**BEFORE THE**

**PUBLIC SERVICE COMMISSION OF THE**

**COMMONWEALTH OF KENTUCKY**

| | | | |
|---|---|---|---|
| **IN RE:** | **ELECTRONIC APPLICATION OF** | **)** | |
| | **KENTUCKY-AMERICAN WATER** | **)** | **CASE NO. 2018-00358** |
| | **COMPANY FOR AN ADJUSTMENT** | **)** | |
| | **OF RATES** | **)** | |

# DIRECT TESTIMONY AND EXHIBITS OF LANE KOLLEN

**ON BEHALF OF**

**THE OFFICE OF THE ATTORNEY GENERAL**
**&**
**LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT**

**J. Kennedy and Associates, Inc.**
**570 Colonial Park Drive, Suite 305**
**Roswell, GA 30075**

**MARCH 15, 2019**

**BEFORE THE**

**PUBLIC SERVICE COMMISSION OF THE**

**COMMONWEALTH OF KENTUCKY**

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| **IN RE:** | **ELECTRONIC APPLICATION OF** | **)** | |
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**TABLE OF CONTENTS**

**BEFORE THE**

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| | | | |
|---|---|---|---|
| **IN RE:** | **ELECTRONIC APPLICATION OF KENTUCKY-AMERICAN WATER COMPANY FOR AN ADJUSTMENT OF RATES** | **)<br>)<br>)<br>)** | **CASE NO. 2018-00358** |

**DIRECT TESTIMONY OF LANE KOLLEN**

## I. QUALIFICATIONS AND SUMMARY

**Q. Please state your name and business address.**

A. My name is Lane Kollen. My business address is J. Kennedy and Associates, Inc. ("Kennedy and Associates"), 570 Colonial Park Drive, Suite 305, Roswell, Georgia 30075.

**Q. What is your occupation and by whom are you employed?**

A. I am a utility rate and planning consultant holding the position of Vice President and Principal with the firm of Kennedy and Associates.

**Q. Please describe your education and professional experience.**

A. I earned both a Bachelor of Business Administration in Accounting degree and a Master of Business Administration degree from the University of Toledo. I also earned a Master of Arts degree in Theology from Luther Rice University. I am a Certified Public Accountant, with a practice license, Certified Management Accountant, and Chartered Global Management Accountant. I am a member of numerous professional organizations.

I have been an active participant in the utility industry for more than thirty years, both as an employee and as a consultant. Since 1986, I have been a consultant with Kennedy and Associates, providing services to state government agencies and consumers of utility services in the ratemaking, financial, tax, accounting, and management areas. From 1983 to 1986, I was a consultant with Energy Management Associates, providing services to investor and consumer owned utility companies. From 1976 to 1983, I was employed by The Toledo Edison Company in a series of positions encompassing accounting, tax, financial, and planning functions.

I have appeared as an expert witness on ratemaking, accounting, tax, finance, and planning issues before regulatory commissions and courts at the federal and state levels on hundreds of occasions. I have testified in numerous proceedings before the Kentucky Public Service Commission ("Commission"), including base, fuel adjustment clause, environmental cost recovery, and other rider ratemaking proceedings involving Atmos Energy Corporation ("Atmos"), Columbia Gas

Kentucky, Duke Energy Kentucky ("Duke") (electric and gas), Kentucky Utilities Company ("KU"), Louisville Gas and Electric Company ("LG&E"), Kentucky Power Company ("KPC"), Big Rivers Electric Corporation, and East Kentucky Power Cooperative.[1]

**Q. On whose behalf are you testifying?**

A. I am offering testimony on behalf of the Office of the Attorney General of the Commonwealth of Kentucky ("AG") and Lexington-Fayette Urban County Government ("LFUCG").

**Q. What is the purpose of your testimony?**

A. The purpose of my testimony is to: 1) summarize recommended adjustments to the Kentucky American Water Company ("KAW" or "Company") requested increase in base rates, 2) address and make recommendations on specific issues that affect the requested increase in this proceeding, and 3) quantify the effect of AG/LFUCG witness Mr. Richard Baudino's recommendation for the required return on equity.

**Q. Please summarize your testimony.**

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[1] My qualifications and regulatory appearances are further detailed in my Exhibit___(LK-1).

A. I recommend adjustments that result in a base rate increase not to exceed $6.503 million compared to the Company's request for a base rate increase of $19.865 million. The following table provides a summary of the revenue effects of these recommendations.

**Kentucky-American Water Company**
**Summary of Recommendations**
**KPSC Case No. 2018-00358**
**Test Year Ended June 30, 2020**
**$ Millions**

| | Adjustment Amount Before Gross Up | B/D and PSC Gross Up | Adjustments |
|---|---|---|---|
| **Kentucky-American Water Company Requested Increase - Base Rates Only** | | | $ 15.774 |
| **Increase - TCJA Stub Period Rate Reduction (January 1, 2018 through August 31, 2018)** | | | 4.091 |
| **Kentucky-American Water Company Requested Increase** | | | $ 19.865 |
| | | | |
| **Effects on Increase of Rate Base Recommendations** | | | |
| Adjust Cash Working Capital to Restate Expense Lead Days on Service Company Charges | | | (0.132) |
| Adjust Cash Working Capital to Reflect Cash Component of Dividends | | | (0.647) |
| Adjust Cash Working Capital to Remove Non-Cash Components | | | (0.273) |
| Reduce Plant Additions for Slippage Adjustment | | | (0.409) |
| | | | |
| **Effects on Increase of Operating Income Recommendations** | | | |
| Reflect Revenues from Lexington Trane Plant | (0.008) | 1.01127 | (0.008) |
| Remove Payroll, Payroll Related Expense and Payroll Taxes Due to Fewer FTEs | (0.487) | 1.01127 | (0.492) |
| Remove Incentive Compensation Tied to Financial Performance | (1.770) | 1.01127 | (1.790) |
| Reduce Payroll Taxes Associated with Incentive Compensation Removal | (0.135) | 1.01127 | (0.137) |
| Remove 401K Contributions for Employees that Participate in a Defined Benefit Plan | (0.070) | 1.01127 | (0.071) |
| Correct Error in Chemical Expense | (0.102) | 1.01127 | (0.103) |
| Reduce Power Expense for Lower KU Related Rate Increase | (0.096) | 1.01127 | (0.097) |
| Include Amortization of Federal Excess ADIT - Protected, Excl Repair Allowance | (0.974) | 1.01127 | (0.985) |
| Include Amortization of Federal Excess ADIT - Unprotected Repair Allowance | (2.163) | 1.01127 | (2.187) |
| Include Amortization of Federal Excess ADIT - Unprotected Other | (0.615) | 1.01127 | (0.622) |
| Include Amortization of State Excess ADIT | (0.470) | 1.01127 | (0.475) |
| Reduce Rate Case Amortization Expense | (0.104) | 1.01127 | (0.105) |
| Reduce Depreciation and Property Tax Expense for Slippage Adjustment | (0.143) | 1.01127 | (0.145) |
| | | | |
| **Effects on Increase of Rate of Return Recommendations** | | | |
| Reduce Short Term Debt Rate | | | (0.043) |
| Reduce Long Term Debt Rate | | | (0.043) |
| Reflect Return on Equity of 9.15% | | | (4.599) |
| | | | |
| **Total Recommendations** | | | $ (13.362) |
| | | | |
| **Base Rate Increase after Recommendations, Excl Effects of Ending TCJA Stub Period Rate Reduction** | | | $ 2.412 |
| | | | |
| **Overall Increase after Recommendations, Incl Effects of Ending TCJA Stub Period Rate Reduction** | | | $ 6.503 |

I address all rate base, operating income, and rate of return recommendations reflected on the preceding table, except for the required return on equity, which is addressed by AG/LFUCG witness Mr. Richard Baudino. I also quantify the revenue requirement effects of all the recommendations, including the return on equity.[2] I have structured my testimony to sequentially address and quantify these issues in the order reflected on the preceding table.

## II. RATE BASE ISSUES

### A. Cash Working Capital is Overstated; Summary of Errors

**Q. Describe the Company's request for a cash working capital allowance in rate base.**

A. The Company proposes a cash working capital ("CWC") allowance in rate base of $3.754 million based on a lead/lag study that it performed.[3]

**Q. Does the Company's study correctly calculate CWC?**

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[2] My electronic workpapers and my Direct Testimony are being filed contemporaneously. The workpapers consist of an Excel workbook in live format with all formulas intact. The workpapers provide the calculations for each adjustment shown on the preceding table in this section of my testimony and provide the support for the amounts that I cite in my testimony on each of the adjustments.

[3] Exhibit 37, Schedule B-5.2, page 4 of 6.

A. No. The Company's proposed CWC allowance is overstated due to several errors. The first error is due to the Company's accelerated payments, or prepayments, made to American Water Works Service Company, Inc. ("AWWS"), its affiliate service company. The second error is due to the Company's failure to reflect the correct expense lag days for the cash dividend component of the net income "expense" item. The third error is the Company's failure to remove the remaining non-cash items (depreciation expense, deferred income tax expense, and the non-cash non-dividend component of the net income "expense") from the CWC calculation altogether.

## <u>B. Expense Lead Days for AWWS Charges Are Incorrect</u>

**Q. Describe the Company's accounting for AWWS affiliate charges.**

A. Instead of recording the AWWS affiliate expense *after* they are incurred for services provided in the prior month, the Company records an *estimated* expense for the *current* month when it does the accounting (general ledger) close after the end of the prior month.[4] AWWS provides a monthly invoice on the third business day following the end of the month for the *estimated* expense for the *current* month.[5] The invoice also includes a true-up for the *prior* month for the difference between the *actual* charges incurred and the *estimated* charges prepaid in the prior month. The Company then

[4] Response to AG 2-31. I have attached a copy of this response as my Exhibit___(LK-2).
[5] Response to AG 2-32. I have attached a copy of this response as my Exhibit___(LK-3).

pays the *estimated* expense for the current month plus or minus the true-up for the prior month.[6]

**Q. Is this unusual in your experience?**

A. Yes. Typically, the service company invoices the actual charges incurred for services provided in the prior month in conjunction with the accounting close following the end of the prior month. The utility typically pays the service company for the actual charges for its services within a 30-day payment period.

**Q. Is the Company's unusual prepayment practice reflected in the AWWS Service Agreement?**

A. Yes. However, the AWWS Service Agreement is an affiliate contract between AWWS and the Company. An unreasonable provision in a contract between the utility and an affiliate does not and should not control recovery of costs for ratemaking purposes. The prepayment provision of the AWWS affiliate contract is not reasonable and the Company and its parent should not be rewarded with an increase in cash working capital for ratemaking purposes.

**Q. Why is this prepayment of estimated AWWS affiliate charges not reasonable?**

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[6] *Id.*

A. It is not reasonable because it imposes an unnecessary and excessive cost on KAW and its customers. It allows American Water Works Company, Inc. ("AWWC"), the parent company of KAW and AWWS, to recover at KAW's grossed-up allowed return instead of at AWWS' actual and lower cost of short-term debt. More specifically, AWWC requires the Company to make an investment in AWWS through the prepayment, the cost of which then is imposed on the Company's customers at its grossed-up weighted average cost of capital. In turn, this prepayment displaces AWWS' cost of capital, which is a significantly lower cost of short-term debt. The difference in the two rates of return inures to the sole benefit of AWWC and to the sole harm of KAW's customers.

**Q. What is the result of this unusual prepayment practice?**

A. It results in negative expense lead days, i.e., a prepayment for the current month, which unnecessarily and improperly increases the cash working capital included in the Company's rate base.

**Q. How accurate are the prepayment of estimated charges compared to the actual charges for the current month?**

A. Not very, which compounds the prepayment harm on the KAW customers because KAW and its customers do not earn carrying charges on excessive prepayments that are not refunded until a month after they are paid. The AWWS estimate for January 2017 was greater than the actual charges for that month by $0.238 million, or 19.1%.[7] The AWWS estimate for February 2017 was greater than the actual charges for that month by $0.388 million, or 38.6%.[8]

**Q. What is your recommendation?**

A. I recommend that the Commission modify the expense lag days to 45.63 days from the *negative* 3.50 days reflected by the Company for this expense item in its CWC study.[9] The correct service period is 15.21 days (365 days divided by 12 months divided by 2) and the correct payment lag is 30.42 days (365 days divided by 12). This recommendation ensures that customers do not pay a grossed-up rate of return when they should pay only the AWWS cost of short-term debt.

**Q. What is the effect of your recommendation?**

A. The effect is a reduction in the revenue requirement of $0.132 million.

## C. Expense Lead Days for Cash Dividend Component of Net Income "Expense" Item Is Incorrect

[7] Response to AG 2-33. I have attached a copy of the narrative portion and the January 2017 invoice portion of the response as my Exhibit___(LK-4).
[8] *Id.*
[9] Exhibit 37, Schedule B-5.2, page 2 of 6.

**Q. Did the Company correctly separate the cash dividend component from the non-dividend component of the net income "expense" item and reflect the correct expense lag days for this component in its CWC study?**

A. No. The Company included the entirety of the net income "expense" item as a non-cash expense with 0 expense lag days.

**Q. Is the dividend component of the net income "expense" a non-cash expense?**

A. No. The dividend is a cash expense paid quarterly through a disbursement of cash by KAW to AWWC. Thus, it is important to separate the cash dividend and the non-cash non-dividend components of the net income "expense" in the CWC study even if the Commission includes non-cash expenses in the CWC study.

