COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

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

ATTORNEY GENERAL'S SUPPLEMENTAL DATA REQUESTS

Comes now the intervenor, the Attorney General of the Commonwealth of Kentucky, by and through his Office of Rate Intervention, and submits these Supplemental Data Requests to Louisville Gas & Electric Co. ["LG&E," or "the Company"]. Occasional references are also made to both LG&E's sister company, Kentucky Utilities Co. ["KU"], and jointly to both Companies ["LG&E-KU" or "the Companies"]. These data requests are to be answered by the date specified in the Commission's Order of Procedure, and in accord with the following:

(1) In each case where a request seeks data provided in response to a staff request, reference to the appropriate request item will be deemed a satisfactory response.

(2) Identify the witness who will be prepared to answer questions concerning each request.

(3) Repeat the question to which each response is intended to refer. The Office of the Attorney General can provide counsel for LG&E with an electronic version of these questions, upon request.

(4) 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.

(5) 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.

(6) If you believe any request appears confusing, request clarification directly from Counsel for the Office of Attorney General.

(7) 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.

(8) To the extent that any request may be answered by way of a computer printout, identify each variable contained in the printout which would not be self-evident to a person not familiar with the printout.

(9) If the company has objections to any request on the grounds that the requested information is proprietary in nature, or for any other reason, notify the Office of the Attorney General as soon as possible.

(10) 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. These terms shall include all information recorded in any written, graphic or other tangible form and shall include, without limiting the generality of the foregoing, all reports; memoranda; books or notebooks; written or recorded statements, interviews, affidavits and depositions; all letters or correspondence; telegrams, cables and telex messages; contracts, leases, insurance policies or other agreements; warnings

and caution/hazard notices or labels; mechanical and electronic recordings and all information so stored, or transcripts of such recordings; calendars, appointment books, schedules, agendas and diary entries; notes or memoranda of conversations (telephonic or otherwise), meetings or conferences; legal pleadings and transcripts of legal proceedings; maps, models, charts, diagrams, graphs and other demonstrative materials; financial statements, annual reports, balance sheets and other accounting records; quotations or offers; bulletins, newsletters, pamphlets, brochures and all other similar publications; summaries or compilations of data; deeds, titles, or other instruments of ownership; blueprints and specifications; manuals, guidelines, regulations, procedures, policies and instructional materials of any type; photographs or pictures, film, microfilm and microfiche; videotapes; articles; announcements and notices of any type; surveys, studies, evaluations, tests and all research and development (R&D) materials; newspaper clippings and press releases; time cards, employee schedules or rosters, and other payroll records; cancelled checks, invoices, bills and receipts; and writings of any kind and all other tangible things upon which any handwriting, typing, printing, drawings, representations, graphic matter, magnetic or electrical impulses, or other forms of communication are recorded or produced, including audio and video recordings, computer stored information (whether or not in printout form), computer-readable media or other electronically maintained or transmitted information regardless of the media or format in which they are stored, and all other rough drafts, revised drafts (including all handwritten notes or other marks on the same) and copies of documents as hereinbefore defined by whatever means made.

(11) 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.

(12) In the event any document called for has been destroyed or transferred beyond the control of the company, 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.

(13) Provide written responses, together with any and all exhibits pertaining thereto, in one or more bound volumes, separately indexed and tabbed by each response, in compliance with Kentucky Public Service Commission Regulations.

(14) "And" and "or" should be considered to be both conjunctive and disjunctive, unless specifically stated otherwise.

(15) "Each" and "any" should be considered to be both singular and plural, unless specifically stated otherwise.

Respectfully submitted,

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Certificate of Service and Filing

Counsel certifies that the foregoing is a true and accurate copy of the same document being filed in paper medium with the Commission within two business days; that the electronic filing has been transmitted to the Commission on December 13, 2018; that there are currently no parties that the Commission has excused from participation by electronic means in this proceeding.

This 13th day of December, 2018.

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Assistant Attorney General

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1. Reference the Company's response to AG DR 1-137(c):
    a. Explain if interruptible load associated with the Curtailable Service Rider ("CSR") is assumed to be uncurtailed during every hour of the forecasted test year; i.e., hourly class loads include load that could be subject to interruption under the CSR; and,
    b. Explain if the 141 MW of CSR-related load treated as a supply-side resource is treated the same as a generation resource and whether it is available every hour of the year.

2. Reference the Company's response to AG DR 1-137(d), Attachment 1, define the various class codes shown in column b of the various tabs.

3. Reference the Company's confidential response to AG DR 1-139(a). Explain if the rows in Table 1 of the confidential attachment represent hypothetical hours, if not, explain what the rows in Table 1 represent.

4. Reference the Company's confidential response to AG DR 1-139(a). Provide the Company's actual amounts utilized within its LOLP analysis for this case associated with Tables 1, 2, and 3 of the confidential attachment.

5. Reference the Company's confidential response to AG DR 1-139(a) as well as its overall LOLP analyses by hour. Provide a detailed explanation and all calculations supporting the assumed availability and outage rates for each generating unit.

