

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF)
KENTUCKY UTILITIES COMPANY FOR AN) **CASE NO. 2018-00294**
ADJUSTMENT OF ITS RATES)

ELECTRONIC APPLICATION OF)
LOUISVILLE GAS AND ELECTRIC) **CASE NO. 2018-00295**
COMPANY FOR AN ADJUSTMENT OF ITS)
ELECTRIC AND GAS RATES)

DATA REQUESTS OF
KENTUCKY UTILITIES COMPANY AND
LOUISVILLE GAS AND ELECTRIC COMPANY
PROPOUNDED TO THE U.S. DEPARTMENT OF DEFENSE
AND ALL OTHER FEDERAL EXECUTIVE AGENCIES

Kentucky Utilities Company (“KU”) and Louisville Gas and Electric Company (“LG&E”) (collectively, “the Companies”) respectfully submit the following data requests to the U.S. Department of Defense and all other Federal Executive Agencies (“DoD/FEA”), to be answered by the date specified in the procedural schedule established by the Kentucky Public Service Commission (“Commission”) in this matter on October 11, 2018.

Instructions

1. As used herein, “Documents” include all correspondence, memoranda, notes, e-mail, maps, drawings, surveys or other written or recorded materials, whether external or internal, of every kind or description in the possession of, or accessible to, DoD/FEA, its witnesses, or its counsel.

2. Please identify by name, title, position, and responsibility the person or persons answering each of these data requests.

3. These requests shall be deemed continuing so as to require further and supplemental responses if DoD/FEA receives or generates additional information within the scope of these requests between the time of the response and the time of any hearing conducted herein.

4. To the extent that the specific document, work paper, or information as requested does not exist, but a similar document, work paper, or information does exist, provide the similar document, work paper, or information.

5. To the extent that any request may be answered by a computer printout, spreadsheet, or other form of electronic media, please identify each variable contained in the document or file that would not be self-evident to a person not familiar with the document or file.

6. If DoD/FEA objects to any request on the ground that the requested information is proprietary in nature, or for any other reason, please notify the undersigned counsel as soon as possible.

7. For any document withheld on the ground 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 requested has been destroyed or transferred beyond the control of DoD/FEA, its counsel, or its witnesses, 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 such a document was destroyed or transferred by reason of a document retention policy, describe in detail the document retention policy.

9. If a document responsive to a request is a matter of public record, please produce a copy of the document rather than a reference to the record where the document is located.

Data Requests

Mr. Selecky

1. Provide copies of all electronic files in native format with formulas intact used in your analysis. This includes copies of all work papers supporting your testimony, analyses, and conclusions.
2. Provide a list of all utilities and case numbers where a state regulatory commission has issued orders approving a six CP methodology for allocating fixed production costs.

Mr. Walters

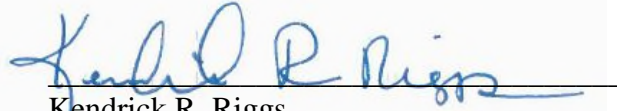
3. Provide copies of all electronic files in native format with formulas intact used in your analysis. This includes copies of all work papers supporting your testimony, analyses, and conclusions.
4. At page 5, line 3, Mr. Walters indicates that “[t]he industry average authorized ROE is inflated by certain outlier ROEs that are much higher than the rest of the industry.”
 - a. Please identify all such “outlier” results supporting this statement.
 - b. Please indicate the basis on which Mr. Walters determined that these values were “outliers,” and include copies of all work papers or supporting documents.
 - c. Did Mr. Walter’s identify any outliers that were much lower than the rest of the industry? If so, please identify any such values.
 - d. If the answer to subpart (3c) is “no,” please explain why, in Mr. Walter’s view, it is appropriate to remove values that are “much higher” without also removing values that are much lower.
5. Please provide a copy of the document referenced in footnotes 1, 2, 3 to Mr. Walter’s testimony.
6. At page 12, lines 11-12, Mr. Walter’s indicates that “the Federal Reserve actions on short-term interest rates and unwinding its balance sheet have not resulted in material increases in long-term interest rates.”
 - a. Please identify the time period underlying Mr. Walter’s statement, including copies of all work papers or source documents supporting this statement.
 - b. Please identify and describe the standard for “material,” as used by Mr. Walters.

- c. Please identify the specific bond securities or indices, including their maturity, that Mr. Walter's is referring to in the referenced statement.
7. Reference page 16, lines 16-20.
 - a. Please provide a complete explanation for Mr. Walter's contention that Avangrid should be eliminated from the proxy group because "80% of its stock is owned by its ultimate parent company." Please include copies of all work papers or source documents supporting the response.
 - b. Please identify and explain what is referred to as "investor-required premiums."
 - c. Does Mr. Walter's have any quantitative evidence demonstrating the existence of such "investors-required premiums?" If so, please provide copies of all such evidence and supporting work papers.
8. Please provide a complete explanation for Mr. Walter's contention that being "headquartered in Canada" or a "Canada-based company" warrants excluding a company from the proxy group. As part of this explanation:
 - a. Please indicate whether it is the fact that a company's headquarters is located in Canada, or the relative proportion of its operations that was the basis for Mr. Walter's contention.
 - b. Please provide copies of any analyses Mr. Walter's undertook to compare the relative portion of U.S. operations with the total for each company he excluded on this basis.
 - c. Please provide copies of any investment-advisory publications or other source documents supporting Mr. Walter's view that investors would differentiate between these utilities and those included in his proxy group because they are "headquartered in Canada."
9. If not already provided in Mr. Walter's work papers, please provide hard copies of the source documents from S&P Global Market Intelligence referenced in footnote 1 to Exhibit CCW-2.
10. Reference page 22, lines 3-4. Is Mr. Walter's aware of any investment advisory reports published in the last ten years that discuss the implications of expected GDP growth in connection with their evaluation of individual stocks? If so, please provide copies of all such reports.
11. Is Mr. Walters aware of any investment analyst reports published in the last ten years that advise investors to consider growth in GDP as a ceiling on the long run growth rate for an electric utility or gas utility stock, or specifically references expected growth in GDP in developing its expectations or advising investors as to the utility's future prospects? If so, please provide copies of all such reports.

12. Page 25 of Mr. Walter's notes a "rational expectation that a period of high or low short-term growth can be followed by a change in growth to a rate that is more reflective of long-term sustainable growth." Please provide copies of any investment advisory reports for electric utilities discussing an expectation that "a period of high or low short-term growth" will be followed by "a change in growth to a rate that is more reflective of long-term sustainable growth."

Dated: January 31, 2019

Respectfully submitted,




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*Counsel for Kentucky Utilities Company
and Louisville Gas and Electric Company*

CERTIFICATE OF COMPLIANCE

This is to certify that Kentucky Utilities Company's and Louisville Gas and Electric Company's January 31, 2019 electronic filing of the Data Requests is a true and accurate copy of the same document being filed in paper medium; that the electronic filing has been transmitted to the Commission on January 31, 2019; that there are currently no parties that the Commission has excused from participation by electronic means in this proceeding; and that an original in paper medium of the Data Requests will be hand-delivered to the Commission within two business days from the date of the electronic filing.



Gerald R. Rieps
Counsel for Kentucky Utilities Company
and Louisville Gas and Electric Company