funding, Inc.
  - i. PPL Energy Funding Corp.
  - j. PPL Energy Supply, LLC
  - k. PPL Montour, LLC
58. For each municipality served by KU, provide the date, details, and total expense of shareholder-funded community events held within the municipality for the years 2014, 2015, 2016 for the following companies:
  - a. LKE
  - b. KU
  - c. LKS
  - d. LG&E and KU Capitol LLC
  - e. PPL Corp
  - f. PPL Electric Utilities Corp
  - g. PPL Services Corp
  - h. PPL Capitol Funding, Inc.
  - i. PPL Energy Funding Corp.
  - j. PPL Energy Supply, LLC
  - k. PPL Montour, LLC