6. Reference the Company's response to AG DR 1-140. Explain if the assumed level of 558 MW of Purchased Power is available each and every hour of the year and if it is treated as a supply resource identical to any other generation (power supply) resource.

7. Reference the Company's response to AG DR 1-140. Provide the forecasted outage rates for each generating unit reflected in the Company's LOLP analysis.

8. Reference the Company's response to AG DR 1-141(e) Attachment 1. Provide:
    a. an explanation of what columns C through I represent, note the narrative response indicates maximum capacity in the outage rate table varies by month but this table only includes seven columns; and,
    b. an explanation and all calculations showing the availability for each unit during the forecasted test year.

9. Explain if and how Mr. Seelye's class cost of service study ("CCOSS"), utilizing the LOLP methodology, grouped calculated hours into on-peak, off-peak, and shoulder periods.

10. Explain if and how Mr. Seelye's CCOSS utilizing the LOLP methodology assigned specific generating unit costs to on-peak, off-peak, and shoulder periods based on individual generating unit operating costs.

11. Reference the Company's response to AG DR 1-141(a) and its attachment. Explain what "Expected Unserved Energy (MWh)" represents and how (or if) it is specifically used within Mr. Seelye's development of production allocation factors within his LOLP CCOSS.

12. Reference the Company's response to AG DR 1-141(a) and its attachment. Explain and provide all calculations, tables, etc. showing the development of the following hour's "LOLP" and "Expected Unserved Energy (MWh)":
    a. 8/28/19 at 1600 hours (annual system peak);
    b. 1/7/20 at 800 hours (winter system peak);
    c. 1/23/20 at 1100 hours; and,
    d. 7/23/19 at 2100 hours.

13. Reference the Company's response to Staff 2-18 and responses to AG DR 1-139: the Company responded in Staff DR 2-18 that there are no differences between the LOLP

methodology that was used to provide the LOLP CCOSS filed in 2016 compared to the methodology prepared in this proceeding; the Company responded in AG DR 1-139(b) that: hourly generation outputs are not produced by the LOLP analysis. However, in the 2016 case, the Company provided hourly generation outputs by unit in response to AG DR 1-292(b). In these regards, provide:

a. an explanation and reconciliation of this apparent discrepancy; and,
b. forecasted hourly generation output by unit for each hour of the forecasted test year, whether used or not used within the LOLP analysis.

14. Reference the Companies' response to AG DR 1-16.
    a. Explain how the Companies calculate their target reserve margin.

15. Reference the response to AG DR 1-147.
    a. In recent history, has the Cane Run unit 7 ordinarily had a lower dispatch order than Trimble County 2?
    b. Are there any particular reasons why through November of 2018, Cane Run unit 7 has a higher dispatch cost rate than Trimble 2?
    c. Provide the projected retirement dates for the Zorn 1 and Haefling CT units.
    d. Provide the expected retirement date for Brown units 1 and 2. Explain how the retirement of Brown units 1 and 2 will impact and affect the order of economic dispatch of the Companies' generating fleet.
    e. Explain whether the abundant rainfall in and around the Ohio Valley through 2018 has increased the dispatch rate for the Ohio Falls and Dix Dam hydro units.
    f. Has the dispatch rate for the Ohio Falls and Dix Dam units during 2018 YTD exceeded the average dispatch rate for these units over the past five (5) years?

16. Explain the purpose of an allowance for cash working capital in rate base.

17. If the Companies are authorized to earn a return on their total capitalization, as opposed to rate base, explain why the addition of an allowance for cash working capital does not constitute double recovery.

18. Reference the Attachment in response to AG DR 1-58. Except for the ECR mechanism, explain why the Companies did not remove expenses recovered outside base rates (column D) from cash working capital.

19. Refer to the Companies' response to AG DR 1-63(a). Assuming no holidays and an ordinary work-week, if the Companies were to receive customer payments at the hours of 1:00, 12:00, 17:00, and 23:00 on a Monday, at what time would they have access to each of the customer payments on the following Tuesday?

20. Refer to Att_[Company]_PSC_1-65 [Company] Cash Working Capital 12ME Dec 2017 Final and the Companies' response to AG DR 1-63(b). Regarding the invoice sample used to develop the Other O&M expense lead, respond to the following items:
    a. For each line item, indicate the method of cash disbursement (e.g., check, ACH, etc.).
    b. For the top five invoices paid via check, provide the date of the check issuance and a copy of the check.
    c. For the top five invoices paid via ACH, provide the date the ACH was initiated.

21. Reference the Companies' response to AG DR 1-64(a). The response states, "The intention of including an expense lead of 0 for the referenced items as shown on Exhibit WSS-36 is to exclude these items from cash working capital."

a. Explain the theoretical basis for why the items with an expense lead of 0 (e.g., Pension, OPEB, Depreciation, and Amortization, etc.) are excluded from cash working capital.

b. Explain why the following component (provisions)/requirements should not be removed from the calculated allowance on Schedule B-5.2.

