

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTONIC APPLICATION OF KENTUCKY UTILITIES)
COMPANY FOR AN ADJUSTMENT ELECTRIC) CASE NO. 2016-00370
OF ITS RATES AND FOR CERTIFICATES OF)
PUBLIC CONVIENCE AND NECESSITY)

**LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT'S RESPONSES
TO THE COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION**

Lexington-Fayette Urban County Government, by counsel, hereby submits the following responses to the Commission Staff's Initial Request for Information.

Respectfully submitted



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CERTIFICATE OF SERVICE

In accordance with 807 KAR 5:001, Section 8, I certify that the March 31, 2017, electronic filing of this Response is a true and accurate copy of the same document being filed in paper medium; that the electronic filing will be transmitted to the Commission on March 31, 2017; that there are currently no parties that the Commission has excused from participation by electronic means in this proceeding; and that an original paper medium of the Response will be delivered to the Commission within two business days.



Counsel for LFUCG

LFUCG Responses to PSC Staff
Initial Request for Information

1. Refer to the Testimony of Douglas B. Jester (“Jester Testimony”), page 21, lines 4-7.

Provide the calculation of the 74.9 percent.

RESPONSE - Please see the attached Excel spreadsheet named “KPSC 2016-00370 Jester Levelization Ratio Workpaper”.

WITNESS – Douglas Jester

Year	Value	Earnings	Depreciation	Income	Property	Discounted			
				Tax	Tax	RR	Discount	RR	
1	\$ 1,000.00	\$ 72.91	\$ 40.00	\$ 34.69	\$ 18.24	\$ 165.84	1	\$ 165.84	
2	\$ 960.00	\$ 69.99	\$ 40.00	\$ 33.30	\$ 17.51	\$ 160.81	0.92709	\$ 149.08	
3	\$ 920.00	\$ 67.08	\$ 40.00	\$ 31.91	\$ 16.78	\$ 155.77	0.859496	\$ 133.89	
4	\$ 880.00	\$ 64.16	\$ 40.00	\$ 30.53	\$ 16.05	\$ 150.74	0.79683	\$ 120.11	
5	\$ 840.00	\$ 61.24	\$ 40.00	\$ 29.14	\$ 15.32	\$ 145.71	0.738733	\$ 107.64	
6	\$ 800.00	\$ 58.33	\$ 40.00	\$ 27.75	\$ 14.59	\$ 140.67	0.684872	\$ 96.34	
7	\$ 760.00	\$ 55.41	\$ 40.00	\$ 26.36	\$ 13.86	\$ 135.64	0.634938	\$ 86.12	
8	\$ 720.00	\$ 52.50	\$ 40.00	\$ 24.98	\$ 13.13	\$ 130.60	0.588645	\$ 76.88	
9	\$ 680.00	\$ 49.58	\$ 40.00	\$ 23.59	\$ 12.40	\$ 125.57	0.545727	\$ 68.53	
10	\$ 640.00	\$ 46.66	\$ 40.00	\$ 22.20	\$ 11.67	\$ 120.54	0.505938	\$ 60.98	
11	\$ 600.00	\$ 43.75	\$ 40.00	\$ 20.81	\$ 10.94	\$ 115.50	0.46905	\$ 54.18	
12	\$ 560.00	\$ 40.83	\$ 40.00	\$ 19.43	\$ 10.21	\$ 110.47	0.434851	\$ 48.04	
13	\$ 520.00	\$ 37.91	\$ 40.00	\$ 18.04	\$ 9.48	\$ 105.44	0.403146	\$ 42.51	
14	\$ 480.00	\$ 35.00	\$ 40.00	\$ 16.65	\$ 8.76	\$ 100.40	0.373753	\$ 37.53	
15	\$ 440.00	\$ 32.08	\$ 40.00	\$ 15.26	\$ 8.03	\$ 95.37	0.346503	\$ 33.05	
16	\$ 400.00	\$ 29.16	\$ 40.00	\$ 13.88	\$ 7.30	\$ 90.34	0.321239	\$ 29.02	
17	\$ 360.00	\$ 26.25	\$ 40.00	\$ 12.49	\$ 6.57	\$ 85.30	0.297818	\$ 25.40	
18	\$ 320.00	\$ 23.33	\$ 40.00	\$ 11.10	\$ 5.84	\$ 80.27	0.276104	\$ 22.16	
19	\$ 280.00	\$ 20.41	\$ 40.00	\$ 9.71	\$ 5.11	\$ 75.24	0.255973	\$ 19.26	
20	\$ 240.00	\$ 17.50	\$ 40.00	\$ 8.33	\$ 4.38	\$ 70.20	0.23731	\$ 16.66	
21	\$ 200.00	\$ 14.58	\$ 40.00	\$ 6.94	\$ 3.65	\$ 65.17	0.220008	\$ 14.34	
22	\$ 160.00	\$ 11.67	\$ 40.00	\$ 5.55	\$ 2.92	\$ 60.13	0.203967	\$ 12.27	
23	\$ 120.00	\$ 8.75	\$ 40.00	\$ 4.16	\$ 2.19	\$ 55.10	0.189096	\$ 10.42	
24	\$ 80.00	\$ 5.83	\$ 40.00	\$ 2.78	\$ 1.46	\$ 50.07	0.175309	\$ 8.78	
25	\$ 40.00	\$ 2.92	\$ 40.00	\$ 1.39	\$ 0.73	\$ 45.03	0.162527	\$ 7.32	
							11.64892	\$ 1,446.33	\$ 124.16
									74.9%

2. Refer to the Jester Testimony, page 25, lines 10- 12. Explain what is meant by the term “future proof.”

RESPONSE - The term “future proof” is a term of art in the technology industry referring to the practice of making a product that interfaces with the most advanced standards-based technology even though that technology is not initially included in the product. The emerging standards-based technology can then be added to, or integrated with, your product at a later time. In this case, the manufacturers of advanced control systems for street lights have settled on a seven-pin photocell receptor as the interface to the streetlight, making it possible to add advanced control systems, communications technologies, sound detection systems, etc., at a later time without replacing the light fixture.

WITNESS – Douglas Jester

AFFIDAVIT

The undersigned, Douglas B. Jester, being duly sworn, deposes and says that he is a principal of 5 Lakes Energy LLC, and that he has supervised the preparation of the foregoing responses to the Commission Staff's Initial Request for Information and Data Request of Kentucky Utilities to Lexington-Fayette Urban County Government, and that the responses are true and accurate to the best of his knowledge, information, and belief formed after a reasonable inquiry



Douglas B. Jester, Affiant

NOTARY CERTIFICATE

STATE OF MICHIGAN

COUNTY OF Ingham

Subscribed, acknowledged and sworn to before me by Douglas B. Jester on this 29th
day of March, 2017.

My commission expires: Sept. 23, 2023.

LINDSI L. CHAPMAN
Notary Public, State of Michigan
County of Ingham
My Commission Expires Sep. 23, 2023
Acting in the County of _____


NOTARY PUBLIC