

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

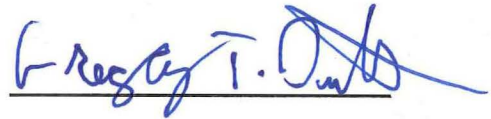
In the Matter of:

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

**Second Request for Information to
Kentucky Utilities Co. from
Kentucky League of Cities**

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "Gregory T. Dutton", is written over a horizontal line.

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.

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
Second Discovery Requests of KU from KLC

1. Referring to KU's Response to KLC 1-8:
 - a. Provide a schedule quantifying the costs incurred that are associated with the 2006 Settlement Agreement for the years 2015 through 2018 and the Test Year.
 - b. Explain and provide workpapers showing how a decision to source energy from MISO changes the amount of KU's Misc. Transmission Expense.
 - c. Define the acronyms ITO and RC as shown in the Attachment.
 - d. Explain the fluctuations in the ITO expenses shown in the Attachment.
 - e. Explain how the TVA RC is determined.
2. Referring to KU's Response to KLC 1-10(a), explain the difference between 2016 actual and 2016 forecasted.
3. Referring to KU's Response to KLC 1-14:
 - a. Describe the nature of the unbudgeted capital projects.
 - b. When will the unbudgeted capital projects be known?
4. Referring to KU's Response to KLC 1-18:
 - a. Identify what 12-month period is being used to quantify the LOLPs.
 - b. Explain how the proposed LOLPs were calculated if they were not based on historical information.
 - c. Explain how KU determined that the calculated LOLPs were reasonable.
5. Referring to KU's Response to KLC-19, please provide workpapers showing "Meter Retirement" by year by company.
6. Referring to KU's Response to KLC 1-20:
 - a. Provide any documentation or final Commission Orders relied upon when responding to 20(a).
 - b. Provide documentation or final Commission Orders supporting the statement that the ratemaking principle of gradualism has long been recognized by the Commission.
 - c. Provide Mr. Seelye's specific experience with electric utility rates that led to his selection of a 15% rate of return threshold.
7. Referring to KU's Attachment to Response to KLC 1-26(e), state the source and provide documents supporting each of the amounts.

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8. Referring to KU's Response to KLC 1-27:
 - a. State the source of the material costs.
 - b. State the labor cost assumptions (hours, cost per hour).
 - c. State the assumptions used in determining the overhead costs.
 - d. Provide a workpaper showing how the Total Costs were translated into a fixture charge.

9. Referring to KU's Response to KLC 1-29:
 - a. Provide all studies conducted within the past three years of the Company's time-differentiated energy costs by rating period.
 - b. Provide a schedule showing the loss-adjusted energy usage by customer class for the summer peak and winter peak periods as defined under the BIP method for the test year. If test year information is not available, provide the schedule for the most recent historical period.
 - c. Provide a schedule showing the test-year fuel and purchased power energy costs for the summer peak, winter peak, and all other periods as defined under the BIP method. If test year information is not available, provide the schedule for the most recent historical period.

10. Referring to KU's Response to KLC 1-42, please provide the factors driving the changes in the retirement dates for Brown Unit 1 (2028 to 2023) and Brown Unit 2 (2034 to 2029).

11. Referring to KU's Response to KLC 1-44, please provide the factors driving the changes in the survivor curve and net salvage percentages for Account 312.

12. Referring to KU's Response to KLC 1-46:
 - a. Clarify whether the answer provided is for the year 2015 or the year 2016. If information is total of 2015 and 2016, provide the information for each year.
 - b. Explain what is meant by "public authorities."
 - c. Provide rate descriptions for business partners that previously had "public authorities" provided as the description.
 - d. For responses to part B (alternative rate) that state "On Best Rate" provide the alternative rate the account could use.
 - e. Would the accounts with alternative rates listed – excluding those accounts currently "on best rate" – save money by switching to the alternative rate provided?
 - f. For responses to part B (alternative rate) that state anything other than "On Best Rate" provide the answer to part C as if the account had paid under the alternative rate provided.

13. Referring to KU's Response to KLC 1-46, provide a separate list of fire departments and indicate those paying under the volunteer fire department rate.

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14. Referring to KU's Response to KLC 1-46: provide a schedule for each Municipal customer of KU showing the following information for each account for each KU Municipal customer for each calendar year of 2015 and 2016:
 - a. Total sum paid by Rate Class; and
 - b. Usage by Rate Class.
15. Referring to KU's Response to KLC 1-48, confirm that this information is housed in the KU Customer Care Billing System (CCS).
16. Referring to KU's Response to KLC 1-51, confirm that this information is housed in the KU's Electric Distribution Operation's work management system (ARM).
17. Referring to KU's Response to KLC 1-51, confirm that this information is housed in the KU Geospatial Information System (GIS).
18. Refer to KU's Response to KLC 1-49 through KLC 1-58. It appears the responses were duplicated in the file produced by KU. Confirm that no differences exist between the KU responses to duplicate KLC questions 49-58.
19. Referring to KU's Response to KIUC 1-18, please provide examples of goals and achievement measures associated with each listed performance category:
 - a. Net Income
 - b. Cost Control
 - c. Customer Reliability
 - d. Customer Satisfaction
 - e. Individual / Team Effectiveness
20. Referring to KU's Response to KIUC 1-18, are any of the goals associated with Individual / Team Effectiveness related to achieving specific financial based goals such as earnings, earnings per share (EPS), return on equity, etc.? If yes, please provide the amounts in the base period and test period related to these goals. Provide work papers detailing how these amounts were determined.
21. Referring to KU's Response to Staff 1-87b, provide the increases including all applicable riders.
22. Referring to KU's Response to Staff 1-90, provide documents that LED Fixtures have shorter lives due to temperature fluctuations in the field.
23. Referring to Attachment 1, page 27, of KU's Response to LFUCG 1-28, explain the meaning of the phrase "True-up cost of service study."

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24. Referring to Attachment 2 of KU's Response to LFUCG 1-28:
 - a. Regarding page 14, explain the cross-subsidization of the current monthly charge.
 - b. Regarding page 15, explain the meaning of FAC cross-subsidization.

25. Referring to KU's Response to KSBA 1-14, please provide documents supporting the statement that LED maintenance costs are more expensive than existing HPS Mercury Vapor and Metal Halide Technologies.

26. Quantify the portion of the proposed electric rate increase that is related to the recovery of fuel and purchased power energy-related costs or other costs that are recoverable in the Fuel Adjustment Clause.

27. State the amount of fuel costs included in Test-Year base rate revenues by rate schedule and provide the supporting calculations.

28. Regarding KU's answer to the PSC's 1st and 2nd data request, state how much money was, or will be, transmitted between KU and LKE during:
 - a. The period beginning January 1, 2012 and concluding December 31, 2016;
 - b. The Base Period, as defined for purposes of this case;
 - c. The Forecasted Test Year, as defined for purposes of this case; and
 - d. The forecasted period from January 1, 2017 to December 31, 2020.