**Q. How should the Commission separate the cash dividend and non-cash non-dividend components of the net income "expense"?**

A. The Commission should rely on the Company's parent company dividend policy for its regulated utility subsidiaries and the Company's actual experience, which is consistent with that dividend policy. More specifically, the Company's dividend policy is to pay 75% of its net income in dividends in accordance with the AWWC Subsidiary Dividend Policy.[10] This policy includes the following statement:

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[10] Response to AG 2-23. I have attached a copy of this response, including the Subsidiary Dividend

> Each regulated utility subsidiary of the Company ("Regulated Subsidiary") will target to pay out approximately 75% of the relevant year's net income to common stock, as a common dividend, subject to any restrictions contained in loan agreements, indentures, regulatory orders, charters, or relevant state or federal tax laws. In order to coordinate with the business planning process, the calculation of the dividend will be based on net income to common stock earned during a twelve month period ending September 30 and will be paid quarterly in arrears.[11]

It appears that KAW adheres to this AWWC corporate dividend policy based on a comparison of its earnings to its dividends as provided in response to discovery in this proceeding.[12]

In accordance with this dividend policy and actual experience, the Commission should separate the net income "expense" item into the cash dividend expense and the non-cash non-dividend "expense" using the Company's 75% and 25% allocation ratios, respectively.

**Q. How should the Commission calculate the expense lag days for the cash dividend component of the net income "expense"?**

---

Policy as my Exhibit___(LK-5).

[11] *Id.*

[12] *Id.* The Company provided a schedule of monthly earnings, dividends declared, dividends paid, and the dividend payment date.

A. The Company pays dividends quarterly in arrears, meaning after the end of the prior quarter. KAW pays its cash dividends in arrears on or before the last business day in the third month after the end of the preceding quarter.[13]

For the cash dividend component of the net income expense, the Commission should use 134.9 days for the expense lag, not the 0 days asserted by the Company for the entirety of the net income "expense" item. The service period for each quarter is 45.6 days (365 days divided by 4 divided by 2). The payment lag for the cash dividend component of the net income "expense" is 89.3 days.[14]

**Q. What is your recommendation?**

A. I recommend that the Commission recognize the fact that the dividend component of the net income "expense" is a cash expense and separate the cash dividend and the non-cash non-dividend components of the net income "expense" item in the CWC study. I recommend that the Commission use the Company's 75% and 25% allocation factors for this purpose. I also recommend that the Commission use 134.9 expense lag days for the cash dividend component of the net income "expense" item in the CWC study.

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[13] *Id.*

[14] *Id.* I calculated the average payment lag days based on the four dividend payment dates in calendar year 2018.

**Q. Have you quantified the effect of your recommendation?**

A. Yes. The effect is to reduce the revenue requirement by $0.647 million.

**D. A *Cash* Working Capital Study Should Not Include *Non-Cash* Expenses**

**Q. Does the Company's lead/lag study incorrectly include non-cash expenses?**

A. Yes. The Company incorrectly included $22.766 million of non-cash expenses in the calculation of the cash working capital investment, including deferred income tax expense (negative $1.628 million), depreciation and amortization expense ($18.604 million), and the non-cash non-dividend component of net income expense ($5.790 million).[15]

**Q. Why should the lead/lag study exclude non-cash expenses?**

A. Fundamentally, the purpose of the lead/lag study is to measure the *cash* investment provided by either investors (positive) or customers (negative) on average over the course of the CWC study period. The return on non-cash expenses, such as depreciation and deferred income tax expenses already is reflected in the return on rate base. The cash disbursement for these expenses was made when the construction or acquisition cost was incurred and capitalized into CWIP or plant in service for book

[15] As I explained in the previous section, the Company also improperly included the dividend component of net income as a non-cash item and with 0 days.

and tax purposes. There never will be another cash disbursement for depreciation or deferred income tax expense. The net accumulated depreciation and accumulated deferred income taxes are subtracted from rate base, but only on a lagged basis. This allows the Company to retain the carrying charge value of these non-cash expenses from month to month on a one-month lagged basis and for the period between rate cases.

The non-dividend component of the net income expense also is non-cash by definition and represents the equity investor's expectation of growth in the value of the utility's stock. Investors are compensated for this component of the return on equity when they sell their stock. The holding period is indefinite, or an infinite number of expense lag days.

**Q. Is the Company's assumption of 0 expense day lags correct for the non-cash depreciation expense, deferred income tax expense, and non-cash non-dividend component of the net income "expense"?**

A. No. These expenses are non-cash expenses and there never will be any cash disbursements. The Company incorrectly used 0 expense lag days for these expenses. Translated, 0 expense lag days means that the Company assumes these non-cash expenses actually will be paid in cash the second they are incurred, i.e., there are no expense lag days. This assumption is factually incorrect because the non-cash expenses are never paid in cash. Thus, the correct expense lag days for never is infinity, which necessarily is greater than the revenue lag days, and which essentially removes the non-cash items from cash working capital.

**Q. Do other regulatory jurisdictions exclude non-cash items from CWC using the lead/lag approach?**

A. Yes, although practices vary among regulatory jurisdictions. For example, the Public Utility Commission of Texas adopted a rule requiring that a lead/lag study be performed using the "cash method," whereby all non-cash items are excluded. Texas Substantive Rule §25.231(c)(2)(B)(iii) states the following:

> (IV) For all investor-owned electric utilities a reasonable allowance for cash working capital, including a request of zero, will be determined by the use of a lead-lag study. A lead-lag study will be performed in accordance with the following criteria:
>
> > (-a-) The lead-lag study will use the cash method; all non-cash items, including but not limited to depreciation, amortization, deferred taxes, prepaid items, and return (including interest on long-term debt and dividends on preferred stock), will not be considered.
> >
> > …
> >
> > (-g-) If the cash working capital calculation results in a negative amount, the negative amount shall be included in rate base.

**Q. What is your recommendation?**

A. I recommend that the Commission remove the non-cash expenses from the CWC study, including the non-cash non-dividend component of the net income "expense" item, assuming that the Commission agrees that the cash dividend component of the net income "expense" is correctly included in the CWC study with the correct expense lag days as I recommend in the previous section of my testimony.

**Q. Have you quantified the effect of your recommendation?**

A. Yes. The effect is to reduce the revenue requirement by $0.273 million.

**E. <u>Forecasts of Capital Expenditures and Plant Additions Are Excessive Compared to Actual Experience; The Commission Should Apply A Slippage Factor</u>**

**Q. Does the Company tend to underspend its capital expenditure budgets and forecasts?**

A. Yes. In each of the most recent ten years, the Company has spent less than its annual budget on capital expenditures. For example, in 2008, the Company actually spent $12.9 million compared to its budget of $18.0 million.[16] In 2009, the Company actually spent $11.8 million compared to its budget of $17.9 million.[17] This is typical, in my experience, particularly when the utility's rates are set based on costs in a forecast test year rather than actual costs in a historic test year. The percentage of actual costs to budgeted or projected costs is referred to as a "slippage factor."

[16] Response to Staff 3-2. I have attached a copy of this response as my Exhibit___(LK-6).
[17] *Id.*

**Q. Has the Commission explicitly recognized slippage factors in prior cases?**

A. Yes. The Commission typically applies a slippage factor to reduce construction and related plant costs in the forecast test year if the utility's actual capital expenditures historically are less than its budgeted or forecasted expenditures. For example, in its order in KAW Case No. 2004-00103, the Commission applied a slippage factor adjustment to the capital expenditures in the forecast test year. It described the slippage factor "as an indicator of Kentucky-American's accuracy in predicting the cost of its utility plant additions."[18]

Similarly, in its order in Union Light, Heat and Power Company Case No. 2005-00042, the Commission described its application of a "slippage factor" adjustment for the utility's forecast test year as follows:

> As part of the capital budgeting process, utilities will estimate the level of capital construction that will be undertaken during the year. Because of delays, weather conditions, or other events, the actual level of construction will often vary from the level budgeted. The difference between the actual and budgeted levels is reflected in the calculation of a "slippage factor," which serves as an indicator of the utility's accuracy in predicting the cost of its utility plant additions and when new plant will be placed into service. The Commission has routinely applied a slippage factor in the forward-looking test period rate cases for Kentucky-American Water Company. The Commission has usually utilized a slippage factor calculated by determining the annual slippage during the most recent 10-year period and then calculating the mathematic average of the annual slippage factors. The slippage factor is normally applied to the utility plant in service balance and the

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[18] Kentucky American Water, Case No. 2004-00103, Order (Ky. PSC Feb. 28, 2004) at 4.

> construction work in progress ("CWIP") balance to determine the slippage adjustment.[19] (footnote omitted).

**Q. What is the Company's slippage factor?**

A. The Company calculated a slippage factor of 91.968% based on a comparison of the annual actual construction expenditures compared to the annual original construction budget for the years 2008 through 2017.[20]

**Q. What is your recommendation?**

A. I recommend that the Commission apply the slippage factor calculated by the Company to reduce its capital expenditures and capital additions. This has the effect of reducing the forecast rate base, depreciation expense, and property tax expense. This is appropriate based on the Company's actual experience compared to budget/forecast and is consistent with Commission precedent.

**Q. What is the effect of your recommendation?**

A. The effect is a reduction of $0.554 million in the revenue requirement. I applied the slippage factor to all budget/forecast months from September 2018 through June 2020,

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[19] Union Light, Heat and Power Company, Case No. 2005-00042, Order (Ky. PSC Dec. 22, 2005) at 8-9.

[20] Exhibit___(LK-6).

the end of the test year. This effect includes the grossed-up return on the reduction in the rate base and the reduction in depreciation and property tax expenses.

## III. OPERATING INCOME ISSUES

### A. Trane Lexington Plant Revenues Prior to Plant Closure

**Q. Did the Company include the Trane Lexington plant revenues through the date of plant closure in 2019 in test year revenues?**

A. No. On October 4, 2018, Ingersoll Rand announced in a press release that its Trane division would close the Lexington plant by the end of 2019. The Company estimates that it will lose approximately $0.032 million annually in revenues after the plant is closed.[21] That forecast amount is consistent with the actual 2018 annual revenues from this customer.[22]

**Q. What is your recommendation?**

A. I recommend that the Commission direct the Company to defer these revenues as a regulatory liability and amortize them over two years due to the relatively minor amount.

[21] Response to AG 2-10. I have attached a copy of this response as my Exhibit___(LK-7).
[22] Response to AG 2-8. I have attached a copy of this response as my Exhibit___(LK-8).

**Q. What is the effect of your recommendation?**

A. The effect is a reduction of $0.008 million in the revenue requirement.

## B. Forecast Full-Time Equivalent Employees, Payroll and Payroll Related Expenses Are Excessive

**Q. Describe the forecast increases in full-time equivalent employees in the test year.**

A. The Company forecasts a significant increase in the number of full-time equivalent employees ("FTEs") in the test year compared to historical years. The Company proposes a net increase of 14 FTEs from 138 FTEs at the end of calendar year 2018 to 152 FTEs at the beginning of the test year and continuing through the end of the test year.

**Q. Describe the payroll and related payroll expenses in the test year.**

A. The Company forecasts a significant increase in payroll and related expenses in the test year compared to historical years. The Company proposes an increase of $1.336 million from $9.738 million for the twelve months ended August 2018 to $11.074 million in the test year. This increase is primarily the result of the additional FTEs, offset in part by a reduction in overtime hours for existing FTEs, merit and other payroll increases, and an increase in the O&M expense ratio.[23]

**Q. Describe the trendline in the FTEs and payroll and related expenses since 2014.**

A. There has been a steady, but muted, increase in the FTEs and payroll expenses since 2014 through 2018, although the payroll related expenses have trended upward at a greater rate during the same time period.[24]

More specifically, in 2014, the Company had an average of 124 FTEs; in 2015, an average of 127 FTEs; in 2016, an average of 133 FTEs; in 2017, an average of 133 FTEs; in 2018, an average of 134 FTEs through June, the last actual month in the base period. The Company forecast an increase to 139 FTEs in July growing to 141 FTEs by December. The Company then forecast 152 FTEs for each month in 2019 through June 2020.[25] From December 2014 through June 2020, the Company forecasts an increase of 26 FTEs, consisting of 7 FTEs in the Production department, 9 FTEs in the Distribution department, 7 FTEs in the Commercial department, and 3 FTEs in administrative and general ("A&G").[26]

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[23] Exhibit 37, Schedule G-2.
[24] *Id.*
[25] Response to AG 1-7. I have attached a copy of this response as my Exhibit___(LK-9).
[26] Response to Staff 3-32. I have attached a copy of this response as my Exhibit___(LK-10).

**Q. Does the Company historically have fewer actual FTEs than its budgets or forecasts?**

A. Yes. The Company historically has 7 fewer actual FTEs than it budgets or forecasts on a monthly average over the most recent four calendar years 2014 through 2018.[27] The fewer actual FTEs represent an actual reduction in payroll and payroll related expenses in those years compared to budget.

**Q. Should the Commission assume that the same pattern will continue into the test year?**

A. Yes. The Company has a pattern of fewer actual FTEs than it budgets or forecasts. There is no reason to forecast anything different in the test year.

**Q. What is your recommendation?**

A. I recommend that the Commission correct the Company's FTE forecast to reflect fewer actual FTEs and reduce the payroll and payroll related expenses accordingly.

