

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

**In the Matter of:**

<b>ELECTRONIC JOINT APPLICATION OF</b>	)	
<b>KENTUCKY UTILITIES COMPANY AND</b>	)	
<b>LOUISVILLE GAS AND ELECTRIC</b>	)	
<b>COMPANY FOR AN ORDER APPROVING</b>	)	
<b>THE ESTABLISHMENT OF REGULATORY</b>	)	<b>CASE NO. 2018-00304</b>
<b>LIABILITIES AND REGULATORY ASSETS</b>	)	
	)	

**RESPONSE OF**  
**KENTUCKY UTILITIES COMPANY AND**  
**LOUISVILLE GAS AND ELECTRIC COMPANY**  
**TO**  
**ATTORNEY GENERAL'S SECOND REQUEST FOR INFORMATION**  
**DATED OCTOBER 26, 2018**

**FILED: NOVEMBER 12, 2018**

**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 12<sup>th</sup> day of November 2018.

  
\_\_\_\_\_  
Notary Public

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

**VERIFICATION**

**COMMONWEALTH OF KENTUCKY )**  
**)**  
**COUNTY OF JEFFERSON )**

The undersigned, **John K. Wolfe**, being duly sworn, deposes and says that he is Vice President, Electric Distribution 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.

  
\_\_\_\_\_  
**John K. Wolfe**

Subscribed and sworn to before me, a Notary Public in and before said County and State, this 8th day of November 2018.

  
\_\_\_\_\_  
Notary Public

My Commission Expires:

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

**KENTUCKY UTILITIES COMPANY AND  
LOUISVILLE GAS AND ELECTRIC COMPANY**

**Response to Attorney General's Second Request for Information  
Dated October 26, 2018**

**Case No. 2018-00304**

**Question No. 1**

**Responding Witness: Christopher M. Garrett**

- Q-1. Provide the Net Investment Rate Base for each of the Companies, 1) as of July 20, 2018, or at the closest time reasonably ascertainable, and 2) the 13-month average in the forecasted test-year for each utility in the pending rate cases. As for part 2, if the answer is located in the case records of Case Nos. 2018-00295 & 2018-00294, citation to same is an adequate response.
- A-1. 1) See Case Nos. 2018-00294 and 2018-00295 Response to Commission Staff's First Request for Information Question No. 16 filed on October 12, 2018 for the Net Original Cost Rate Base as of August 31, 2018. The August 31, 2018 date is the closest time to the requested July 20, 2018 date that the calculation has been performed.
- 2) See Case Nos. 2018-00294 and 2018-00295 Filing Requirement Tab 63 – Section 16(8)(j) – Cost of Capital, Supporting Schedule B-1.1, Page 2 of 2.

**KENTUCKY UTILITIES COMPANY AND  
LOUISVILLE GAS AND ELECTRIC COMPANY**

**Response to Attorney General's Second Request for Information  
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**Case No. 2018-00304**

**Question No. 2**

**Responding Witness: Christopher M. Garrett / John K. Wolfe**

- Q-2. Refer to the Companies' Attachment to Response to PSC-1 Question No. 6. For the calendar years 2014 through 2017, and 2018 to date, provide a similar schedule that compares the O&M expense budgeted for vegetation management and the actual amounts incurred.
- a. Further, for calendar year 2017 and 2018 to date, provide a schedule that compares the monthly O&M expense budgeted for vegetation management and the actual amounts incurred and a schedule that compares the monthly O&M expense budgeted for storm damage and the actual amounts incurred.
- A-2. See attached.
- a. See attached.

LGE												
Description	2014		2015		2016		2017		YTD 10/31/2018		2018	
	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Full Year Forecast	
LGE Distribution Operations	\$ 8,373,773	\$ 6,792,581	\$ 9,517,473	\$ 7,703,724	\$ 8,653,865	\$ 9,564,712	\$ 7,841,253	\$ 9,287,000	\$ 6,633,620	\$ 6,954,771	\$ 8,055,206	
LGE Transmission Operations	684,828	1,949,582	793,879	1,971,770	1,773,847	1,138,429	2,374,307	2,292,155	2,235,047	3,300,648	3,089,506	
<b>Total LGE Vegetation Managerr</b>	<b>\$ 9,058,601</b>	<b>\$ 8,742,163</b>	<b>\$ 10,311,352</b>	<b>\$ 9,675,494</b>	<b>\$ 10,427,712</b>	<b>\$ 10,703,141</b>	<b>\$ 10,215,560</b>	<b>\$ 11,579,155</b>	<b>\$ 8,868,667</b>	<b>\$ 10,255,419</b>	<b>\$ 11,144,712</b>	