CASH WORKING CAPITAL COMPONENTS
FORECAST PERIOD FOR THE 12 MONTHS ENDED APRIL 30, 2020

	Expense	Working Capital (Provided)/Required		
	(Lead)/Lag	KU	LG&E-E	LG&E-G
No-Notice Storage Injections and Withdrawals	-			(147,640)
Pension Expense	-	(214,820)	(95,286)	(37,570)
OPEB Expense	-	49,558	176,073	74,540
Depreciation and Amortization	-	41,549,335	26,415,000	4,805,169
Regulatory Debits	-	1,051,265	184,403	-
Amortization of Regulatory Assets	-	823,067	734,123	31,264
Amortization of Regulatory Liabilities	-	(393,968)	(36,934)	-
Deferred: Federal and State (Including ITC)	-	4,188,150	1,723,108	517,597
		47,052,586	**29,100,488**	**5,243,359**

Source: Schedules B-5.2

22. Describe the items that comprise Materials & Supplies in Schedule B-5.1. As Materials & Supplies are deployed in operations, are they expensed or capitalized?

23. Describe the items that comprise Prepayments in Schedule B-5.1. As Prepayments are spent in operations, are they expensed or capitalized?

24. Reference the Companies' response to AG DR 1-50(a). The response states, "Yes, the Company recovers income taxes assessed on CIAC in base rates."

    a. What is the revenue requirement in connection with income taxes assessed on CIAC and Customer Advances?

    b. Where is the amount provided in response to subpart (a), above, reflected in the filing in this proceeding?

c. Demonstrate and describe in detail how the revenue requirement for income taxes assessed on CIAC and Customer Advances is determined. For example, are the income taxes assessed simply flowed through operating income, or are they capitalized and reflected in rate base with corresponding depreciation in operating expense?
d. If the income taxes assessed are capitalized and depreciated for ratemaking, provide the monthly balances reflected in rate base and monthly depreciation expense for the base period and the forecasted period.

25. Reference the Companies' response to AG DR 1-4.
    a. Provide the Companies calculation for "Market Economy" prices for the Base and Test periods.
    b. Given the Companies' response to subpart (c) to AG DR 1-4, explain under what circumstances purchasing energy from OVEC would be considered uneconomic, assuming the Inter-Company Power Agreement stays in place through 2040.

26. Reference the Companies' response to AG DR 1-4 . Explain why Market Economy $/MWh has been significantly less than OVEC Energy Only for 2015–2017, but the Base Period and Test Period $/MWh for the Market Economy is significantly higher than OVEC Energy Only.

27. Reference the response to AG DR 1-4. Confirm that in FERC docket ER18-459-004, OVEC filed proposed tariff revisions reflecting reduced federal corporate income tax in its stated transmission service rates.

    a. Confirm that OVEC has requested an effective date of December 1, 2018 for these new rates.
    b. State whether OVEC's new filing will reduce the rates OVEC charges to the Companies, and if so, provide the amount of the reduction, including any

reduction in the revenue requirement. State also whether the reduction will be in energy charges, demand charges or both.

c. State whether OVEC is subject to state tax regulation in each of Indiana, Ohio and Kentucky. If so, state whether OVEC intends to pass on any state tax savings brought about as a result of the TCJA.

28. Reference the Company's response to AG DR 1-5.

a. Confirm that within the past few weeks, OVEC has officially been fully integrated into PJM. State whether this integration is expected to reduce any of OVEC's costs.
b. With regard to the response to subpart (m), will the Companies agree to provide updates on OVEC's appeal to the U.S. Sixth Circuit Court of Appeals?

29. Reference the Companies' response to AG DR 1-9.

a. Confirm that the Commission's orders approving the settlement agreements in Case Nos. 2008-00251 & 2008-00252 cited by the Companies only refer to costs incurred and not ongoing costs related to the Companies' exit from MISO.
b. Provide a specific citations to the portions of the Commission's orders approving the settlement agreements in Case Nos. 2008-00251 & 2008-00252 cited by the Companies that discusses or evidences the Commission's consent to ongoing transmission costs as a result of the Companies' exit from MISO.
c. The Company's response to subpart (e) to AG DR 1-9, that "the Companies will address the effect on the revenue requirement" should FERC grant the "request during the pendency of the proceeding" was not responsive. Explain what effect on retail rates FERC's approval of the Companies' request will have. The Company's response should include

what adjustments to the test period would be necessary and to what accounts those adjustments would be made.

30. Reference the direct testimony of Kent W. Blake, page 11, lines 1–2.
    a. Provide the calculations that derived the projected revenue requirement increase of $8 million for KU and $5 million for LG&E due to the MMD.
    b. What is the current status of the FERC proceeding?

31. Reference the Companies' response to AG DR 1-42.
    a. Are the Companies aware if the Kentucky Public Service Commission has ever approved outcomes resulting from the use of the Department of Energy's Interruption Cost Estimator as a basis for approving utility capital projects? If so, provide citation(s) to same.
    b. By using Capitalization as the basis for return instead of rate base, do the Companies earn a return on spare parts, as described in the previous request and response, that they otherwise would not if using rate base?

32. Reference the response to AG DR 1-197. For all capitalization projects identified in the response to AG DR 1-196, identify those projects in which the Companies elected to pursue options that were not the least-cost option, and the reason(s) supporting the Companies' election. Provide also a page number for each such project depicting where the project can be found in the 651-page response to AG DR 1-196.