**Q. What is the effect of your recommendation?**

[27] Response to AG 2-29. I have attached a copy of this response as my Exhibit___(LK-11). I calculated the difference between the total actual FTEs and total budget FTEs from January 2015 through December 2018 and divided by 48 to obtain the average monthly difference.

A. The effect is a reduction of $0.492 million in the revenue requirement, consisting of a reduction of $0.487 million in payroll and payroll related expenses and a reduction of $0.005 million in the related bad debt and PSC assessment expenses.

## **C. Incentive Compensation Tied to Financial Performance Should Be Disallowed**

**Q. Describe the Company's incentive compensation pursuant to its Annual Performance Plan and its Long-Term Performance Plan.**

A. The Company included $1.770 million of incentive compensation related to its Annual Performance Plan ("APP") and its Long-Term Performance Plan ("LTPP") in test year expenses.[28] This includes incentive compensation expense incurred directly by KAW and the incentive compensation expense incurred by AWWS and charged to KAW.

The APP incentive compensation is primarily based on financial performance metrics. More specifically, the APP includes two earnings per share ("EPS") thresholds for incentive payments. There are no APP incentive payments unless AWWC's EPS meets or exceeds 90% of the EPS target. The APP incentive payments are weighted 50% on EPS and 50% on other factors.[29]

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[28] Rowe Direct Testimony at 7 and Company's responses to AG 1-22 and AG 2-19. I have attached a copy of these responses as my Exhibit___(LK-12).

[29] Responses to Staff 2-31 and Staff 1-33 (narrative portion only). I have attached copies of these responses as my Exhibit___(LK-13).

The LTPP incentive compensation consists of restricted stock units ("RSUs") and performance stock units ("PSUs"). The RSUs and PSUs are based on three-year vesting periods. The RSU vesting is timed-based. The PSU vesting is performance-based. For the PSUs, the performance is based on a combination of EPS growth and relative total shareholder return ("TSR").[30]

**Q. Should the Commission allow recovery of incentive compensation expense tied to financial performance?**

A. No. The Commission historically has disallowed and removed incentive compensation expenses from the revenue requirement if they are incurred to incentivize the achievement of shareholder goals as measured by financial performance, not incurred to incentivize the achievement of customer and safety goals. That is because the achievement of the target metrics tied to financial performance benefits shareholders to the detriment of customers in rate proceedings such as this. The LTPP incentive compensation expense is incurred solely to achieve AWWC shareholder goals. The APP incentive compensation expense is incurred primarily to achieve AWWC shareholder goals and only secondarily to achieve regulated utility service goals, but only if the AWWC shareholder goals are achieved.

In its order in KAW Case No. 2004-00103, the Commission disallowed

[30] Kurt Kogler Direct Testimony at 6.

incentive compensation expense tied to the achievement of financial goals that benefited shareholders.[31]

In its order in KAW Case No. 2010-00036, the Commission disallowed incentive compensation expense tied to "financial goals that primarily benefit shareholders."[32]

In its order in KPC Case No. 2014-00396, the Commission specifically disallowed incentive compensation expense incurred to achieve shareholder goals. In its discussion related to the disallowance, the Commission stated:

> Incentive criteria based on a measure of EPS, with no measure of improvement in areas such as service quality, call-center response, or other customer-focused criteria are clearly shareholder oriented. As noted in Case No. 2013-00148, the Commission has long held that ratepayers receive little, if any, benefit from these types of incentive plans. It has been the Commission's practice to disallow recovery of the cost of employee incentive plans that are tied to EPS or other earnings measures and we find that Kentucky Power's argument to the contrary does nothing to change this holding as it is unpersuasive.[33]

In its order in Atmos Case No. 2013-00148, the Commission stated "Incentive criteria based on a measure of EPS, with no measure of improvement in areas such as safety, service quality, call-center response, or other customer-focused criteria, are clearly shareholder-oriented. As noted in the hearing on this matter, the Commission has long held that ratepayers receive little, if any, benefit from these types of incentive

[31] Order in KAW Case No. 2004-00103, at 49 (February 28, 2005).
[32] Order in KAW Case No. 2010-00036, at 32 (December 14, 2010).
[33] Order in Case No. 2014-00396, at 25 (June 22, 2015).

plans . . . It has been the Commission's practice to disallow recovery of the cost of employee incentive plans that are tied to EPS or other earnings measures."[34]

In summary, the Company's request in this proceeding for recovery of the APP and LTPP incentive compensation expense tied to EPS and total shareholder return fall clearly within the Commission's disallowance precedent not only for KAW, but also for other Kentucky utilities. The expense should be allocated to AWWC shareholders and not recovered from the Company's customers.

**Q. Are there other reasons why the Commission should not allow recovery of incentive compensation expense tied to financial performance?**

A. Yes. Incentive compensation incurred to incentivize AWWC financial performance also provides the Company's executives, managers, and employees a direct incentive to seek greater and more frequent rate increases from customers in order to improve AWWC's EPS and total shareholder return ("TSR"). The greater the rate increases and revenues, the greater AWWC's EPS and TSR and the greater the incentive compensation expense. Thus, there is an inherent conflict between achieving lower rates for customers on the one hand and achieving greater financial performance for shareholders and greater incentive compensation for executives, managers, and other employees on the other hand. Thus, all such expenses should be allocated to

[34] Order in Atmos Case No. 2013-00148, at 20 (April 22, 2014).

shareholders, not to customers.

In addition, the Company's request to embed these expenses in the revenue requirement tends to be self-fulfilling. The additional revenues ensure that the expense is covered regardless of the Company's actual performance and regardless of its operational and safety performance. Thus, the expenses should be directly assigned to AWWC shareholders, not the Company's customers.

**Q.** **What is your recommendation?**

A. I recommend that the Commission exclude the APP and LTPP incentive compensation expense from the revenue requirement in the same manner and for the same reasons that the Commission historically has excluded incentive compensation tied to the financial performance of KAW, AWWC, and other utilities and their service companies.

**Q.** **What is the effect of your recommendation?**

A. The effect is a reduction of $1.927 million in the revenue requirement, consisting of the reduction of $1.770 million in incentive compensation expense, the related reduction of $0.135 million in payroll tax expense, and the related reduction of $0.022 million in bad debt and PSC assessment expenses.

**D. Retirement Plan Expense Is Excessive**

**Q. Did the Company make an adjustment to exclude certain retirement plan expenses incurred for certain employees who participate in both defined benefit and defined contribution retirement plans?**

A. No. The Commission has found that such expenses are excessive and disallowed the expenses. For example, the Commission reduced the retirement plan expense for both KU and LG&E in Case Nos. 2016-00370 and 2016-00371, respectively. In the KU case, the Commission stated:

> The Commission finds that, for ratemaking purposes, it is not reasonable to include both KU's Pre 2006 DDB plan contributions and KU's matching contributions to the 401(k) Plan for the following employee categories: exempt, manager, non-exempt, and officer and director personnel … Employees participating in the Pre 2006 DDB Plan enjoy generous retirement plan benefits, making the matching 401(k) Plan amounts excessive for ratemaking purposes. Accordingly, the Commission denies for recovery 401(k) Plan matching contributions in the amount of $1,720,383 before gross-up.[35]

Similarly, the Commission reduced the retirement plan expense for Cumberland Valley Electric, Inc. in Case No. 2016-00169. In that case, the Commission stated:

> The Commission believes all employees should have a retirement benefit, but finds it excessive and not reasonable that Cumberland Valley continues to contribute to both a defined benefit pension plan as well as a 401(k) plan for

[35] Order in Case No. 2016-00370, at 14-15 (June 22, 2017).

> salaried employees. The Commission will allow Cumberland Valley to recover only the costs of the more expensive defined benefit plan for the salaried employees and the 401(k) plan for union employees. Accordingly, the Commission will remove for ratemaking purposes Cumberland Valley's test year 401(k) contributions for salaried employees.[36]

**Q. What is the effect if the Commission makes a similar adjustment in this proceeding?**

A. The effect is a reduction in retirement plan expense of $0.070 million and a reduction in the revenue requirement of $0.071 million. This reduction includes the retirement plan expense incurred directly by KAW and the expense allocated and charged to KAW from AWWS.[37]

**<u>E. Correction of Errors in Chemicals Expenses</u>**

**Q. Did the Company overstate its forecast chemicals expense?**

A. Yes. The Company overstated certain of its forecast chemical expenses due to calculation errors that double-counted these expenses.[38] The errors led to an overstatement of expense by $0.102 million.

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[36] Order in Case No. 2016-00169, at 10 (February 6, 2017).

[37] Company's public response to AG 1-10. I have attached a copy of this response as my Exhibit___(LK-14).

[38] HSPM Workpapers – Chemicals Exhibit Support for 2019 and 2020.

**Q. Does KAW agree that there were calculation errors and that they should be corrected?**

A. Yes. The Company confirmed the errors in response to discovery.[39]

**Q. What is the effect of correcting these errors?**

A. The effect is a reduction in the revenue requirement of $0.103 million, consisting of a reduction of $0.102 million in chemicals expense and the related reduction of $0.001 million in bad debt and PSC assessment expense.

## F. Power (Electricity) Expense Does Not Reflect Settlement In Kentucky Utilities Company's Pending Rate Case

**Q. Describe the Company's assumption regarding an increase in power expense due to Kentucky Utilities Company's pending rate case.**

A. The Company assumed that the Commission would grant KU's pending base rate request for an increase in rates in its entirety.[40]

**Q. Is that assumption reasonable?**

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[39] Kurt Kogler Direct Testimony at 28 and HSPM response to AG 2-25.
[40] Kevin Rogers Direct Testimony at 28 and WP-3-2 Fuel and Power Exhbit.xlsx.

A. No. The parties in the KU rate case proceeding have entered into a stipulation that reduces the base rate increase KU requested by approximately one-half, from $112.5 million to $58.3 million.[41] The Commission has not issued an Order in that proceeding, but the authorized base rate increase is unlikely to be greater than the stipulated amount.

**Q. What is your recommendation?**

A. I recommend that the Commission reflect the effect of the stipulation in the KU base rate case proceeding or the actual rate increase, which will be known prior to the completion of this proceeding.

**Q. What is the effect of your recommendation?**

A. The effect is a reduction of $0.097 million in the revenue requirement, consisting of a reduction of $0.096 million in electricity expense and a reduction in the related bad debt expense and PSC assessment expense of $0.001 million.

**G. Income Tax Expense Should Be Reduced to Reflect Amortization of Federal Excess ADIT**

**Q. Describe the effects of the TCJA on federal accumulated deferred income taxes.**

[41] Stipulation filed in Case No. 2018-00294 on March 1, 2019.

A. The Tax Cuts and Jobs Act ("TCJA") reduced the federal income tax rate from 35% to 21% effective January 1, 2018. The reduction in the federal income tax rate resulted in a reduction of the future net income tax liabilities recorded in the Company's federal asset and liability accumulated deferred income taxes ("ADIT") recorded in FERC accounts 190, 281, 282, and 283 prior to December 31, 2017.

The federal ADIT amounts reflect income taxes collected from customers at the 35% federal income tax rate, but that have not yet paid to the federal government and generally would be paid to the federal government over the lives of the underlying assets. In the case of regulated utilities, the ADIT is subtracted from rate base to provide customers a rate of return on their temporary capital contributions.

The reduction in the federal income tax rate permanently reduced these future tax liabilities. The reduction in the net ADIT liability is termed "excess" ADIT and is considered a regulatory liability for generally accepted accounting principles ("GAAP"), although it may continue to be recorded as ADIT for FERC Uniform System of Accounts ("USOA") accounting purposes.

The excess ADIT will be amortized as a negative deferred tax expense without a concurrent increase in current income tax expense, which means that it increases operating income and reduces the revenue requirement, all else equal.

**Q. Are there limitations on the amortization period that can be used for the federal**

**excess ADIT?**

A. Yes, but the limitations apply *only* to the federal excess ADIT that arose from accelerated depreciation temporary differences. Pursuant to the TCJA, this excess ADIT is considered "protected" and cannot be amortized more quickly than the underlying temporary differences would have reversed. All other excess ADIT is considered to be "unprotected" and may be amortized at the Commission's discretion and without consideration for when the underlying temporary differences would have reversed.

The distinction between protected and unprotected excess ADIT is significant because it determines how rapidly the excess ADIT related to specific temporary differences may be amortized to customers.

**Q. Can the Company accurately calculate the federal excess ADIT as of December 31, 2017?**

A. Yes. It can accurately calculate the federal excess ADIT in the aggregate as of December 31, 2017. However, it claims that it has not yet calculated the federal excess ADIT by temporary difference as of December 31, 2017. This is important because of the distinction between protected and unprotected excess ADIT.

