

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

**In the Matter of:**

<b>AN ELECTRONIC EXAMINATION BY THE</b>	)	
<b>PUBLIC SERVICE COMMISSION OF THE</b>	)	
<b>ENVIRONMENTAL SURCHARGE</b>	)	
<b>MECHANISM OF LOUISVILLE GAS AND</b>	)	<b>CASE NO. 2017-00267</b>
<b>ELECTRIC COMPANY FOR THE TWO-YEAR</b>	)	
<b>BILLING PERIOD ENDING APRIL 30, 2017</b>	)	

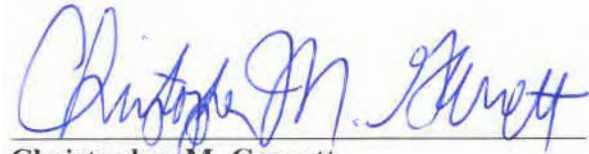
**RESPONSE OF**  
**LOUISVILLE GAS AND ELECTRIC COMPANY**  
  
**TO THE COMMISSION STAFF'S THIRD REQUEST FOR INFORMATION**  
**DATED OCTOBER 3, 2017**

**FILED: OCTOBER 17, 2017**

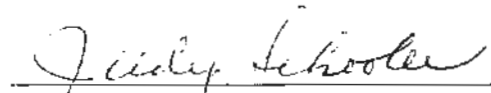
VERIFICATION

COMMONWEALTH OF KENTUCKY )  
 ) SS:  
COUNTY OF JEFFERSON )

The undersigned, **Christopher M. Garrett**, being duly sworn, deposes and says that he is Director – Rates for LG&E and KU Services Company, and that he has personal knowledge of the matters set forth in the responses for which he is identified as the witness, and the answers contained therein are true and correct to the best of his information, knowledge and belief.

  
Christopher M. Garrett

Subscribed and sworn to before me, a Notary Public in and before said County and State, this 17<sup>th</sup> day of October \_\_\_\_\_ 2017.

 (SEAL)  
Notary Public

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

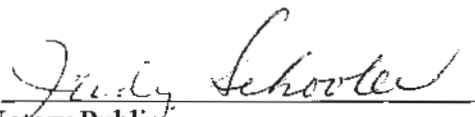
VERIFICATION

COMMONWEALTH OF KENTUCKY )  
  ) SS:  
COUNTY OF JEFFERSON )

The undersigned, **Derek A. Rahn**, being duly sworn, deposes and says that he is Manager - Revenue Requirement for LG&E and KU Services Company, and that he has personal knowledge of the matters set forth in the responses for which he is identified as the witness, and the answers contained therein are true and correct to the best of his information, knowledge and belief.

  
\_\_\_\_\_  
**Derek A. Rahn**

Subscribed and sworn to before me, a Notary Public in and before said County and State, this 17<sup>th</sup> day of October 2017.

  
\_\_\_\_\_  
Notary Public (SEAL)

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

**LOUISVILLE GAS AND ELECTRIC COMPANY**

**Response to the Commission Staff's Third Request for Information**  
**Dated October 3, 2017**

**Case No. 2017-00267**

**Question No. 1**

**Witness: Christopher M. Garrett / Derek A. Rahn**

- Q-1. Refer to LG&E's response to Commission Staff's Second Request for Information, Item 1, Attachment, wherein LG&E indicates an under-recovery of \$43,181 as the result of Cycle Billing and Prior Period Adjustments. In Excel spreadsheet format with all formulas intact and unprotected and all rows and columns accessible, provide the calculation of the \$43,181 under-recovery as the result of Cycle Billing and Prior Period Adjustments. If LG&E cannot independently calculate the under-recovery of \$43,181, and provided the mathematical result in its response in lieu of the calculation, identify and fully describe the items that make up the Cycle Billing and Prior Period Adjustments.
- A-1. See the attachment provided in Excel format. The Company has provided support from its customer billing system for the billing month of April 2017 (February 2017 expense month) to reconcile the variance resulting from cycle billing and prior period billing adjustments. Both cycle billing and prior period billing adjustment variances result from the utilization of ECR billing factors which are different from the current month ECR billing factor. Only one month has been provided due to the voluminous data and time-intensive nature of the analysis.

In performing the requested calculation the Company identified a minor inadvertent error in the original response whereby the ECR Billing Factors were not properly rounded to two decimal places. A revised calculation is provided in the attached workbook on the tab labeled "LG&E Q1 Attachment-REV".

**Explanation of the Attached Workbook:**

- Tab "BW Report" – Represents the revenue data by rate category for billing period of April 2017 downloaded from the Company's customer billing system
- Tab "Formatted-BW Report" – Modified version of tab "BW Report" to incorporate Group 1 and Group 2 customer class designation and to classify the associated revenue period as either current month, prior month ("cycle billing"), or prior period billing adjustment for all amounts billed in April 2017

- A calculation was performed in columns W through AB to prove out the ECR mechanism billing by rate category. Column AC proves that the revenue variances by rate category are the result of billings associated with the prior months.
- Tab “April 2017 Billing Summary”
  - Spreadsheet columns B through K is summarized revenue data for billing period April 2017 from tab “Formatted-BW Report”
    - This data is also provided on ES Form 3.00 in the monthly ECR filings
  - Spreadsheet columns through V perform calculations of the cycle billing and prior period billing adjustment variances for the billing period of April 2017

The attachment is being provided in a separate file in Excel format.

**LOUISVILLE GAS AND ELECTRIC COMPANY**

**Response to the Commission Staff's Third Request for Information  
Dated October 3, 2017**

**Case No. 2017-00267**

**Question No. 2**

**Witness: Christopher M. Garrett / Derek A. Rahn**

- Q-2. Refer to LG&E's monthly environmental surcharge filings for the July 2016 through February 2017 expense months, ES Form 2.00.
- a. In Excel spreadsheet format with all formulas intact and unprotected and all rows and columns accessible, provide the calculation of Net Unamortized Closure Cost Balance and Amortization of Monthly Closure Costs for each expense month.
  - b. State whether LG&E would be willing to provide these calculations in its monthly environmental surcharge filing. If so, provide a sample ES Form. If not, explain why not.
- A-2. a. See the attachment provided in Excel format.
- b. LG&E is willing to provide these calculations in its monthly environmental surcharge filing. See the attachment for August 2017 provided in Pdf format.

The attachment is being provided in a separate file in Excel format.