33. Confirm that, based on a recent report in the publication *Morningstar*, from 2018-2022 PPL plans to invest in excess of $15 billion in infrastructure projects.

    a. If so confirmed, how much of that investment will be made by LG&E-KU? Provide a description of the those projects, together with cost estimates.

b. Provide copies of any and all cost-benefit analyses not already of record pertaining to these projects.
c. State whether LG&E-KU intend to file applications for CPCNs regarding any such projects, and if so, provide an estimated date for the filing of all such applications.

34. Reference the Companies' response to AG DR 1-74.
    a. Does the Company's response to subpart (b) to AG DR 1-74 indicate that the Company does not have the forecasted expense for outages in 2023 and 2024, or merely that the Company chose not to provide the information?
    b. If the response to subpart (a), above, indicates that the Companies have the information available to provide the forecasted outage expense for years 2023 and 2024, provide same.
    c. Provide the total expected expense for 2018 for the attachment, using YTD actual data and forecasted data for 2018 not yet expended. Further, provide the actuals for 2018 upon the Companies' receipt of same.

35. Reference the Companies' response to AG DR 1-77.
    a. Provide the estimated amounts for the last two months of 2018 where the Company has provided YTD amounts for 2018.
    b. Provide actual amounts for 2018 where the Company provided YTD 2018 amounts, upon the Companies' receipt of same.

36. Refer to the Companies' response to AG DR 1-77(b), Attachment, Distribution notes a and b, which states:
    "a. Variances for both companies are due to changes from original budget estimates in order to address hazard trees as appropriate.

b. Variances for both companies are due to changes from original budget estimates in order to maintain the appropriate trimming cycles and to address hazard trees as appropriate."

a. Provide the original budget estimate.
b. Explain why the budget was changed from the original budget estimate.
c. Do actual expenses include storm costs? If so, provide the storm costs included in the actual for each year.

37. Reference the Companies' response and attachments to KIUC DR 1-54 (LG&E) and KIUC DR 1-62 (KU). Explain the significant increases from the December 31, 2017, actual deferrals to the April 30, 2020, forecasted deferrals.

38. Reference the Companies' response to KIUC 1-58.

a. Explain and support the test year increases for: OTHER-LABOR-3RD PARTY, and OTHER EXPENDITURES.

39. Reference the Companies' response to Staff DR 1-50.

a. Provide the Company's calculation of test period storm damage expense, including the amounts averaged and the amounts removed assuming regulatory asset approval.
b. Provide the annual storm damage expense, by company and separated between transmission and distribution, for each year since 2014, including actual or anticipated amounts for 2018.

40. Reference the Companies' response to AG DR 1-76.

a. Explain, in detail, the Company's calculation of test year METER READING EXPENSE, as provided on Schedule C-2.1 in each matter.
b. Explain, in detail, why the METER READING EXPENSE is expected to increase so dramatically for LG&E and KU electric operations as compared to LG&E gas operations.

41. Reference the Companies' response to AG DR 1-112. Provide the reasoning for relying on such diversity of companies in the peer list of the WTW study (e.g., water utilities, solar companies, cooperatives, ISO New England) rather than those of similar size, operation, and region.

42. Reference the Companies' response to AG DR 1-114. Provide the reasoning for recommending $16 per hour for call center starting pay when that amount is above both the mean and the median of the data provided in response to part a of the referenced data request.

43. Reference the Companies' response to AG DR 1-114. The response to subpart (b) to AG DR 1-114 states that call center pay satisfaction survey scores were lower than those for the rest of the company.
    a. Did any other employment groups (similar to a grouping such as call center employees) have pay satisfaction survey scores as low as or lower than the call center employees? If the response is in the affirmative, discuss differences of management and results regarding those groups from the pay-raise approach taken with the call center employees.
    b. Were the call center pay satisfaction scores the only exit interview survey scores that were less than the rest of the company? If the response is in the negative, provide those other survey areas that were low, and discuss how the Companies determined the low satisfaction with pay was separate from and not a result of the other areas of dissatisfaction.

44. Reference the Companies' response to AG DR 1-115. The response to the data request was that while the call center employee starting pay was within the competitive range, other factors prompted further assessment determining the pay level was not fair. Explain how the pay can fall within competitive range and not be

fair. In other words, is not "competitive range" the criterion of fairness? If the response is in the negative, provide the following:

a. Explain the Companies' definition of competitive range and how it differs from fairness.
b. Will the Companies adjust their compensation philosophy to include other factors of fairness?
c. Will the Companies adjust their studies to include only criteria-based peer companies to better align compensation fairness with employee expectations?

45. Reference the Companies' response to AG DR 1-115. Provide the following:

a. What is the current 50th percentile of national market for call center employees?
b. What is the current 70% to 130% range based on that 50th percentile?
c. What is the dollar impact to the revenue requirements of the projected increase to call center employee wages?
d. Refer to the direct testimony of Gregory J. Meiman, page 6, wherein he explains the example of the Companies' determination that call center employee compensation was below market. Other than the call center employee example, were any other employee groups' compensation determined to be below market whose compensation was adjusted for the projected test period? If the answer is in the affirmative, provide a listing of the employee groups and the dollar impact per group to the revenue requirements of the projected or actual increase.

