

KENTUCKY UTILITIES COMPANY

**March 21, 2019 Supplemental Response to Commission Staff's
First Request for Information
Dated September 19, 2018**

Case No. 2018-00294

Question No. 46

Responding Witness: Christopher M. Garrett

Q-46. As the historical data becomes available, provide detailed monthly income statements for each forecasted month of the base period including the month in which the Commission hears this case.

A-46. **Original Response:**

See attached.

October 29, 2018 Supplemental Response:

See attached income statement for September 2018. Income statements for subsequent months will be provided as they become available.

November 26, 2018 Supplemental Response:

See attached income statement for October 2018. Income statements for subsequent months will be provided as they become available.

December 21, 2018 Supplemental Response:

See attached income statement for November 2018. Income statements for subsequent months will be provided as they become available.

January 25, 2019 Supplemental Response:

See attached income statement for December 2018. Income statements for subsequent months will be provided as they become available.

February 21, 2019 Supplemental Response:

See attached income statement for January 2019. Income statements for subsequent months will be provided as they become available.

March 21, 2019 Supplemental Response:

See attached income statement for February 2019. Income statements for subsequent months will be provided as they become available.

Kentucky Utilities Company
Comparative Statement of Income
February 28, 2019

	Current Month			
	This Year Amount	Last Year Amount	Increase or Decrease Amount	%
Electric Operating Revenues.....	\$ 137,934,814.90	\$ 137,769,702.10	\$ 165,112.80	0.12
Total Operating Revenues.....	<u>137,934,814.90</u>	<u>137,769,702.10</u>	<u>165,112.80</u>	<u>0.12</u>
Fuel for Electric Generation.....	35,840,983.94	38,172,796.37	(2,331,812.43)	(6.11)
Power Purchased.....	4,414,442.24	3,510,511.95	903,930.29	25.75
Other Operation Expenses.....	23,932,401.92	21,972,739.97	1,959,661.95	8.92
Maintenance.....	11,163,825.56	8,967,892.52	2,195,933.04	24.49
Depreciation.....	21,689,552.52	21,087,456.92	602,095.60	2.86
Amortization Expense.....	1,635,392.51	1,557,027.75	78,364.76	5.03
Regulatory Debits.....	732,492.51	218,412.29	514,080.22	235.37
Taxes				
Federal Income.....	5,188,180.66	6,033,672.35	(845,491.69)	(14.01)
State Income.....	1,300,295.91	1,833,942.97	(533,647.06)	(29.10)
Deferred Federal Income - Net.....	-	-	-	-
Deferred State Income - Net.....	-	-	-	-
Property and Other.....	3,870,664.17	3,631,245.87	239,418.30	6.59
Loss (Gain) from Disposition of Allowances.....	<u>-</u>	<u>(10,563.00)</u>	<u>10,563.00</u>	<u>(100.00)</u>
Total Operating Expenses.....	<u>109,768,231.94</u>	<u>106,975,135.96</u>	<u>2,793,095.98</u>	<u>2.61</u>
Net Operating Income.....	28,166,582.96	30,794,566.14	(2,627,983.18)	(8.53)
Other Income Less Deductions				
Amortization of Investment Tax Credit.....	186,151.00	186,151.00	-	-
Other Income Less Deductions.....	13,774.52	(65,690.37)	79,464.89	(120.97)
AFUDC - Equity.....	<u>83,850.37</u>	<u>48,145.77</u>	<u>35,704.60</u>	<u>74.16</u>
Total Other Income Less Deductions.....	<u>283,775.89</u>	<u>168,606.40</u>	<u>115,169.49</u>	<u>68.31</u>
Income Before Interest Charges.....	<u>28,450,358.85</u>	<u>30,963,172.54</u>	<u>(2,512,813.69)</u>	<u>(8.12)</u>
Interest on Long-Term Debt.....	7,628,288.79	7,614,347.15	13,941.64	0.18
Amortization of Debt Expense - Net.....	254,336.45	239,789.70	14,546.75	6.07
Other Interest Expenses.....	822,709.36	271,788.85	550,920.51	202.70
AFUDC - Borrowed Funds.....	<u>(56,793.21)</u>	<u>(29,627.31)</u>	<u>(27,165.90)</u>	<u>91.69</u>
Total Interest Charges.....	<u>8,648,541.39</u>	<u>8,096,298.39</u>	<u>552,243.00</u>	<u>6.82</u>
Net Income.....	<u>\$ 19,801,817.46</u>	<u>\$ 22,866,874.15</u>	<u>\$ (3,065,056.69)</u>	<u>(13.40)</u>