**Q. Does the Company's filing include any amortization of the federal excess ADIT**

**due to the reduction in the federal income tax rate pursuant to the Tax Cuts and Jobs Act?**

A. No. The Company claims that it cannot accurately calculate the amortization of the protected excess ADIT until it completes revisions to its fixed asset software, although this claim does not apply to the unprotected excess ADIT. It estimates that these revisions will not be completed until mid-April.[42] The Company's Rebuttal Testimony is due April 30, so it is not clear whether the Company will propose the negative amortization expense amounts in its Rebuttal Testimony or delay the return of these amounts to customers until some later date, maybe through the KAW TCJA investigation proceeding in Case No. 2018-00042.[43]

**Q. Is it reasonable to exclude any amortization of the excess ADIT from the base revenue requirement in this proceeding?**

A. No. If the Company cannot calculate the amortization expense at this time, then the Commission should estimate it and direct the Company to true-up the differences through a TCJA rider in Case No. 2018-00042 once it is able to correctly and accurately calculate the amortization expense by temporary difference. Alternatively, it should direct the Company to defer the differences, either as a regulatory asset

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[42] Response to AG 2-16(e). I have attached a copy of the entire response to AG 2-16 as my Exhibit___(LK-15).

[43] Direct Testimony of John Wilde, at 2.

(recoverable from customers) or a regulatory liability (refundable to customers).

These calculations include correctly separating the excess ADIT into protected and unprotected amounts by temporary difference and then calculating the amortization expense based on the average rate assumption method ("ARAM") for the protected temporary difference amounts and a reasonably short amortization period for the unprotected temporary difference amounts.

**Q. As an initial matter, has the Company correctly separated the excess ADIT into protected and unprotected amounts?**

A. No. The Company conflates and characterizes all property-related excess ADIT as protected and all non-property related excess ADIT as unprotected.[44] However, this characterization is not correct. The only protected property-related excess ADIT is due to accelerated tax depreciation. The Company claims that the excess ADIT due to the repair allowance deduction also is protected due to a "Consent Agreement" that it signed with the IRS,[45] even though this excess ADIT is not otherwise protected, a fact the Company concedes.[46] In any event, the Company claims that it cannot separately identify each of the excess ADIT property related amounts by temporary difference until it completes revisions to its fixed asset software.

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[44] *Id.*, 8.
[45] *Id.*, 10.
[46] Response to AG 2-18(d). I have attached a copy of the entire response to AG 2-18 as my Exhibit___(LK-16). Also, *see* Direct Testimony of John Wilde at 13.

**Q. Why is whether the excess ADIT due to the repair allowance is protected or unprotected an issue in this proceeding?**

A. If it is protected, then the Company and Commission must use the ARAM to amortize the excess ADIT to avoid a normalization violation. If it is unprotected, then the Company and Commission can use a shorter amortization period consistent with the amortization period that it uses for all other unprotected excess ADIT.

**Q. Do you agree that the Consent Agreement addresses or controls the excess ADIT due to the repair allowance deduction resulting from subsequent tax law changes, such as the TCJA?**

A. No. The Consent Agreement certainly does not address the excess ADIT, let alone subject the excess ADIT to the ARAM and normalization requirements, even if there is a valid argument that it still applies to the remaining ADIT due to the repair allowance at the federal tax rate of 21%.

Although I am not an attorney, it is my understanding that an agreement or contract cannot and is not considered binding on subject areas that are not addressed in an agreement.

In any event, the Consent Agreement specifically and repeatedly states that if there are subsequent changes in the law, e.g. final or proposed regulations, that are inconsistent with the conclusions reached in this letter ruling, the method of accounting utilized as a result of the letter ruling will no longer be regarded as a proper method of accounting and would be subject to change.[47]

**Q. Does the TCJA constitute a subsequent change to the law that is inconsistent with the conclusions reached in the letter ruling?**

A. Yes. Under the TCJA, only the excess ADIT due to accelerated tax depreciation is protected and subject to the normalization requirements of the IRC or the related Regulations, including the requirement to use the ARAM for amortization purposes. No excess ADIT due to any other temporary difference is subject to ARAM and the normalization provisions of the IRC or the related Regulations.

Although I am not a lawyer, in my opinion as a tax expert and practitioner, it is unlikely that the IRS would or could enforce a provision of an agreement that is inconsistent with the law, especially when the agreement itself contains multiple provisions that subject the terms of the agreement to subsequent changes in the law.

**Q. What is your recommendation?**

A. I recommend that the Commission find that the excess ADIT due to the repair

[47] Exhibit JRW-2 attached to the Direct Testimony of John Wilde (copy of the Consent Agreement).

allowance temporary difference is unprotected, not protected. I also recommend that the Commission amortize this excess ADIT over the same three-year amortization period used for all other unprotected excess ADIT.

**Q. What are the excess ADIT amounts by temporary difference?**

A. The Company claims that the protected excess ADIT, including the excess ADIT due to the repair allowance temporary difference, is $31.548 million, excluding the gross-up for income taxes, and the unprotected excess ADIT due to all other temporary differences is $1.384 million, excluding the gross-up for income taxes.[48] However, the Company claims that it cannot separately quantify the excess ADIT due to the repair allowance temporary difference.[49]

**Q. What is the excess ADIT due to the repair allowance temporary difference?**

A. I estimate it to be $6.974 million, including the gross-up for income taxes, subject to refinement by the Company after it has completed the revisions to its software.

**Q. What is the effect of the amortization of the excess ADIT due to the accelerated tax depreciation temporary difference?**

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[48] Direct Testimony of John Wilde, at 8. The Company confirmed that the amounts cited by Mr. Wilde did not include the gross-up for income taxes in response to AG 1-31. I have attached a copy of this response as my Exhibit___(LK-17).

[49] Response to Staff 2-66. I have attached a copy of this response as my Exhibit___(LK-18).

A. I estimate a reduction of $0.985 million in the revenue requirement, including the gross-up for income taxes, subject to refinement by the Company after it has completed the revisions to its software. I calculated this amount based on the estimated average remaining life of the Company's utility plant in service as a proxy for the ARAM.

**Q. What is your recommendation for the amortization period for the federal unprotected excess ADIT?**

A. I recommend that the Commission use an amortization period of three years. This is consistent with the Company's proposed amortization period for rate case expenses.

**Q. What is the effect of your recommendation for the amortization of the federal unprotected excess ADIT?**

A. The effect is a reduction in the revenue requirement of $2.809 million, consisting of $187 million for the unprotected excess ADIT due to the repair allowance temporary difference and $0.622 million for all other unprotected excess ADIT due to other temporary differences.

### H. Income Tax Expense Should Be Reduced to Reflect Amortization of State Excess ADIT

**Q. Is there also state excess ADIT as a result of the reduction in Kentucky state income tax rates from 6% to 5% effective on January 1, 2018?**

A. Yes. The Company estimates it to be $1.411 million, including the gross-up for income taxes.[50]

**Q. Is there any distinction for state excess ADIT between protected and unprotected?**

A. No. That distinction is for federal income tax purposes only.

**Q. Did the Company reflect any amortization of the state excess ADIT in due to the reduction in the state income tax rate?**

A. No.

**Q. Does the Company claim that it cannot accurately calculate the amortization expense or that it must await the completion of the revisions to its fixed asset software?**

A. No.

**Q. What is your recommendation?**

[50] Response to Staff 2-68. I have attached a copy of this response as my Exhibit___(LK-19).

A. I recommend that the Commission include the negative amortization expense necessary to refund the state excess ADIT in the revenue requirement in this proceeding.

**Q. What is your recommendation for the amortization period for the state excess ADIT?**

A. I recommend that the Commission use an amortization period of three years. This is consistent with the Company's proposed amortization period for rate case expenses.

**Q. What is the effect of your recommendation to amortize the state excess ADIT over three years?**

A. The effect is a reduction of $0.475 million in the revenue requirement.

## I. Rate Case Expense Should Be Reduced

**Q. Describe the Company's request for recovery of estimated rate case expenses for this proceeding.**

A. The Company estimates that it will incur $1.231 million in rate case expenses in this proceeding and seeks recovery of $0.410 million in annual amortization expense based on a three-year amortization period. The estimate includes $0.312 million for internal labor support services.

**Q. How does the Company's request compare to the rate case expenses in the prior base rate case proceeding?**

A. The Company's request is substantially more than the $0.884 million requested Case No. 2015-00418, the Company last base rate case proceeding, or an increase of 39%.

**Q. Is the Company's request reasonable?**

A. No. It is excessive for several reasons. First, it is excessive due to the significant increase in estimated expenses compared to the case only three years ago. Second, it is excessive compared to the size of the requested increase. Third, it is excessive because it includes internal labor costs, which generally are not requested because the costs are not incremental.

**Q. Do other Kentucky utilities include internal labor expense, other than incremental overtime expense, in their rate case expenses?**

A. No. In their pending base rate cases, Case Nos. 2018-00294 and 2018-00295, respectively, KU and LG&E included legal, consultants, and newspaper advertising, but no internal labor expense.[51]

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[51] I have attached the relevant page from the KU and LG&E filings showing their estimated rate case expenses as my Exhibit___(LK-20).

In its most recent base rate case, Case No. 2017-00179, KPC included legal, other professional services, publication notices and correspondence, overtime, and out of pocket expenses, but no internal labor expense.[52]

In its most recent electric and gas base rate cases, Case Nos. 2017-00321 and 2018-00261, respectively, Duke included legal, depreciation study, demolition study, rate of return study, legal notice, transportation, lodging, meals, and miscellaneous, but no internal labor expense.[53]

In its most recent base rate case, Case No. 2018-00281, Atmos included consulting, legal, employee expenses, and miscellaneous (printing, advertising, etc.), but no internal labor expense.[54]

**Q. What is your recommendation?**

A. I recommend that the Commission remove the $0.312 million related to internal labor support services expense from the deferred rate case expenses total. The Company's request is not justified and is inconsistent with the exclusion of internal labor costs by other utilities seeking recovery of rate case expenses in recent base rate case proceedings.

[52] I have attached the relevant page from the KPC filing showing its estimated rate case expenses as my Exhibit___(LK-21).
[53] I have attached the relevant page from the Duke filings showing the estimate rate case expenses as my Exhibit___(LK-22).
[54] I have attached the relevant page from the Atmos filing showing the estimate rate case expenses as my Exhibit___(LK-23).

**Q. What is the effect of your recommendation?**

A. The effect is a reduction of $0.105 million in the revenue requirement, consisting of a reduction $0.104 million in amortization expense and a reduction of $0.001 million in the related bad debt and PSC assessment expense.

**<u>J. 15% Water Loss</u>**

**Q. What is the Company's percentage of unaccounted-for water?**

A. The Company's test-year forecasted unaccounted for water is 19.37%. The Company's 2018 unaccounted-for water was 19.95%.[55]

**Q. Is this in excess of the 15% permitted by the Commission for ratemaking purposes?**

A. Yes. 807 KAR 5:066 Section 6(3) states, "for rate making purposes a utility's unaccounted-for water loss shall not exceed fifteen (15) percent of total water produced and purchased, excluding water used by a utility in its own operations."

**Q. Did the Company make an adjustment to reflect its excess unaccounted-for water?**

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55 Response to AG 2-39.

A. No. When asked in discovery whether the Company included an offset to reflect the excess unaccounted-for water, it stated, "[Kentucky-American] has not included an offset for unaccounted-for water in excess of 15%."[56]

**Q. Did you reflect an adjustment for the Company's excess unaccounted-for water?**

A. I did not. Nevertheless, the Commission should determine the amount of cost reflected in customers' rates related to the excess unaccounted-for water and make an adjustment accordingly.

## IV. RATE OF RETURN ISSUES

### <u>A. Cost of Short Term Debt Is Excessive</u>

**Q. Describe the forecast cost of short-term debt proposed by the Company in its filing.**

A. The Company proposes a short-term debt cost of 3.274%. This cost was based on

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[56] Response to AG 2-38.

projections of the one-month LIBOR rate "taken from Bloomberg on October 5, 2018, with the addition of a spread of 0.19."[57]

**Q. Is the Company's forecast cost of 3.274% reasonable?**

A. No. This forecast cost is overstated and no longer is consistent with the present one-month LIBOR rates. The Company's forecast cost assumes that the one-month LIBOR rate will continue to increase throughout the test year. However, this is an assumption that cannot be determined with any level of certainty. In fact, the present evidence is to the contrary.

More specifically, the present one-month LIBOR rate is 2.49%.[58] The present rate is a far better indicator for the test year than outdated forecasts developed five or more months ago.

I also would note, that in late January, the Federal Reserve voted to maintain short term rates on required and excess reserve balances at 1.50% in accordance with a policy objective to maintain the federal funds rate within a target range of 1.25% to 1.50%.[59]

There no longer appears to be any consensus that short-term rates will change significantly, up or down, over the next twelve months.

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[57] Response to AG 1-54. I have attached a copy of this response as my Exhibit___(LK-24).
[58] *The Wall Street Journal* dated March 11, 2019.
[59] *https://www.federalreserve.gov/newsevents/pressreleases/monetary20180131a1.htm*.

**Q. What is your recommendation?**

A. I recommend that the Commission use a short-term debt cost of 2.68%. This cost consists of the present one-month LIBOR rate of 2.49% plus 0.19% for the credit spread.

**Q. What is the effect of your recommendation?**

A. The effect is a reduction in the revenue requirement of $0.043 million. I calculated this effect using the rate base after the foregoing recommended adjustments.