46. Reference the Companies' response to AG DR 1-115. If relatively low exit interview pay satisfaction scores prompt the Companies to conduct further assessment for fairness, do relatively high exit interview pay satisfaction scores also prompt the Companies to conduct further assessment for fairness? If the response is in the

affirmative, provide a recent example. If the response is in the negative, explain why no further assessment for fairness is conducted.

47. Reference the Companies' response to AG DR 1-117. Subpart (b) to AG DR 1-117 requested individual and team effectiveness criteria for senior managers in Electric Distribution and Energy Supply and Analysis. The Companies' response stated that goals vary by individual and department. Provide the following:
    a. The specific measures for a sample of three specific senior managers in each of the departments specified.
    b. For each specific measure in subpart (a), above, specify to which of the five broad measures and weightings (provided in the response to subpart (a) to AG DR 1-117) it applies.
48. Reference the Companies' response to AG DR 1-120. The Mercer study introduction (of Attachment 4 to Tab 60 of the Companies' Applications) states that Mercer evaluated "benefits against organizations most similar to the client. Thus, utility companies are the most similar to LKE and are the primary market comparison." The lists of utilities in the study appendix includes such companies as California ISO, ERCOT, Northeast Texas Electric Cooperative, and PJM Interconnection, L.L.C. Provide the following:
    a. Explain how the companies specified in this data request can be characterized as among those "most similar to LKE."
    b. Provide the specific criteria by which peer companies were chosen for the Mercer study.

49. Reference the Companies' response to AG DR 1-82, AG DR 1-11, and the amounts provided in account 901 for the base and test period.
    a. Provide a breakdown of the base and test period amounts provided for this account, including the amounts dedicated to economic development, in whole or in part.

b. Indicate which expenses provided in subpart (a), above, are dedicated, in whole or in part, to economic development.
c. Are any amounts reflected in account 901 related to lobbying or government relations? If so, provide those amounts related to lobbying or government relations.
d. Provide the total amounts, by Company, for the salaries and costs related to each lobbying, government relations and economic development.

50. Reference the Companies' response to AG DR 1-116. Explain why the Companies refuse to use regional comparisons for the Company's pay and compensation.

51. Reference the Companies' response to AG DR 1-73.
    a. Provide representative examples used during the most recent 12-months for each of the "Advertising Categor[ies]" in which the Companies are requested recovery for in the test period. Each item provided in response to this request should indicate the time period it was sent to customers.

52. Reference the Companies' response to AG DR 1-78 .
    a. Provide the nature of the two litigation matters, and explain why they are beyond the Company's control.
    b. Explain why ratepayers should bear these costs.
    c. What is the status of these two litigation matters, and when are these two litigation matters expected to be resolved?
    d. How much is included in the forecast for these two litigation matters?
    e. How much of the outside services' costs associated with these matters could be recovered through insurance?

53. Reference the Companies' response to AG DR 1-79.

a. Explain the nature of the expected increased number of "separate matters" forecasted at over $100K in 2018 and 2019, and the single matter forecasted at over $500k in 2018.
b. Further, explain if the Companies expect and have requested recovery for any expenses relating to the $500k 2018 matter during 2019 or the test period.

54. Reference the Companies' response to AG DR 1-71 . Ghent Station revenues were reflected in Accounts 454 Rent from electric property, 456 Other electric revenues, and an offset in 501 Fuel. Trimble County and Mill Creek stations were under contact at the time of the filing, and refined coal revenues are reflected in Account 456 Other electric revenues.
    a. Are rent revenues expected from Trimble County and Mill Creek stations? If the response is affirmative, how much? Provide a breakdown by company.
    b. Are offsets to 501 Fuel expected from Trimble County and Mill Creek stations? If the response is affirmative, how much? Provide a breakdown by company.

55. Reference Schedule B-8.
    a. Provide a summary list and amounts of the items in prepayments in the base year and forecasted period for each company.
    b. Provide the supporting detail for the summary totals for each company.

56. Reference the Companies' response to AG DR 1-86.
    a. Confirm that the Company has not reflected duplicative charges for the same service from more than one service company in the test year in this matter.

57. Reference the Companies' response to AG DR 1-170.
    a. Explain to what degree the Company will allow customers interested in Green Tariff Option #3 to choose or have input into what type of "renewable resource" it receives electricity from under Option #3.
    b. Explain whether a customer can replace 10MW of current capacity with capacity from Green Tariff Option #3.
    c. Explain, in detail, what the Companies envision the process will be with customers in its response that "The Companies will work with the potential Green Tariff Option #3 customer in any way."
    d. Is the Company's response to subpart (h) to AG DR 1-170 indicating that all terms and conditions resulting from Green Tariff Option #3 are negotiable, including how the contract relates to ongoing tariff and rate mechanisms? For instance, is the response indicating that the interaction with certain special contracts may impact certain customers differently as it relates to local school taxes, off-system sales, fuel adjustment clause, applicable demand rates, applicable customer charges, contribution in aid of construction, surcharges, etc.?

