VERIFICATION

COMMONWEALTH OF KENTUCKY)
)
COUNTY OF JEFFERSON)

The undersigned, **Christopher M. Garrett**, being duly sworn, deposes and says that he is Controller for Kentucky Utilities Company and Louisville Gas and Electric Company and an employee of 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 Ast day of March

2019

Notary Public

My Commission Expires:

Judy Schooler
Notary Public, ID No. 603967
State at Large, Kentucky
Commission Expires 7/11/2022

LOUISVILLE GAS AND ELECTRIC COMPANY

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

Case No. 2018-00295

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.

Louisville Gas and Electric Company Comparative Statement of Income February 28, 2019

	Current Month				
	This Year Amount	Last Year Amount	Increase or De Amount	crease %	
Electric Operating Revenues	\$ 87,123,871.02	\$ 84,308,149.63	\$ 2,815,721.39	3.34	
Gas Operating Revenues	42,403,572.51	38,802,630.17	3,600,942.34	9.28	
Total Operating Revenues	129,527,443.53	123,110,779.80	6,416,663.73	5.21	
Fuel for Electric Generation	24,813,482.22	23,091,032.50	1,722,449.72	7.46	
Power Purchased	3,728,390.56	3,832,552.97	(104,162.41)	(2.72)	
Gas Supply Expenses	19,351,392.31	16,357,619.05	2,993,773.26	18.30	
Other Operation Expenses	21,660,812.59	19,770,007.24	1,890,805.35	9.56	
Maintenance	7,780,041.87	7,095,565.50	684,476.37	9.65	
Depreciation	15,225,044.56	14,630,413.93	594,630.63	4.06	
Amortization Expense	1,578,483.90	1,518,852.35	59,631.55	3.93	
Regulatory Debits	65,722.57	35,355.54	30,367.03	85.89	
Taxes					
Federal Income	4,895,263.99	5,354,641.13	(459,377.14)	(8.58)	
State Income	1,226,883.20	1,627,550.49	(400,667.29)	(24.62)	
Deferred Federal Income - Net	-	-	-	-	
Deferred State Income - Net	-	-	-	-	
Property and Other	4,043,547.56	3,645,385.84	398,161.72	10.92	
Investment Tax Credit	-	-	-	-	
Amortization of Investment Tax Credit	(86,635.00)	(93,976.00)	7,341.00	(7.81)	
Loss (Gain) from Disposition of Utility Plant	-	-	-	-	
Loss (Gain) from Disposition of Allowances	<u> </u>	(6,751.50)			
Total Operating Expenses	104,282,430.33	96,858,249.04	7,424,181.29	7.67	
Net Operating Income	25,245,013.20	26,252,530.76	(1,007,517.56)	(3.84)	
Other Income Less Deductions	(35,073.36)	(363,615.73)	328,542.37	(90.35)	
Income Before Interest Charges	25,209,939.84	25,888,915.03	(678,975.19)	(2.62)	
Interest on Long-Term Debt	5,785,622.63	5,543,847.65	241,774.98	4.36	
Amortization of Debt Expense - Net	255,053.61	235,841.19	19,212.42	8.15	
Other Interest Expenses	701,475.98	234,569.94	466,906.04	199.05	
Total Interest Charges	6,742,152.22	6,014,258.78	727,893.44	12.10	
Net Income	\$ 18,467,787.62	\$ 19,874,656.25	\$ (1,406,868.63)	(7.08)	

March 21, 2019

LOUISVILLE GAS AND ELECTRIC COMPANY

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

Case No. 2018-00295

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 reference, 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 work papers and calculations.
- c. Provide monthly updates of the actual costs incurred in conjunction with this rate 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 Louisville Gas and Electric 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 Louisville Gas and Electric 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 Louisville Gas and Electric 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 Louisville Gas and Electric 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 Louisville Gas and Electric Company for January 2019.

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

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

LOUISVILLE GAS AND ELECTRIC COMPANY

CASE NO. 2018-00295

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 LG&E ELECTRIC	<u> </u>	_	-	- -	
1-Feb-19 31-Jan-19	THEPRI020119A FINANC013119	THE PRIME GROUP LLC FINANCIAL CONCEPTS & APPLICATIONS INC	22.23 16.28	224.37 313.88		Consulting work related to the rate case Consulting work related to the rate case	182335 182335
		SUBTOTAL CONSULTANTS LG&E ELECTRIC		_	10,097.68	_	
		TOTAL CONSULTANTS LG&E ELECTRIC	<u> </u>	_	10,097.68	- -	
		TOTAL SUPPLIES/SERVICES - OTHER LG&E ELECTRIC	_ _	_	-	- -	
		TOTAL LG&E ELECTRIC	<u> </u>	_	10,097.68	- -	
		TOTAL LEGAL OUTSIDE COUNSEL LG&E GAS	_	_	-	_ -	
1-Feb-19 31-Jan-19	THEPRI020119A FINANC013119	THE PRIME GROUP LLC FINANCIAL CONCEPTS & APPLICATIONS INC	6.35 4.65	224.42 313.98		Consulting work related to the rate case Consulting work related to the rate case	182336 182336
		SUBTOTAL CONSULTANTS LG&E GAS		_	2,885.05		
		TOTAL CONSULTANTS LG&E GAS	<u> </u>	_	2,885.05	- -	
		TOTAL SUPPLIES/SERVICES - OTHER LG&E GAS	<u> </u>	_	-	- -	
		TOTAL LG&E GAS	<u> </u>	<u> </u>	2,885.05	- -	
		TOTAL RATE CASE EXPENSE FOR THE MONTH OF FEBRUARY 2019	_	_	12,982.73	- -	

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

Garrett



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. Thank 28-19

	Total		Total
		\$14,250.50	63.5 Hours
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

The Prime Group, LLC P. O. Box 837 · Crestwood, KY · 40014-0837 Phone

Case No. 2018-00295

Supplemental Attachment 2 to Response to PSC-1 Question No. 59(c), Filed March 21, 2019 Page 2 of 2

Garrett

Reg. 153110

fincap2@texas.net

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

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.:

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

Total

Sum of A = 46.5 hours

\$ 14,600

Bruce H. Fairchild

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

200 Long 2/19/19