## **B. Cost of Long Term Debt Is Excessive**

**Q. Describe the long-term debt rate proposed by the Company in its filing for the financing it plans to issue in May 2019.**

A. The Company plans to issue $16 million in new 30-year term long-term debt in May 2019. The new debt will be in the form of a note payable to American Water Capital Corp. ("AWCC") for KAW's share of larger offering by AWCC. KAW forecast the cost of this new debt at 4.55%. The Company calculated this cost based on a forecast 3.43% yield for 30-year U.S. Treasury debt plus a 1.12% "credit spread" over the cost of 30-year U.S. Treasury debt. For the forecast yield, the Company relied on Bloomberg's forward yield curve on October 18, 2018. For the credit spread, the

Company relied on the actual credit spread from a similar AWCC debt issue in August 2018.[60]

**Q. Is the 3.43% forecast yield for the 30-year U.S. Treasury debt reasonable?**

A. No. The 30-year U.S. Treasury yield is presently 3.1%.[61] That was also the same rate as of January 11, 2019, as confirmed by the Company in discovery,[62] when the Company updated its calculation of the new issue interest rate to be 4.22%.

**Q. What is your recommendation?**

A. I recommend that the Commission use a cost of 4.22% for the forecast new debt issue, based on the present 3.1% yield 30-year U.S. Treasury debt plus the Company's proposed credit spread of 1.12%.

**Q. What is the effect of your recommendation?**

A. The effect is a reduction of $0.043 million in the Company's base revenue requirement. I calculated this effect using the rate base after the foregoing recommended adjustments.

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[60] Direct Testimony of Scott W. Rungren at 7-8.

[61] As depicted on the Bloomberg website on March 5, 2019. *https://www.bloomberg.com/markets/rates-bonds/government-bonds/us.*

[62] Company's response to Staff 2-93. I have attached a copy of this response as my Exhibit___(LK-25).

**C. Quantification of Recommendation for the Return on Equity**

**Q. Have you quantified the effect of Mr. Baudino's recommendation for the return on common equity?**

A. Yes. The Company proposes a return on equity of 10.8%. Mr. Baudino recommends a return on equity of 9.15%. The lower return on equity reduces the Company's revenue requirement by $4.599 million. This reduction in the revenue requirement is incremental to the reductions in the revenue requirement from the lower forecast costs of short-term debt and long-term debt that I recommend. I calculated this effect using the rate base after the foregoing recommended adjustments.[63]

**Q. What is the effect of each 1.0% in the return on equity?**

A. Each 1.0 percent in the return on equity in either direction either reduces or increases the revenue requirement by $2.787 million. This includes the effects of the gross-ups for income tax expense, bad debt expense, and PSC assessment expense.

**Q. Does this complete your testimony?**

A. Yes.

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[63]*Id.*

**BEFORE THE**

**PUBLIC SERVICE COMMISSION OF THE**

**COMMONWEALTH OF KENTUCKY**

| | | | |
|---|---|---|---|
| **IN RE:** | **ELECTRONIC APPLICATION OF** | **)** | |
| | **KENTUCKY-AMERICAN WATER** | **)** | **CASE NO. 2018-00358** |
| | **COMPANY FOR AN ADJUSTMENT** | **)** | |
| | **OF RATES** | **)** | |

**EXHIBITS**

**OF**

**LANE KOLLEN**

**ON BEHALF OF**

**THE OFFICE OF THE ATTORNEY GENERAL**
**&**
**LEXINGTON-FAYETTE UBRAN COUNTY GOVERNMENT**

**J. Kennedy and Associates, Inc.**
**570 Colonial Park Drive, Suite 305**
**Roswell, GA 30075**

**MARCH 15, 2019**

**AFFIDAVIT**

STATE OF GEORGIA )

COUNTY OF FULTON )

LANE KOLLEN, being duly sworn, deposes and states: that the attached is his sworn testimony and that the statements contained are true and correct to the best of his knowledge, information and belief.

Lane Kollen

Sworn to and subscribed before me on this
15th day of March 2019.

Notary Public

RANDY A. FUTRAL
MY COMMISSION EXPIRES
NOTARY
PUBLIC
AUGUST 26, 2020
COBB COUNTY, GEORGIA

**EXHIBIT ____ (LK-1)**

# RESUME OF LANE KOLLEN, VICE PRESIDENT

## EDUCATION

**University of Toledo, BBA**
Accounting

**University of Toledo, MBA**

**Luther Rice University, MA**

## PROFESSIONAL CERTIFICATIONS

**Certified Public Accountant (CPA)**

**Certified Management Accountant (CMA)**

## PROFESSIONAL AFFILIATIONS

**American Institute of Certified Public Accountants**

**Georgia Society of Certified Public Accountants**

**Institute of Management Accountants**

Mr. Kollen has more than thirty years of utility industry experience in the financial, rate, tax, and planning areas. He specializes in revenue requirements analyses, taxes, evaluation of rate and financial impacts of traditional and nontraditional ratemaking, utility mergers/acquisition and diversification. Mr. Kollen has expertise in proprietary and nonproprietary software systems used by utilities for budgeting, rate case support and strategic and financial planning.

**RESUME OF LANE KOLLEN, VICE PRESIDENT**

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**EXPERIENCE**

**1986 to Present:** **J. Kennedy and Associates, Inc.:** Vice President and Principal. Responsible for utility stranded cost analysis, revenue requirements analysis, cash flow projections and solvency, financial and cash effects of traditional and nontraditional ratemaking, and research, speaking and writing on the effects of tax law changes. Testimony before Connecticut, Florida, Georgia, Indiana, Louisiana, Kentucky, Maine, Maryland, Minnesota, New York, North Carolina, Ohio, Pennsylvania, Tennessee, Texas, West Virginia and Wisconsin state regulatory commissions and the Federal Energy Regulatory Commission.

**1983 to 1986:** **Energy Management Associates:** Lead Consultant.
Consulting in the areas of strategic and financial planning, traditional and nontraditional ratemaking, rate case support and testimony, diversification and generation expansion planning. Directed consulting and software development projects utilizing PROSCREEN II and ACUMEN proprietary software products. Utilized ACUMEN detailed corporate simulation system, PROSCREEN II strategic planning system and other custom developed software to support utility rate case filings including test year revenue requirements, rate base, operating income and pro-forma adjustments. Also utilized these software products for revenue simulation, budget preparation and cost-of-service analyses.

**1976 to 1983:** **The Toledo Edison Company:** Planning Supervisor.
Responsible for financial planning activities including generation expansion planning, capital and expense budgeting, evaluation of tax law changes, rate case strategy and support and computerized financial modeling using proprietary and nonproprietary software products. Directed the modeling and evaluation of planning alternatives including:

Rate phase-ins.
Construction project cancellations and write-offs.
Construction project delays.
Capacity swaps.
Financing alternatives.
Competitive pricing for off-system sales.
Sale/leasebacks.

## CLIENTS SERVED

### Industrial Companies and Groups

Air Products and Chemicals, Inc.
Airco Industrial Gases
Alcan Aluminum
Armco Advanced Materials Co.
Armco Steel
Bethlehem Steel
CF&I Steel, L.P.
Climax Molybdenum Company
Connecticut Industrial Energy Consumers
ELCON
Enron Gas Pipeline Company
Florida Industrial Power Users Group
Gallatin Steel
General Electric Company
GPU Industrial Intervenors
Indiana Industrial Group
Industrial Consumers for
Fair Utility Rates - Indiana
Industrial Energy Consumers - Ohio
Kentucky Industrial Utility Customers, Inc.
Kimberly-Clark Company
Lehigh Valley Power Committee
Maryland Industrial Group
Multiple Intervenors (New York)
National Southwire
North Carolina Industrial
Energy Consumers
Occidental Chemical Corporation
Ohio Energy Group
Ohio Industrial Energy Consumers
Ohio Manufacturers Association
Philadelphia Area Industrial Energy
Users Group
PSI Industrial Group
Smith Cogeneration
Taconite Intervenors (Minnesota)
West Penn Power Industrial Intervenors
West Virginia Energy Users Group
Westvaco Corporation

### Regulatory Commissions and Government Agencies

Cities in Texas-New Mexico Power Company's Service Territory
Cities in AEP Texas Central Company's Service Territory
Cities in AEP Texas North Company's Service Territory
Georgia Public Service Commission Staff
Kentucky Attorney General's Office, Division of Consumer Protection
Louisiana Public Service Commission Staff
Maine Office of Public Advocate
New York State Energy Office
Office of Public Utility Counsel (Texas)

**Utilities**

Allegheny Power System
Atlantic City Electric Company
Carolina Power & Light Company
Cleveland Electric Illuminating Company
Delmarva Power & Light Company
Duquesne Light Company
General Public Utilities
Georgia Power Company
Middle South Services
Nevada Power Company
Niagara Mohawk Power Corporation
Otter Tail Power Company
Pacific Gas & Electric Company
Public Service Electric & Gas
Public Service of Oklahoma
Rochester Gas and Electric
Savannah Electric & Power Company
Seminole Electric Cooperative
Southern California Edison
Talquin Electric Cooperative
Tampa Electric
Texas Utilities
Toledo Edison Company

**Expert Testimony Appearances
of
Lane Kollen
As of March 2019**

| Date | Case | Jurisdict. | Party | Utility | Subject |
|---|---|---|---|---|---|
| 10/86 | U-17282 Interim | LA | Louisiana Public Service Commission Staff | Gulf States Utilities | Cash revenue requirements financial solvency. |
| 11/86 | U-17282 Interim Rebuttal | LA | Louisiana Public Service Commission Staff | Gulf States Utilities | Cash revenue requirements financial solvency. |
| 12/86 | 9613 | KY | Attorney General Div. of Consumer Protection | Big Rivers Electric Corp. | Revenue requirements accounting adjustments financial workout plan. |
| 1/87 | U-17282 Interim | LA 19th Judicial District Ct. | Louisiana Public Service Commission Staff | Gulf States Utilities | Cash revenue requirements, financial solvency. |
| 3/87 | General Order 236 | WV | West Virginia Energy Users' Group | Monongahela Power Co. | Tax Reform Act of 1986. |
| 4/87 | U-17282 Prudence | LA | Louisiana Public Service Commission Staff | Gulf States Utilities | Prudence of River Bend 1, economic analyses, cancellation studies. |
| 4/87 | M-100 Sub 113 | NC | North Carolina Industrial Energy Consumers | Duke Power Co. | Tax Reform Act of 1986. |
| 5/87 | 86-524-E-SC | WV | West Virginia Energy Users' Group | Monongahela Power Co. | Revenue requirements, Tax Reform Act of 1986. |
| 5/87 | U-17282 Case In Chief | LA | Louisiana Public Service Commission Staff | Gulf States Utilities | Revenue requirements, River Bend 1 phase-in plan, financial solvency. |
| 7/87 | U-17282 Case In Chief Surrebuttal | LA | Louisiana Public Service Commission Staff | Gulf States Utilities | Revenue requirements, River Bend 1 phase-in plan, financial solvency. |
| 7/87 | U-17282 Prudence Surrebuttal | LA | Louisiana Public Service Commission Staff | Gulf States Utilities | Prudence of River Bend 1, economic analyses, cancellation studies. |
| 7/87 | 86-524 E-SC Rebuttal | WV | West Virginia Energy Users' Group | Monongahela Power Co. | Revenue requirements, Tax Reform Act of 1986. |
| 8/87 | 9885 | KY | Attorney General Div. of Consumer Protection | Big Rivers Electric Corp. | Financial workout plan. |
| 8/87 | E-015/GR-87-223 | MN | Taconite Intervenors | Minnesota Power & Light Co. | Revenue requirements, O&M expense, Tax Reform Act of 1986. |
| 10/87 | 870220-EI | FL | Occidental Chemical Corp. | Florida Power Corp. | Revenue requirements, O&M expense, Tax Reform Act of 1986. |
| 11/87 | 87-07-01 | CT | Connecticut Industrial Energy Consumers | Connecticut Light & Power Co. | Tax Reform Act of 1986. |
| 1/88 | U-17282 | LA 19th Judicial District Ct. | Louisiana Public Service Commission | Gulf States Utilities | Revenue requirements, River Bend 1 phase-in plan, rate of return. |
| 2/88 | 9934 | KY | Kentucky Industrial Utility Customers | Louisville Gas & Electric Co. | Economics of Trimble County, completion. |