58. Reference the Companies' response to Staff DR 2-11.
    a. Confirm that AMI meters are available through the Company's AMS Customer Service Offering.
    b. Confirm that the cost of meters provided through the AMS Customer Service Offering are not recovered through base rates.
    c. Confirm that meters provided through the AMS Customer Service Offering provide the same benefits as those meters provided to customers who enroll in the Solar Share program.
    d. What would the reduction to the revenue requirement be if the Commission required the costs of the AMI meters be recovered via the Solar Share program and not through base rates?

59. Reference the Attorney General's request and Companies' response to AG DR 1-170. Further, reference Exhibit LEB-2 to the direct testimony of Lonnie E. Bellar, generally.
    a. Confirm that 16 U.S.C. § 824a-3 provides the option for an electric utility to request, and for the FERC to grant, termination of mandatory purchase and sale requirements regarding certain qualifying facilities under the Public Utility Regulatory Policies Act of 1978 ("PURPA"), if the FERC finds that the qualifying facility has nondiscriminatory access to independently administered, auction-based day ahead and real time wholesale markets for the sale of electric energy and wholesale markets for long-term sales of capacity and electric energy.
    b. Discuss whether the Companies' believe they adequately considered the impact of RTO membership on their current or future obligations under PURPA.

60. Reference the Companies' responses to AG DR 1-36, 1-48, 1-51, 1-52, and the Companies' numerous other responses to data requests regarding Certificates of Public Convenience and Necessity ("CPCN").
    a. Explain what changes the Companies have made to its internal analysis regarding CPCN's since the Commission's June 22 Order in Case No. 2016-00371, finding that the Bullitt County Pipeline was not in the ordinary course of business and that "construction should be the subject of a CPCN finding."
    b. Confirm that the Bullitt County Pipeline is a 10-12 mile, 12-inch planned pipeline, with a preliminary cost estimate of $27.6M.
    c. Provide the Companies' threshold for materiality regarding a project's impact and capital outlay.

61. Reference the responses to AG DR 1-92 and AG DR 1-93. Explain whether the Companies have any support that in reference to the portion of the invoices noting that

13% of regular membership dues, and 24% of dues relate to "influencing legislation," that EEI equates "influencing legislation" with the entirety of the definition of "covered activities," as defined in AG DR 1-90.

62. Reference the responses to AG DR 1-90 through AG DR 1-108. Confirm that although EEI's invoices acknowledge EEI engages in activities associated with "influencing legislation," the EEI invoices attached to the response to AG DR 1-98 do not indicate the amounts dedicated to: (i) legislative advocacy; (ii) regulatory advocacy; and (iii) public relations.

    a. Provide the amounts of the Companies EEI dues dedicated or related to: (i) legislative advocacy; (ii) regulatory advocacy; and (iii) public relations.

63. Reference the Commission's order dated May 16, 1984 in Case No. 8924,[1] at pp. 43, wherein the Commission placed the following conditions on LG&E's membership in EPRI:

> "At this time, LG&E has not performed a definitive cost-benefit analysis regarding its potential membership in EPRI. Absent such an analysis, the Commission is limited as to the response it can give Mr. Royer concerning this matter. However, LG&E is hereby apprised that should it decide to become a member of EPRI it will bear the burden in future cases of justifying the cost of its membership. To do so, LG&E must present clear documentation of the benefits available through membership, its utilization of these benefits and its inability to obtain such benefits at a lower cost. The Commission is also concerned that a substantial portion of EPRI's research concerns nuclear power which is

[1] In Re: General Adjustment in Electric and Gas Rates of Louisville Gas & Electric Co.

of no direct concern in Kentucky. In future cases, should it decide to join EPRI, LG&E must document whether it could receive all non-nuclear related benefits if it reduced its dues by the portion related to nuclear research. The Commission wishes to emphasize that these are the conditions LG&E must meet should it decide to become a member of EPRI.[2] These conditions in no way represent a prior endorsement of such membership."

a. Provide copies of any and all cost-benefit analyses the Companies have prepared pertaining to their membership in EPRI for the past five (5) years.
b. Provide a breakdown of the amount of LG&E-KU dues paid to EPRI which are related to nuclear energy generation.
c. Have LG&E-KU attempted to reduce the dues they seek to recover from ratepayers by the proportion of the dues they pay to EPRI which relate to nuclear energy generation? If so, provide that sum. If they have not attempted to reduce the dues they pay, explain in full why not.

64. State whether EEI utilizes any of the dues the Companies pay to it for any purposes relating to nuclear power generation. If so, provide an estimate of the amount or percentage of those dues.

65. Provide the Companies' most recent cost-benefit analysis regarding its membership in EEI.

66. Reference the response to AG DR 1-98, attachment.

a. Confirm that the attachment is missing page 1 of 2 of the invoice from EPRI dated Jan. 18, 2018. Provide the first page of that invoice.