March 21, 2019

KENTUCKY UTILITIES COMPANY

March 21, 2019 Supplemental Response to Commission Staff's

First Request for Information

Dated September 19, 2018

Case No. 2018-00294

Question No. 59

Responding Witness: Christopher M. Garrett

Q-59. Provide the following information concerning the costs for the preparation of this case:

a. A detailed schedule of expenses incurred to date for the following categories:

(1) Accounting;

(2) Engineering;

(3) Legal;

(4) Consultants; and

(5) Other Expenses (Identify separately).

For each category, the schedule should include the date of each transaction, check number or other document references, the vendor, the hours worked, the rates per hour, amount, a description of the services performed, and the account number in which the expenditure was recorded. Provide copies of contracts or other documentation that support charges incurred in the preparation of this case. Identify any costs incurred for this case that occurred during the base period.

b. An itemized estimate of the total cost to be incurred for this case. Expenses should be broken down into the same categories as identified in (a) above, with an estimate of the hours to be worked and the rates per hour. Include a detailed explanation of how the estimate was determined, along with all supporting workpapers and calculations.

c. Provide monthly updates of the actual costs incurred in conjunction with this case, reported in the manner requested in (a) above. Updates will be due when the utility files its monthly financial statements with the Commission, through the month of the public hearing.

A-59. Original Response:

- a. See attached.
- b. See attached.
- c. The Company will provide monthly updates as requested.

October 29, 2018 Supplemental Response for Question No. 59(c):

Attached are the Schedule of Rate Case Expenses (Attachment 1) and the associated invoices (Attachment 2) recorded by Kentucky Utilities Company for September 2018.

November 26, 2018 Supplemental Response for Question No. 59(c):

Attached are the Schedule of Rate Case Expenses (Attachment 1) and the associated invoices (Attachment 2) recorded by Kentucky Utilities Company for October 2018.

December 21, 2018 Supplemental Response for Question No. 59(c):

Attached are the Schedule of Rate Case Expenses (Attachment 1) and the associated invoices (Attachment 2) recorded by Kentucky Utilities Company for November 2018.

January 25, 2019 Supplemental Response for Question No. 59(c):

Attached are the Schedule of Rate Case Expenses (Attachment 1) and the associated invoices (Attachment 2) recorded by Kentucky Utilities Company for December 2018.

February 21, 2019 Supplemental Response for Question No. 59(c):

Attached are the Schedule of Rate Case Expenses (Attachment 1) and the associated invoices (Attachment 2) recorded by Kentucky Utilities Company for January 2019.

March 21, 2019 Supplemental Response for Question No. 59(c):

Attached are the Schedule of Rate Case Expenses (Attachment 1) and the associated invoices (Attachment 2) recorded by Kentucky Utilities Company for February 2019.

KENTUCKY UTILITIES COMPANY
CASE NO. 2018-00294

Schedule of Rate Case Preparation Costs

Response to Commission's Order
Dated September 19, 2018

Question No. 59 (c)

Responding Witness: Christopher M. Garrett

Date	Invoice #	Vendor Name	Hours (1)	Rate/Hr	Amount	Description	Account
TOTAL LEGAL OUTSIDE COUNSEL KU ELECTRIC					-		
1-Feb-19	THEPRI020119A	THE PRIME GROUP LLC	34.92	224.45	7,837.77	Consulting work related to the rate case	182335
31-Jan-19	FINANC013119	FINANCIAL CONCEPTS & APPLICATIONS INC	25.57	314.04	8,030.00	Consulting work related to the rate case	182335
SUBTOTAL CONSULTANTS KU ELECTRIC					15,867.77		
TOTAL CONSULTANTS KU ELECTRIC					15,867.77		
TOTAL SUPPLIES/SERVICES - OTHER KU ELECTRIC					-		
TOTAL RATE CASE EXPENSE FOR THE MONTH OF FEBRUARY 2019					15,867.77		

Note (1) - Hours are calculated based on information provided on the billing statement.