**Expert Testimony Appearances**
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**As of March 2019**

| Date | Case | Jurisdict. | Party | Utility | Subject |
|---|---|---|---|---|---|
| 2/88 | 10064 | KY | Kentucky Industrial Utility Customers | Louisville Gas & Electric Co. | Revenue requirements, O&M expense, capital structure, excess deferred income taxes. |
| 5/88 | 10217 | KY | Alcan Aluminum National Southwire | Big Rivers Electric Corp. | Financial workout plan. |
| 5/88 | M-87017-1C001 | PA | GPU Industrial Intervenors | Metropolitan Edison Co. | Nonutility generator deferred cost recovery. |
| 5/88 | M-87017-2C005 | PA | GPU Industrial Intervenors | Pennsylvania Electric Co. | Nonutility generator deferred cost recovery. |
| 6/88 | U-17282 | LA 19th Judicial District Ct. | Louisiana Public Service Commission | Gulf States Utilities | Prudence of River Bend 1 economic analyses, cancellation studies, financial modeling. |
| 7/88 | M-87017-1C001 Rebuttal | PA | GPU Industrial Intervenors | Metropolitan Edison Co. | Nonutility generator deferred cost recovery, SFAS No. 92. |
| 7/88 | M-87017-2C005 Rebuttal | PA | GPU Industrial Intervenors | Pennsylvania Electric Co. | Nonutility generator deferred cost recovery, SFAS No. 92. |
| 9/88 | 88-05-25 | CT | Connecticut Industrial Energy Consumers | Connecticut Light & Power Co. | Excess deferred taxes, O&M expenses. |
| 9/88 | 10064 Rehearing | KY | Kentucky Industrial Utility Customers | Louisville Gas & Electric Co. | Premature retirements, interest expense. |
| 10/88 | 88-170-EL-AIR | OH | Ohio Industrial Energy Consumers | Cleveland Electric Illuminating Co. | Revenue requirements, phase-in, excess deferred taxes, O&M expenses, financial considerations, working capital. |
| 10/88 | 88-171-EL-AIR | OH | Ohio Industrial Energy Consumers | Toledo Edison Co. | Revenue requirements, phase-in, excess deferred taxes, O&M expenses, financial considerations, working capital. |
| 10/88 | 8800-355-EI | FL | Florida Industrial Power Users' Group | Florida Power & Light Co. | Tax Reform Act of 1986, tax expenses, O&M expenses, pension expense (SFAS No. 87). |
| 10/88 | 3780-U | GA | Georgia Public Service Commission Staff | Atlanta Gas Light Co. | Pension expense (SFAS No. 87). |
| 11/88 | U-17282 Remand | LA | Louisiana Public Service Commission Staff | Gulf States Utilities | Rate base exclusion plan (SFAS No. 71). |
| 12/88 | U-17970 | LA | Louisiana Public Service Commission Staff | AT&T Communications of South Central States | Pension expense (SFAS No. 87). |
| 12/88 | U-17949 Rebuttal | LA | Louisiana Public Service Commission Staff | South Central Bell | Compensated absences (SFAS No. 43), pension expense (SFAS No. 87), Part 32, income tax normalization. |
| 2/89 | U-17282 Phase II | LA | Louisiana Public Service Commission Staff | Gulf States Utilities | Revenue requirements, phase-in of River Bend 1, recovery of canceled plant. |

**Expert Testimony Appearances**
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| Date | Case | Jurisdict. | Party | Utility | Subject |
|---|---|---|---|---|---|
| 6/89 | 881602-EU<br>890326-EU | FL | Talquin Electric Cooperative | Talquin/City of Tallahassee | Economic analyses, incremental cost-of-service, average customer rates. |
| 7/89 | U-17970 | LA | Louisiana Public Service Commission Staff | AT&T Communications of South Central States | Pension expense (SFAS No. 87), compensated absences (SFAS No. 43), Part 32. |
| 8/89 | 8555 | TX | Occidental Chemical Corp. | Houston Lighting & Power Co. | Cancellation cost recovery, tax expense, revenue requirements. |
| 8/89 | 3840-U | GA | Georgia Public Service Commission Staff | Georgia Power Co. | Promotional practices, advertising, economic development. |
| 9/89 | U-17282<br>Phase II<br>Detailed | LA | Louisiana Public Service Commission Staff | Gulf States Utilities | Revenue requirements, detailed investigation. |
| 10/89 | 8880 | TX | Enron Gas Pipeline | Texas-New Mexico Power Co. | Deferred accounting treatment, sale/leaseback. |
| 10/89 | 8928 | TX | Enron Gas Pipeline | Texas-New Mexico Power Co. | Revenue requirements, imputed capital structure, cash working capital. |
| 10/89 | R-891364 | PA | Philadelphia Area Industrial Energy Users Group | Philadelphia Electric Co. | Revenue requirements. |
| 11/89<br>12/89 | R-891364<br>Surrebuttal<br>(2 Filings) | PA | Philadelphia Area Industrial Energy Users Group | Philadelphia Electric Co. | Revenue requirements, sale/leaseback. |
| 1/90 | U-17282<br>Phase II<br>Detailed<br>Rebuttal | LA | Louisiana Public Service Commission Staff | Gulf States Utilities | Revenue requirements, detailed investigation. |
| 1/90 | U-17282<br>Phase III | LA | Louisiana Public Service Commission Staff | Gulf States Utilities | Phase-in of River Bend 1, deregulated asset plan. |
| 3/90 | 890319-EI | FL | Florida Industrial Power Users Group | Florida Power & Light Co. | O&M expenses, Tax Reform Act of 1986. |
| 4/90 | 890319-EI<br>Rebuttal | FL | Florida Industrial Power Users Group | Florida Power & Light Co. | O&M expenses, Tax Reform Act of 1986. |
| 4/90 | U-17282 | LA<br>19th Judicial District Ct. | Louisiana Public Service Commission | Gulf States Utilities | Fuel clause, gain on sale of utility assets. |
| 9/90 | 90-158 | KY | Kentucky Industrial Utility Customers | Louisville Gas & Electric Co. | Revenue requirements, post-test year additions, forecasted test year. |
| 12/90 | U-17282<br>Phase IV | LA | Louisiana Public Service Commission Staff | Gulf States Utilities | Revenue requirements. |
| 3/91 | 29327, et. al. | NY | Multiple Intervenors | Niagara Mohawk Power Corp. | Incentive regulation. |

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**As of March 2019**

| Date | Case | Jurisdict. | Party | Utility | Subject |
|---|---|---|---|---|---|
| 5/91 | 9945 | TX | Office of Public Utility Counsel of Texas | El Paso Electric Co. | Financial modeling, economic analyses, prudence of Palo Verde 3. |
| 9/91 | P-910511 P-910512 | PA | Allegheny Ludlum Corp., Armco Advanced Materials Co., The West Penn Power Industrial Users' Group | West Penn Power Co. | Recovery of CAAA costs, least cost financing. |
| 9/91 | 91-231-E-NC | WV | West Virginia Energy Users Group | Monongahela Power Co. | Recovery of CAAA costs, least cost financing. |
| 11/91 | U-17282 | LA | Louisiana Public Service Commission Staff | Gulf States Utilities | Asset impairment, deregulated asset plan, revenue requirements. |
| 12/91 | 91-410-EL-AIR | OH | Air Products and Chemicals, Inc., Armco Steel Co., General Electric Co., Industrial Energy Consumers | Cincinnati Gas & Electric Co. | Revenue requirements, phase-in plan. |
| 12/91 | PUC Docket 10200 | TX | Office of Public Utility Counsel of Texas | Texas-New Mexico Power Co. | Financial integrity, strategic planning, declined business affiliations. |
| 5/92 | 910890-EI | FL | Occidental Chemical Corp. | Florida Power Corp. | Revenue requirements, O&M expense, pension expense, OPEB expense, fossil dismantling, nuclear decommissioning. |
| 8/92 | R-00922314 | PA | GPU Industrial Intervenors | Metropolitan Edison Co. | Incentive regulation, performance rewards, purchased power risk, OPEB expense. |
| 9/92 | 92-043 | KY | Kentucky Industrial Utility Consumers | Generic Proceeding | OPEB expense. |
| 9/92 | 920324-EI | FL | Florida Industrial Power Users' Group | Tampa Electric Co. | OPEB expense. |
| 9/92 | 39348 | IN | Indiana Industrial Group | Generic Proceeding | OPEB expense. |
| 9/92 | 910840-PU | FL | Florida Industrial Power Users' Group | Generic Proceeding | OPEB expense. |
| 9/92 | 39314 | IN | Industrial Consumers for Fair Utility Rates | Indiana Michigan Power Co. | OPEB expense. |
| 11/92 | U-19904 | LA | Louisiana Public Service Commission Staff | Gulf States Utilities /Entergy Corp. | Merger. |
| 11/92 | 8469 | MD | Westvaco Corp., Eastalco Aluminum Co. | Potomac Edison Co. | OPEB expense. |
| 11/92 | 92-1715-AU-COI | OH | Ohio Manufacturers Association | Generic Proceeding | OPEB expense. |
| 12/92 | R-00922378 | PA | Armco Advanced Materials Co., The WPP Industrial Intervenors | West Penn Power Co. | Incentive regulation, performance rewards, purchased power risk, OPEB expense. |

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| Date | Case | Jurisdict. | Party | Utility | Subject |
|---|---|---|---|---|---|
| 12/92 | U-19949 | LA | Louisiana Public Service Commission Staff | South Central Bell | Affiliate transactions, cost allocations, merger. |
| 12/92 | R-00922479 | PA | Philadelphia Area Industrial Energy Users' Group | Philadelphia Electric Co. | OPEB expense. |
| 1/93 | 8487 | MD | Maryland Industrial Group | Baltimore Gas & Electric Co., Bethlehem Steel Corp. | OPEB expense, deferred fuel, CWIP in rate base. |
| 1/93 | 39498 | IN | PSI Industrial Group | PSI Energy, Inc. | Refunds due to over-collection of taxes on Marble Hill cancellation. |
| 3/93 | 92-11-11 | CT | Connecticut Industrial Energy Consumers | Connecticut Light & Power Co | OPEB expense. |
| 3/93 | U-19904 (Surrebuttal) | LA | Louisiana Public Service Commission Staff | Gulf States Utilities /Entergy Corp. | Merger. |
| 3/93 | 93-01-EL-EFC | OH | Ohio Industrial Energy Consumers | Ohio Power Co. | Affiliate transactions, fuel. |
| 3/93 | EC92-21000 ER92-806-000 | FERC | Louisiana Public Service Commission Staff | Gulf States Utilities /Entergy Corp. | Merger. |
| 4/93 | 92-1464-EL-AIR | OH | Air Products Armco Steel Industrial Energy Consumers | Cincinnati Gas & Electric Co. | Revenue requirements, phase-in plan. |
| 4/93 | EC92-21000 ER92-806-000 (Rebuttal) | FERC | Louisiana Public Service Commission | Gulf States Utilities /Entergy Corp. | Merger. |
| 9/93 | 93-113 | KY | Kentucky Industrial Utility Customers | Kentucky Utilities | Fuel clause and coal contract refund. |
| 9/93 | 92-490, 92-490A, 90-360-C | KY | Kentucky Industrial Utility Customers and Kentucky Attorney General | Big Rivers Electric Corp. | Disallowances and restitution for excessive fuel costs, illegal and improper payments, recovery of mine closure costs. |
| 10/93 | U-17735 | LA | Louisiana Public Service Commission Staff | Cajun Electric Power Cooperative | Revenue requirements, debt restructuring agreement, River Bend cost recovery. |
| 1/94 | U-20647 | LA | Louisiana Public Service Commission Staff | Gulf States Utilities Co. | Audit and investigation into fuel clause costs. |
| 4/94 | U-20647 (Surrebuttal) | LA | Louisiana Public Service Commission Staff | Gulf States Utilities Co. | Nuclear and fossil unit performance, fuel costs, fuel clause principles and guidelines. |
| 4/94 | U-20647 (Supplemental Surrebuttal) | LA | Louisiana Public Service Commission Staff | Gulf States Utilities Co. | Audit and investigation into fuel clause costs. |
| 5/94 | U-20178 | LA | Louisiana Public Service Commission Staff | Louisiana Power & Light Co. | Planning and quantification issues of least cost integrated resource plan. |

**Expert Testimony Appearances
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As of March 2019**

| Date | Case | Jurisdict. | Party | Utility | Subject |
|---|---|---|---|---|---|
| 9/94 | U-19904 Initial Post-Merger Earnings Review | LA | Louisiana Public Service Commission Staff | Gulf States Utilities Co. | River Bend phase-in plan, deregulated asset plan, capital structure, other revenue requirement issues. |
| 9/94 | U-17735 | LA | Louisiana Public Service Commission Staff | Cajun Electric Power Cooperative | G&T cooperative ratemaking policies, exclusion of River Bend, other revenue requirement issues. |
| 10/94 | 3905-U | GA | Georgia Public Service Commission Staff | Southern Bell Telephone Co. | Incentive rate plan, earnings review. |
| 10/94 | 5258-U | GA | Georgia Public Service Commission Staff | Southern Bell Telephone Co. | Alternative regulation, cost allocation. |
| 11/94 | U-19904 Initial Post-Merger Earnings Review (Surrebuttal) | LA | Louisiana Public Service Commission Staff | Gulf States Utilities Co. | River Bend phase-in plan, deregulated asset plan, capital structure, other revenue requirement issues. |
| 11/94 | U-17735 (Rebuttal) | LA | Louisiana Public Service Commission Staff | Cajun Electric Power Cooperative | G&T cooperative ratemaking policy, exclusion of River Bend, other revenue requirement issues. |
| 4/95 | R-00943271 | PA | PP&L Industrial Customer Alliance | Pennsylvania Power & Light Co. | Revenue requirements. Fossil dismantling, nuclear decommissioning. |
| 6/95 | 3905-U Rebuttal | GA | Georgia Public Service Commission | Southern Bell Telephone Co. | Incentive regulation, affiliate transactions, revenue requirements, rate refund. |
| 6/95 | U-19904 (Direct) | LA | Louisiana Public Service Commission Staff | Gulf States Utilities Co. | Gas, coal, nuclear fuel costs, contract prudence, base/fuel realignment. |
| 10/95 | 95-02614 | TN | Tennessee Office of the Attorney General Consumer Advocate | BellSouth Telecommunications, Inc. | Affiliate transactions. |
| 10/95 | U-21485 (Direct) | LA | Louisiana Public Service Commission Staff | Gulf States Utilities Co. | Nuclear O&M, River Bend phase-in plan, base/fuel realignment, NOL and AltMin asset deferred taxes, other revenue requirement issues. |
| 11/95 | U-19904 (Surrebuttal) | LA | Louisiana Public Service Commission Staff | Gulf States Utilities Co. Division | Gas, coal, nuclear fuel costs, contract prudence, base/fuel realignment. |
| 11/95<br>12/95 | U-21485 (Supplemental Direct)<br>U-21485 (Surrebuttal) | LA | Louisiana Public Service Commission Staff | Gulf States Utilities Co. | Nuclear O&M, River Bend phase-in plan, base/fuel realignment, NOL and AltMin asset deferred taxes, other revenue requirement issues. |
| 1/96 | 95-299-EL-AIR 95-300-EL-AIR | OH | Industrial Energy Consumers | The Toledo Edison Co., The Cleveland Electric Illuminating Co. | Competition, asset write-offs and revaluation, O&M expense, other revenue requirement issues. |
| 2/96 | PUC Docket 14965 | TX | Office of Public Utility Counsel | Central Power & Light | Nuclear decommissioning. |
| 5/96 | 95-485-LCS | NM | City of Las Cruces | El Paso Electric Co. | Stranded cost recovery, municipalization. |