[2] Emphasis in original.

b. State whether the Southern Gas Association engages in "covered activities," as defined in AG DR 1-90.
c. State whether the Kentucky Gas Association engages in "covered activities."

67. Reference the response to AG DR 1-185. Identify the ways in which the Companies' distribution grid enhancements are making integration of distributed generation resources possible in a cost-effective manner.

a. Have the Companies identified any opportunities to standardize and streamline interconnection processes, and to adopt and implement interoperability standards, particularly at the distribution level?
b. Will any of the distribution grid improvements the Companies are currently implementing in any manner act to preclude the potential for future integration of distributed generation resources, or to make such integration more difficult? If so, provide a complete discussion.

68. Reference the Companies' response to AG DR 1-188.

a. Reference Bellar direct testimony exhibit LEB-5, p. 14, Table 2. State whether one or all of the terms: (i) "Distribution Automation;" (ii) "Distribution Automation Expansion;" and/or (iii) "DSCADA Expansion" include ADMS.
b. Reference Bellar direct testimony exhibit LEB-6. State whether the term "Distribution Automation" as used in this exhibit includes ADMS.
c. Provide a time line depicting estimated dates for the deployment of Distribution Automation technologies, including ADMS technologies.
d. With regard to any existing distribution technology that will be replaced with Distribution Automation technologies (including ADMS), provide a calculation of current depreciation rates in Excel format with all formulas

intact. Show all parameters used, and provide a source for those rates and underlying parameters. If the rates and parameters are not the same as approved in the most recent prior case, explain why not. Also, if there are any differences in the account numbers used, provide a reconciliation.

e. State whether any of the Distribution Automation technology the Companies intend to deploy will be covered by any warranties. If so, provide the warranty period.
f. Provide the estimated life spans of the Distribution Automation technologies the Companies intend to deploy, including ADMS.
g. Discuss the extent (if any) to which the proposed Distribution Automation technologies and infrastructure will be capable of receiving remote downloads of firmware and/or software upgrades. Provide copies of all manufacturer's specifications in this regard.
   (i) If applicable, how many such upgrades are the proposed new Distribution Automation technologies and associated infrastructure capable of receiving before the expected lifespans of the equipment will be shortened?
   (ii) How many such upgrades does the company believe it will download on an annual basis?
h. State whether the hardware, firmware, software and any infrastructure associated with the Companies' proposed deployment of Distribution Automation technologies will be required to comply in any manner with the most recent release of the National Institute of Standards and Technology (NIST)'s, "NIST Framework and Roadmap for Smart Grid Interoperability Standards."
i. Will the Companies at any time prior to deploying any ADMS technology conduct any Testbed demonstrations in their service territories?
   (i) Have the companies considered obtaining the Commission's permission for a pilot program of ADMS technology? If not, why not?

(ii) How can the Companies assert that their proposed distribution grid enhancements are being carried-out in a cost-effective manner if, as asserted in their response to AG DR 1-188, they have not conducted any ADMS Testbed demonstrations?

69. Explain how real-time information gained from SCADA, DSCADA, and ADMS will be analyzed and centrally managed.

70. Provide projected spending levels for the next five (5) years for each of the following items:

    a. overhead line replacements;
    b. underground line replacements;
    c. breaker replacements;
    d. switch replacements;
    e. substation insulator replacements;
    f. substation arrester replacements;
    g. coupling capacitor replacements

71. Describe the efforts the Companies are making to engage customers and other potential stakeholders in distribution grid enhancements.

72. To the extent not already provided, provide all cost benefit analyses performed since the 2016 rate cases associated with Distribution Automation, preferably in Excel electronic format, with active cells.

73. The Companies' response to AG DR 1-136(b) states, "See response to PSC 2-62(c)." The response to PSC 2-62(c) provides detail on the composition of the deferred tax balances for the base test year. It does not address the book-tax timing differences that

underlie the deferred tax balances in rate base for the forecasted test year. Answer the question as restated below:

a. For each line item in Att_[LG&E]_PSC_1-65_Depreciation_Exp_Wkpr_Electric, provide the monthly <u>gross book-tax timing differences</u> through April 30, 2020.
b. For each line item in Att_[LG&E]_PSC_1-65_Depreciation_Exp_Wkpr_Gas, provide the monthly <u>gross book-tax timing differences</u> through April 30, 2020.
c. For each line item in Att_[LG&E]_PSC_1-65_Depreciation_Exp_Wkpr_Electric, provide the monthly deferred income tax <u>activity</u> through April 30, 2020.
d. For each line item in Att_[LG&E]_PSC_1-65_Depreciation_Exp_Wkpr_Gas, provide the monthly deferred income tax <u>activity</u> through April 30, 2020.
e. For each line item in Att_[LG&E]_PSC_1-65_Depreciation_Exp_Wkpr_Electric, provide the monthly accumulated deferred income tax (ADIT) <u>balances</u> through April 30, 2020.
f. For each line item in Att_[LG&E]_PSC_1-65_Depreciation_Exp_Wkpr_Gas, provide the monthly accumulated deferred income tax (ADIT) <u>balances</u> through April 30, 2020.
g. Demonstrate that the aggregate ADIT balances in response to subparts c) and d), above, reconciles to the amount reflected in rate base for test period ending April 30, 2020.
h. Provide the data requested in subparts a) through g), above, in electronic format with formulas intact.