KU												
Description	2014		2015		2016		2017		YTD 10/31/2018		2018	
	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Full Year Forecast	
KU Distribution Operations	\$ 15,202,401	\$ 16,856,420	\$ 14,340,571	\$ 16,248,700	\$ 14,922,723	\$ 15,533,712	\$ 13,830,038	\$ 15,276,000	\$ 13,129,669	\$ 12,479,564	\$ 16,535,792	
KU Transmission Operations	5,310,433	3,958,239	5,329,874	3,827,558	5,286,815	5,729,553	7,985,349	7,909,496	9,372,567	9,257,316	11,403,384	
<b>Total KU Vegetation Manageme</b>	<b>\$ 20,512,834</b>	<b>\$ 20,814,659</b>	<b>\$ 19,670,445</b>	<b>\$ 20,076,258</b>	<b>\$ 20,209,538</b>	<b>\$ 21,263,265</b>	<b>\$ 21,815,387</b>	<b>\$ 23,185,496</b>	<b>\$ 22,502,236</b>	<b>\$ 21,736,880</b>	<b>\$ 27,939,176</b>	

\$'s

	January	February	March	April	May	June	July	August	September	October	November	December	Total
<b>Vegetation Management - 2017</b>													
<b>LGE</b>													
Actuals	785,909	1,132,031	1,085,088	1,480,219	403,249	624,347	1,017,704	826,333	374,973	639,308	880,658	965,742	10,215,560
Budget	952,687	949,404	955,389	698,871	1,042,517	1,120,419	1,169,314	1,075,301	914,362	900,124	890,577	910,190	11,579,155
<b>KU</b>													
Actuals	1,378,094	1,486,895	1,616,610	1,506,241	1,805,298	1,689,594	2,533,781	2,003,653	1,427,071	2,066,087	2,049,342	2,252,720	21,815,387
Budget	1,690,641	1,681,281	1,697,873	1,770,550	1,791,339	2,264,559	2,469,098	1,959,092	2,019,732	1,936,799	1,895,638	2,008,889	23,185,496
<b>Storm Restoration - 2017</b>													
<b>LGE</b>													
Actuals	133,386	45,380	457,460	264,945	113,150	270,632	261,865	153,995	121,145	90,758	366,442	87,255	2,366,413
Budget	444,634	672,696	394,098	467,929	460,368	520,112	808,990	540,662	164,977	262,016	193,652	254,506	5,184,640
<b>KU</b>													
Actuals	54,012	47,994	618,020	234,330	433,360	250,482	436,059	154,232	168,895	67,213	165,835	78,316	2,708,747
Budget	365,830	537,893	323,718	407,847	405,417	425,586	654,283	441,854	149,345	172,220	159,331	227,149	4,270,473
<b>Vegetation Management - 2018</b>													
<b>LGE</b>													
Actuals	783,475	960,330	840,272	1,225,244	265,887	671,806	692,095	1,006,488	1,070,541	1,352,529			8,868,667
Budget	912,809	906,037	919,891	924,947	1,127,662	1,177,362	1,188,906	892,998	1,091,782	1,113,025			10,255,419
<b>KU</b>													
Actuals	1,386,498	1,884,092	2,107,347	1,578,866	2,319,330	3,294,488	2,425,581	2,949,805	2,090,665	2,465,564			22,502,236
Budget	1,812,802	1,800,462	1,856,043	1,869,494	2,185,084	2,498,321	2,508,023	2,169,607	2,482,114	2,554,930			21,736,880
<b>Storm Restoration - 2018</b>													
<b>LGE</b>													
Actuals	123,605	444,432	734,364	310,221	329,714	1,839,232	3,628,345	44,121	285,076	201,615			7,940,725
Budget	248,654	437,939	324,264	308,387	378,706	393,428	848,447	350,346	210,731	130,456			3,631,358
<b>KU</b>													
Actuals	43,946	50,262	269,509	216,564	191,759	561,487	5,037,570	551,148	159,791	(182,351)			6,899,685
Budget	308,058	533,289	268,088	349,475	344,590	355,762	585,695	381,994	66,400	130,929			3,324,280

Note: The negative amount for KU actual storm restoration expense in October 2018 is due to a reclassification of charges from Operating Expense to Capital for \$456,446.