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| Date | Case | Jurisdict. | Party | Utility | Subject |
|---|---|---|---|---|---|
| 7/96 | 8725 | MD | The Maryland Industrial Group and Redland Genstar, Inc. | Baltimore Gas & Electric Co., Potomac Electric Power Co., and Constellation Energy Corp. | Merger savings, tracking mechanism, earnings sharing plan, revenue requirement issues. |
| 9/96<br>11/96 | U-22092<br>U-22092<br>(Surrebuttal) | LA | Louisiana Public Service Commission Staff | Entergy Gulf States, Inc. | River Bend phase-in plan, base/fuel realignment, NOL and AltMin asset deferred taxes, other revenue requirement issues, allocation of regulated/nonregulated costs. |
| 10/96 | 96-327 | KY | Kentucky Industrial Utility Customers, Inc. | Big Rivers Electric Corp. | Environmental surcharge recoverable costs. |
| 2/97 | R-00973877 | PA | Philadelphia Area Industrial Energy Users Group | PECO Energy Co. | Stranded cost recovery, regulatory assets and liabilities, intangible transition charge, revenue requirements. |
| 3/97 | 96-489 | KY | Kentucky Industrial Utility Customers, Inc. | Kentucky Power Co. | Environmental surcharge recoverable costs, system agreements, allowance inventory, jurisdictional allocation. |
| 6/97 | TO-97-397 | MO | MCI Telecommunications Corp., Inc., MCImetro Access Transmission Services, Inc. | Southwestern Bell Telephone Co. | Price cap regulation, revenue requirements, rate of return. |
| 6/97 | R-00973953 | PA | Philadelphia Area Industrial Energy Users Group | PECO Energy Co. | Restructuring, deregulation, stranded costs, regulatory assets, liabilities, nuclear and fossil decommissioning. |
| 7/97 | R-00973954 | PA | PP&L Industrial Customer Alliance | Pennsylvania Power & Light Co. | Restructuring, deregulation, stranded costs, regulatory assets, liabilities, nuclear and fossil decommissioning. |
| 7/97 | U-22092 | LA | Louisiana Public Service Commission Staff | Entergy Gulf States, Inc. | Depreciation rates and methodologies, River Bend phase-in plan. |
| 8/97 | 97-300 | KY | Kentucky Industrial Utility Customers, Inc. | Louisville Gas & Electric Co., Kentucky Utilities Co. | Merger policy, cost savings, surcredit sharing mechanism, revenue requirements, rate of return. |
| 8/97 | R-00973954<br>(Surrebuttal) | PA | PP&L Industrial Customer Alliance | Pennsylvania Power & Light Co. | Restructuring, deregulation, stranded costs, regulatory assets, liabilities, nuclear and fossil decommissioning. |
| 10/97 | 97-204 | KY | Alcan Aluminum Corp. Southwire Co. | Big Rivers Electric Corp. | Restructuring, revenue requirements, reasonableness. |
| 10/97 | R-974008 | PA | Metropolitan Edison Industrial Users Group | Metropolitan Edison Co. | Restructuring, deregulation, stranded costs, regulatory assets, liabilities, nuclear and fossil decommissioning, revenue requirements. |
| 10/97 | R-974009 | PA | Penelec Industrial Customer Alliance | Pennsylvania Electric Co. | Restructuring, deregulation, stranded costs, regulatory assets, liabilities, nuclear and fossil decommissioning, revenue requirements. |

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| Date | Case | Jurisdict. | Party | Utility | Subject |
|---|---|---|---|---|---|
| 11/97 | 97-204 (Rebuttal) | KY | Alcan Aluminum Corp. Southwire Co. | Big Rivers Electric Corp. | Restructuring, revenue requirements, reasonableness of rates, cost allocation. |
| 11/97 | U-22491 | LA | Louisiana Public Service Commission Staff | Entergy Gulf States, Inc. | Allocation of regulated and nonregulated costs, other revenue requirement issues. |
| 11/97 | R-00973953 (Surrebuttal) | PA | Philadelphia Area Industrial Energy Users Group | PECO Energy Co. | Restructuring, deregulation, stranded costs, regulatory assets, liabilities, nuclear and fossil decommissioning. |
| 11/97 | R-973981 | PA | West Penn Power Industrial Intervenors | West Penn Power Co. | Restructuring, deregulation, stranded costs, regulatory assets, liabilities, fossil decommissioning, revenue requirements, securitization. |
| 11/97 | R-974104 | PA | Duquesne Industrial Intervenors | Duquesne Light Co. | Restructuring, deregulation, stranded costs, regulatory assets, liabilities, nuclear and fossil decommissioning, revenue requirements, securitization. |
| 12/97 | R-973981 (Surrebuttal) | PA | West Penn Power Industrial Intervenors | West Penn Power Co. | Restructuring, deregulation, stranded costs, regulatory assets, liabilities, fossil decommissioning, revenue requirements. |
| 12/97 | R-974104 (Surrebuttal) | PA | Duquesne Industrial Intervenors | Duquesne Light Co. | Restructuring, deregulation, stranded costs, regulatory assets, liabilities, nuclear and fossil decommissioning, revenue requirements, securitization. |
| 1/98 | U-22491 (Surrebuttal) | LA | Louisiana Public Service Commission Staff | Entergy Gulf States, Inc. | Allocation of regulated and nonregulated costs, other revenue requirement issues. |
| 2/98 | 8774 | MD | Westvaco | Potomac Edison Co. | Merger of Duquesne, AE, customer safeguards, savings sharing. |
| 3/98 | U-22092 (Allocated Stranded Cost Issues) | LA | Louisiana Public Service Commission Staff | Entergy Gulf States, Inc. | Restructuring, stranded costs, regulatory assets, securitization, regulatory mitigation. |
| 3/98 | 8390-U | GA | Georgia Natural Gas Group, Georgia Textile Manufacturers Assoc. | Atlanta Gas Light Co. | Restructuring, unbundling, stranded costs, incentive regulation, revenue requirements. |
| 3/98 | U-22092 (Allocated Stranded Cost Issues) (Surrebuttal) | LA | Louisiana Public Service Commission Staff | Entergy Gulf States, Inc. | Restructuring, stranded costs, regulatory assets, securitization, regulatory mitigation. |
| 3/98 | U-22491 (Supplemental Surrebuttal) | LA | Louisiana Public Service Commission Staff | Entergy Gulf States, Inc. | Allocation of regulated and nonregulated costs, other revenue requirement issues. |
| 10/98 | 97-596 | ME | Maine Office of the Public Advocate | Bangor Hydro-Electric Co. | Restructuring, unbundling, stranded costs, T&D revenue requirements. |

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| Date | Case | Jurisdict. | Party | Utility | Subject |
|---|---|---|---|---|---|
| 10/98 | 9355-U | GA | Georgia Public Service Commission Adversary Staff | Georgia Power Co. | Affiliate transactions. |
| 10/98 | U-17735 Rebuttal | LA | Louisiana Public Service Commission Staff | Cajun Electric Power Cooperative | G&T cooperative ratemaking policy, other revenue requirement issues. |
| 11/98 | U-23327 | LA | Louisiana Public Service Commission Staff | SWEPCO, CSW and AEP | Merger policy, savings sharing mechanism, affiliate transaction conditions. |
| 12/98 | U-23358 (Direct) | LA | Louisiana Public Service Commission Staff | Entergy Gulf States, Inc. | Allocation of regulated and nonregulated costs, tax issues, and other revenue requirement issues. |
| 12/98 | 98-577 | ME | Maine Office of Public Advocate | Maine Public Service Co. | Restructuring, unbundling, stranded cost, T&D revenue requirements. |
| 1/99 | 98-10-07 | CT | Connecticut Industrial Energy Consumers | United Illuminating Co. | Stranded costs, investment tax credits, accumulated deferred income taxes, excess deferred income taxes. |
| 3/99 | U-23358 (Surrebuttal) | LA | Louisiana Public Service Commission Staff | Entergy Gulf States, Inc. | Allocation of regulated and nonregulated costs, tax issues, and other revenue requirement issues. |
| 3/99 | 98-474 | KY | Kentucky Industrial Utility Customers, Inc. | Louisville Gas and Electric Co. | Revenue requirements, alternative forms of regulation. |
| 3/99 | 98-426 | KY | Kentucky Industrial Utility Customers, Inc. | Kentucky Utilities Co. | Revenue requirements, alternative forms of regulation. |
| 3/99 | 99-082 | KY | Kentucky Industrial Utility Customers, Inc. | Louisville Gas and Electric Co. | Revenue requirements. |
| 3/99 | 99-083 | KY | Kentucky Industrial Utility Customers, Inc. | Kentucky Utilities Co. | Revenue requirements. |
| 4/99 | U-23358 (Supplemental Surrebuttal) | LA | Louisiana Public Service Commission Staff | Entergy Gulf States, Inc. | Allocation of regulated and nonregulated costs, tax issues, and other revenue requirement issues. |
| 4/99 | 99-03-04 | CT | Connecticut Industrial Energy Consumers | United Illuminating Co. | Regulatory assets and liabilities, stranded costs, recovery mechanisms. |
| 4/99 | 99-02-05 | CT | Connecticut Industrial Utility Customers | Connecticut Light and Power Co. | Regulatory assets and liabilities, stranded costs, recovery mechanisms. |
| 5/99 | 98-426 99-082 (Additional Direct) | KY | Kentucky Industrial Utility Customers, Inc. | Louisville Gas and Electric Co. | Revenue requirements. |
| 5/99 | 98-474 99-083 (Additional Direct) | KY | Kentucky Industrial Utility Customers, Inc. | Kentucky Utilities Co. | Revenue requirements. |

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| Date | Case | Jurisdict. | Party | Utility | Subject |
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| 5/99 | 98-426 98-474 (Response to Amended Applications) | KY | Kentucky Industrial Utility Customers, Inc. | Louisville Gas and Electric Co., Kentucky Utilities Co. | Alternative regulation. |
| 6/99 | 97-596 | ME | Maine Office of Public Advocate | Bangor Hydro-Electric Co. | Request for accounting order regarding electric industry restructuring costs. |
| 7/99 | U-23358 | LA | Louisiana Public Service Commission Staff | Entergy Gulf States, Inc. | Affiliate transactions, cost allocations. |
| 7/99 | 99-03-35 | CT | Connecticut Industrial Energy Consumers | United Illuminating Co. | Stranded costs, regulatory assets, tax effects of asset divestiture. |
| 7/99 | U-23327 | LA | Louisiana Public Service Commission Staff | Southwestern Electric Power Co., Central and South West Corp, American Electric Power Co. | Merger Settlement and Stipulation. |
| 7/99 | 97-596 Surrebuttal | ME | Maine Office of Public Advocate | Bangor Hydro-Electric Co. | Restructuring, unbundling, stranded cost, T&D revenue requirements. |
| 7/99 | 98-0452-E-GI | WV | West Virginia Energy Users Group | Monongahela Power, Potomac Edison, Appalachian Power, Wheeling Power | Regulatory assets and liabilities. |
| 8/99 | 98-577 Surrebuttal | ME | Maine Office of Public Advocate | Maine Public Service Co. | Restructuring, unbundling, stranded costs, T&D revenue requirements. |
| 8/99 | 98-426 99-082 Rebuttal | KY | Kentucky Industrial Utility Customers, Inc. | Louisville Gas and Electric Co. | Revenue requirements. |
| 8/99 | 98-474 98-083 Rebuttal | KY | Kentucky Industrial Utility Customers, Inc. | Kentucky Utilities Co. | Revenue requirements. |
| 8/99 | 98-0452-E-GI Rebuttal | WV | West Virginia Energy Users Group | Monongahela Power, Potomac Edison, Appalachian Power, Wheeling Power | Regulatory assets and liabilities. |
| 10/99 | U-24182 Direct | LA | Louisiana Public Service Commission Staff | Entergy Gulf States, Inc. | Allocation of regulated and nonregulated costs, affiliate transactions, tax issues, and other revenue requirement issues. |
| 11/99 | PUC Docket 21527 | TX | The Dallas-Fort Worth Hospital Council and Coalition of Independent Colleges and Universities | TXU Electric | Restructuring, stranded costs, taxes, securitization. |