74. Reference the Company's response to Staff DR 2-75 and Attachment Q75d Schedule A. Explain why short-term debt shown on Schedule J-1 in the Company calculation of the impact of slippage on LG&E revenue requirements for the forecasted test year

($87,630,999) is different from the amount included in the Company's application Schedule J-1 ($97,017,186).

75. Reference the response to AG DR 1-34 (b), attachment. Provide details, including the amount to be spent during the test period, as to the following proposed capital spending projects. If a description for the projects is already included in the application or elsewhere in the record of this case, identify precisely where in the record it can be found:

   a. 00066FACL BOC DCC SPACE CONVERSION LGE
   b. 00076FACL Building Façade Repairs
   c. 119902 Clear 12/04 A&G
   d. 134898 PE Vehicle Purchases
   e. 138032 IMPROVE PIPELINES
   f. 141004 ST HELEN FACILITY
   g. 144531 CR7 Misc Project (multi-year)
   h. 144869 PRESTON CITY GATE STAT
   i. 147831 Corporate Contingency-LGE
   j. 152224 Clifty Creek DL1/DL2 Brkr Rpl
   k. 152778 LGE FACILITY IMPROVEMENTS-2019
   l. 156485 CANAL DEMOLITION
   m. 157552 Adams Street Redevelopment
   n. 157892 Smart Cities LG&E 2019
   o. 157894 EE Business Dvlp LG&E 2019
   p. 157897 EE Business Dvlp LG&E 2020
   q. 448000011 Magnolia Paving
   r. CEMTR134 LGE Electric Meters – 001340
   s. CGMTR134 LGE Gas Meters – 001340
   t. CRELD340 Capital Reliability – 003400
   u. IT0528L LifeIns&Retire Frms/Prtl-LGE19

76. If not already provided, provide the most recent LG&E annual gas system plan.

77. Reference the responses to AG DR 1-198 and AG DR 1-55.

   a. Describe how frequently the Enhanced ILI inspections will be mandated under the new proposed regulation.
   b. Confirm that Enhanced ILI inspections could still be conducted even without replacing the 13.2 miles of the Western Kentucky A and B transmission lines.
   c. With regard to the Company's response to subpart (b) of AG DR 1-198:
      (i) Describe the Enhanced ILI tools that can only collect data for a single diameter size.
      (ii) Describe the temporary facilities that would have to be constructed. Provide also a cost estimate for such construction.
      (iii) Could the temporary facilities be used again for any other mandated inspections? If not, explain fully why not.
   d. Are all of the 13.2 miles of pipeline segments LG&E proposes to replace contiguous?
   e. Provide a cost estimate for an Enhanced ILI inspection based on: (i) the pipelines in their current state; and (ii) the assumption that the proposed replacements will be made.
   f. State whether there are any other transportation or distribution lines in the LG&E system that require a similar Enhanced ILI inspection, and which are composed of differently-sized pipe diameters. If so, provide a complete description.
      (i) Is the Company aware of any other LDCs facing the same issues with regard to pipelines composed of segments having different diameters? Discuss in detail, and provide any AGA guidance, recommendations or studies regarding this issue.

g. If the Commission should approve this project, state whether it would be more cost-effective to ratepayers if the project's costs were to be recovered via the Gas Line Tracking mechanism, or in base rates.

78. Reference the Company's response to Louisville Metro- 1-90. What makes the $120 million in gas capital expenditures different from what is allowed recovery through the GLT?

79. Reference the Company's response to AG DR 1-85.

a. If the actual history of bad debt is different as shown on PSC-LGE 1-49, explain why the LG&E gas (0.18%) and electric (0.18%) bad debt expense used on Schedule H-1 is the same.

b. Provide the Retail Revenues and Net Charge Offs and Net Charge Off's percent broken down between electric and gas for 2013–2017.

80. Reference the Companies' response to Staff DR 1-17 and Attachment 1. Why are the following considered Construction projects?

a.

i) April 30, 2020

(1) Line 7—Project number 151231 (page 1 of 11) EDO Contingency $1,000

(2) Line 115—Project number IT0000L IT Contingency-LGE (page 2 of 11) $1,649,734.89

(3) Line 187—Project number 147831 Corporate Contingency-LGE (page 3 of 11) $2,745,049.99

ii) December 31, 2018

(1) Line 1—Project number 122457 EDO ADJUSTMENTS (page 4 of 11) $131,000.00

(2) Line 7—Project number 151231 EDO Contingency (page 4 of 11) $1,000.00

(3) Line 91—Project IT0000L IT Contingency-LGE (page 5 of 11) $1,649,734.89

b. Gas:

i) April 30, 2020

(1) Line 118 - Project number 147831 Corporate Contingency-LGE (page 2 of 7) $1,233,283.33

ii) December 31, 2018

(1) Line 38 - Project number 147831 Corporate Contingency-LGE (page 3 of 7) $336,350.00