Ref. 152720
P.O. 144872
J. Scholer
2/12/19

The Prime Group

Invoice for Services Rendered - Revised

Invoice Date: February 1, 2019

To: LG&E and KU Services Company
220 West Main Street
Louisville, KY 40202

Attn: Mr. Derek Rahn, Manager Revenue Requirement

Contract No. 105655

A 53.5 hours of consulting work by Steve Seelye @ \$230.00/hour performed during January assisting with data requests and reviewing Rebuttal testimony in KYPSC cases 2018-00294/295 for the KYPSC for LG&E/KU. \$ 12,305.00

A 8.0 hours of consulting work by Larry Feltner @ \$200.00/hour performed during January assisting Steve with data requests and reviewing Rebuttal testimony in KYPSC cases 2018-00294/295 for the KYPSC for LG&E/KU. \$ 1,600.00

A 2.0 hours of consulting work by Jeff Wernert @ \$150.00/hour performed during January assisting Steve with data requests and reviewing Rebuttal testimony in KYPSC cases 2018-00294/295 for the KYPSC for LG&E/KU. \$ 300.00

Expenses associated with LG&E/KU's Rate Case:
Notary Services for Steve Seelye: \$ 45.50

Total due for work performed in January \$ 14,250.50

Sum of A = 63.5 hours

Please remit payment to: **The Prime Group, LLC**
P.O. Box 837
Crestwood, KY 40014-0837



Please note that a Late Payment Charge of 3% will be applied to the net amount owed if payment is not received within 45 days of the billing date specified above.

2/18/19

		Total	Total
		<u>\$14,250.50</u>	<u>63.5 Hours</u>
LGE Electric	35%	\$4,987.68	22.23 hours
LGE Gas	10%	\$1,425.05	6.35 hours
KU	55%	\$7,837.77	34.92 hours

John Howard 28-19

The Prime Group, LLC
P. O. Box 837 • Crestwood, KY • 40014-0837
Phone [REDACTED]

Reg. 153110
P.O. 145317
Jehodev 2/27/19

FINANCIAL CONCEPTS AND APPLICATIONS, INC.
 3907 RED RIVER
 AUSTIN, TEXAS 78751

fincap2@texas.net
 Fax [REDACTED]

January 31, 2019

Mr. Rick Lovekamp
 Manager – Regulatory Strategy/Policy
 LG&E and KU Service Company
 Post Office Box 32010
 Louisville, Kentucky 40232

DUE ON RECEIPT

Reference No.: 01856
 Taxpayer ID No.: [REDACTED]

Consulting Services:

Research, Analysis, and Testimony Preparation
 of Testimony Re: Fair Rate of Return on Equity
 for Louisville Gas & Electric and Kentucky
 Utilities. **Contract No. 62685**

For the Period:
 January 1 through January 31, 2019

Professional Time:

Adrien M. McKenzie			
A 14.5 hours @ \$ 400		\$	5,800
Brent L. Heidebrecht			
A 32 hours @ \$ 275			8,800
			<hr/>

Total

Sum of A = 46.5 hours

\$ 14,600

Bruce H. Fairchild

Bruce H. Fairchild

	Total	Total
	<u>\$14,600</u>	<u>46.5 Hours</u>
LGE Electric	\$5,110	16.28 hours
LGE Gas	\$1,460	4.65 hours
KU	\$8,030	25.57 hours

Rick Lovekamp 2/19/19