**Expert Testimony Appearances
of
Lane Kollen
As of March 2019**

| Date | Case | Jurisdict. | Party | Utility | Subject |
|---|---|---|---|---|---|
| 11/99 | U-23358 Surrebuttal Affiliate Transactions Review | LA | Louisiana Public Service Commission Staff | Entergy Gulf States, Inc. | Service company affiliate transaction costs. |
| 01/00 | U-24182 Surrebuttal | LA | Louisiana Public Service Commission Staff | Entergy Gulf States, Inc. | Allocation of regulated and nonregulated costs, affiliate transactions, tax issues, and other revenue requirement issues. |
| 04/00 | 99-1212-EL-ETP 99-1213-EL-ATA 99-1214-EL-AAM | OH | Greater Cleveland Growth Association | First Energy (Cleveland Electric Illuminating, Toledo Edison) | Historical review, stranded costs, regulatory assets, liabilities. |
| 05/00 | 2000-107 | KY | Kentucky Industrial Utility Customers, Inc. | Kentucky Power Co. | ECR surcharge roll-in to base rates. |
| 05/00 | U-24182 Supplemental Direct | LA | Louisiana Public Service Commission Staff | Entergy Gulf States, Inc. | Affiliate expense proforma adjustments. |
| 05/00 | A-110550F0147 | PA | Philadelphia Area Industrial Energy Users Group | PECO Energy | Merger between PECO and Unicom. |
| 05/00 | 99-1658-EL-ETP | OH | AK Steel Corp. | Cincinnati Gas & Electric Co. | Regulatory transition costs, including regulatory assets and liabilities, SFAS 109, ADIT, EDIT, ITC. |
| 07/00 | PUC Docket 22344 | TX | The Dallas-Fort Worth Hospital Council and The Coalition of Independent Colleges and Universities | Statewide Generic Proceeding | Escalation of O&M expenses for unbundled T&D revenue requirements in projected test year. |
| 07/00 | U-21453 | LA | Louisiana Public Service Commission | SWEPCO | Stranded costs, regulatory assets and liabilities. |
| 08/00 | U-24064 | LA | Louisiana Public Service Commission Staff | CLECO | Affiliate transaction pricing ratemaking principles, subsidization of nonregulated affiliates, ratemaking adjustments. |
| 10/00 | SOAH Docket 473-00-1015 PUC Docket 22350 | TX | The Dallas-Fort Worth Hospital Council and The Coalition of Independent Colleges and Universities | TXU Electric Co. | Restructuring, T&D revenue requirements, mitigation, regulatory assets and liabilities. |
| 10/00 | R-00974104 Affidavit | PA | Duquesne Industrial Intervenors | Duquesne Light Co. | Final accounting for stranded costs, including treatment of auction proceeds, taxes, capital costs, switchback costs, and excess pension funding. |
| 11/00 | P-00001837 R-00974008 P-00001838 R-00974009 | PA | Metropolitan Edison Industrial Users Group Penelec Industrial Customer Alliance | Metropolitan Edison Co., Pennsylvania Electric Co. | Final accounting for stranded costs, including treatment of auction proceeds, taxes, regulatory assets and liabilities, transaction costs. |

**Expert Testimony Appearances**
**of**
**Lane Kollen**
**As of March 2019**

| Date | Case | Jurisdict. | Party | Utility | Subject |
|---|---|---|---|---|---|
| 12/00 | U-21453, U-20925, U-22092 (Subdocket C) Surrebuttal | LA | Louisiana Public Service Commission Staff | SWEPCO | Stranded costs, regulatory assets. |
| 01/01 | U-24993 Direct | LA | Louisiana Public Service Commission Staff | Entergy Gulf States, Inc. | Allocation of regulated and nonregulated costs, tax issues, and other revenue requirement issues. |
| 01/01 | U-21453, U-20925, U-22092 (Subdocket B) Surrebuttal | LA | Louisiana Public Service Commission Staff | Entergy Gulf States, Inc. | Industry restructuring, business separation plan, organization structure, hold harmless conditions, financing. |
| 01/01 | Case No. 2000-386 | KY | Kentucky Industrial Utility Customers, Inc. | Louisville Gas & Electric Co. | Recovery of environmental costs, surcharge mechanism. |
| 01/01 | Case No. 2000-439 | KY | Kentucky Industrial Utility Customers, Inc. | Kentucky Utilities Co. | Recovery of environmental costs, surcharge mechanism. |
| 02/01 | A-110300F0095 A-110400F0040 | PA | Met-Ed Industrial Users Group, Penelec Industrial Customer Alliance | GPU, Inc. FirstEnergy Corp. | Merger, savings, reliability. |
| 03/01 | P-00001860 P-00001861 | PA | Met-Ed Industrial Users Group, Penelec Industrial Customer Alliance | Metropolitan Edison Co., Pennsylvania Electric Co. | Recovery of costs due to provider of last resort obligation. |
| 04/01 | U-21453, U-20925, U-22092 (Subdocket B) Settlement Term Sheet | LA | Louisiana Public Service Commission Staff | Entergy Gulf States, Inc. | Business separation plan: settlement agreement on overall plan structure. |
| 04/01 | U-21453, U-20925, U-22092 (Subdocket B) Contested Issues | LA | Louisiana Public Service Commission Staff | Entergy Gulf States, Inc. | Business separation plan: agreements, hold harmless conditions, separations methodology. |
| 05/01 | U-21453, U-20925, U-22092 (Subdocket B) Contested Issues Transmission and Distribution Rebuttal | LA | Louisiana Public Service Commission Staff | Entergy Gulf States, Inc. | Business separation plan: agreements, hold harmless conditions, separations methodology. |

**Expert Testimony Appearances**
**of**
**Lane Kollen**
**As of March 2019**

| Date | Case | Jurisdict. | Party | Utility | Subject |
|---|---|---|---|---|---|
| 07/01 | U-21453, U-20925, U-22092 (Subdocket B) Transmission and Distribution Term Sheet | LA | Louisiana Public Service Commission Staff | Entergy Gulf States, Inc. | Business separation plan: settlement agreement on T&D issues, agreements necessary to implement T&D separations, hold harmless conditions, separations methodology. |
| 10/01 | 14000-U | GA | Georgia Public Service Commission Adversary Staff | Georgia Power Company | Revenue requirements, Rate Plan, fuel clause recovery. |
| 11/01 | 14311-U Direct Panel with Bolin Killings | GA | Georgia Public Service Commission Adversary Staff | Atlanta Gas Light Co | Revenue requirements, revenue forecast, O&M expense, depreciation, plant additions, cash working capital. |
| 11/01 | U-25687 Direct | LA | Louisiana Public Service Commission Staff | Entergy Gulf States, Inc. | Revenue requirements, capital structure, allocation of regulated and nonregulated costs, River Bend uprate. |
| 02/02 | PUC Docket 25230 | TX | The Dallas-Fort Worth Hospital Council and the Coalition of Independent Colleges and Universities | TXU Electric | Stipulation. Regulatory assets, securitization financing. |
| 02/02 | U-25687 Surrebuttal | LA | Louisiana Public Service Commission Staff | Entergy Gulf States, Inc. | Revenue requirements, corporate franchise tax, conversion to LLC, River Bend uprate. |
| 03/02 | 14311-U Rebuttal Panel with Bolin Killings | GA | Georgia Public Service Commission Adversary Staff | Atlanta Gas Light Co. | Revenue requirements, earnings sharing plan, service quality standards. |
| 03/02 | 14311-U Rebuttal Panel with Michelle L. Thebert | GA | Georgia Public Service Commission Adversary Staff | Atlanta Gas Light Co. | Revenue requirements, revenue forecast, O&M expense, depreciation, plant additions, cash working capital. |
| 03/02 | 001148-EI | FL | South Florida Hospital and Healthcare Assoc. | Florida Power & Light Co. | Revenue requirements. Nuclear life extension, storm damage accruals and reserve, capital structure, O&M expense. |
| 04/02 | U-25687 (Suppl. Surrebuttal) | LA | Louisiana Public Service Commission | Entergy Gulf States, Inc. | Revenue requirements, corporate franchise tax, conversion to LLC, River Bend uprate. |
| 04/02 | U-21453, U-20925 U-22092 (Subdocket C) | LA | Louisiana Public Service Commission | SWEPCO | Business separation plan, T&D Term Sheet, separations methodologies, hold harmless conditions. |
| 08/02 | EL01-88-000 | FERC | Louisiana Public Service Commission | Entergy Services, Inc. and the Entergy Operating Companies | System Agreement, production cost equalization, tariffs. |
| 08/02 | U-25888 | LA | Louisiana Public Service Commission Staff | Entergy Gulf States, Inc. and Entergy Louisiana, Inc. | System Agreement, production cost disparities, prudence. |

**Expert Testimony Appearances
of
Lane Kollen
As of March 2019**

| Date | Case | Jurisdict. | Party | Utility | Subject |
|---|---|---|---|---|---|
| 09/02 | 2002-00224<br>2002-00225 | KY | Kentucky Industrial Utilities Customers, Inc. | Kentucky Utilities Co., Louisville Gas & Electric Co. | Line losses and fuel clause recovery associated with off-system sales. |
| 11/02 | 2002-00146<br>2002-00147 | KY | Kentucky Industrial Utilities Customers, Inc. | Kentucky Utilities Co., Louisville Gas & Electric Co. | Environmental compliance costs and surcharge recovery. |
| 01/03 | 2002-00169 | KY | Kentucky Industrial Utilities Customers, Inc. | Kentucky Power Co. | Environmental compliance costs and surcharge recovery. |
| 04/03 | 2002-00429<br>2002-00430 | KY | Kentucky Industrial Utilities Customers, Inc. | Kentucky Utilities Co., Louisville Gas & Electric Co. | Extension of merger surcredit, flaws in Companies' studies. |
| 04/03 | U-26527 | LA | Louisiana Public Service Commission Staff | Entergy Gulf States, Inc. | Revenue requirements, corporate franchise tax, conversion to LLC, capital structure, post-test year adjustments. |
| 06/03 | EL01-88-000<br>Rebuttal | FERC | Louisiana Public Service Commission | Entergy Services, Inc. and the Entergy Operating Companies | System Agreement, production cost equalization, tariffs. |
| 06/03 | 2003-00068 | KY | Kentucky Industrial Utility Customers | Kentucky Utilities Co. | Environmental cost recovery, correction of base rate error. |
| 11/03 | ER03-753-000 | FERC | Louisiana Public Service Commission | Entergy Services, Inc. and the Entergy Operating Companies | Unit power purchases and sale cost-based tariff pursuant to System Agreement. |
| 11/03 | ER03-583-000, ER03-583-001, ER03-583-002<br>ER03-681-000, ER03-681-001<br>ER03-682-000, ER03-682-001, ER03-682-002<br>ER03-744-000, ER03-744-001 (Consolidated) | FERC | Louisiana Public Service Commission | Entergy Services, Inc., the Entergy Operating Companies, EWO Marketing, L.P, and Entergy Power, Inc. | Unit power purchases and sale agreements, contractual provisions, projected costs, levelized rates, and formula rates. |
| 12/03 | U-26527<br>Surrebuttal | LA | Louisiana Public Service Commission Staff | Entergy Gulf States, Inc. | Revenue requirements, corporate franchise tax, conversion to LLC, capital structure, post-test year adjustments. |
| 12/03 | 2003-0334<br>2003-0335 | KY | Kentucky Industrial Utility Customers, Inc. | Kentucky Utilities Co., Louisville Gas & Electric Co. | Earnings Sharing Mechanism. |
| 12/03 | U-27136 | LA | Louisiana Public Service Commission Staff | Entergy Louisiana, Inc. | Purchased power contracts between affiliates, terms and conditions. |

**Expert Testimony Appearances**
**of**
**Lane Kollen**
**As of March 2019**

| Date | Case | Jurisdict. | Party | Utility | Subject |
|---|---|---|---|---|---|
| 03/04 | U-26527 Supplemental Surrebuttal | LA | Louisiana Public Service Commission Staff | Entergy Gulf States, Inc. | Revenue requirements, corporate franchise tax, conversion to LLC, capital structure, post-test year adjustments. |
| 03/04 | 2003-00433 | KY | Kentucky Industrial Utility Customers, Inc. | Louisville Gas & Electric Co. | Revenue requirements, depreciation rates, O&M expense, deferrals and amortization, earnings sharing mechanism, merger surcredit, VDT surcredit. |
| 03/04 | 2003-00434 | KY | Kentucky Industrial Utility Customers, Inc. | Kentucky Utilities Co. | Revenue requirements, depreciation rates, O&M expense, deferrals and amortization, earnings sharing mechanism, merger surcredit, VDT surcredit. |
| 03/04 | SOAH Docket 473-04-2459 PUC Docket 29206 | TX | Cities Served by Texas-New Mexico Power Co. | Texas-New Mexico Power Co. | Stranded costs true-up, including valuation issues, ITC, ADIT, excess earnings. |
| 05/04 | 04-169-EL-UNC | OH | Ohio Energy Group, Inc. | Columbus Southern Power Co. & Ohio Power Co. | Rate stabilization plan, deferrals, T&D rate increases, earnings. |
| 06/04 | SOAH Docket 473-04-4555 PUC Docket 29526 | TX | Houston Council for Health and Education | CenterPoint Energy Houston Electric | Stranded costs true-up, including valuation issues, ITC, EDIT, excess mitigation credits, capacity auction true-up revenues, interest. |
| 08/04 | SOAH Docket 473-04-4555 PUC Docket 29526 (Suppl Direct) | TX | Houston Council for Health and Education | CenterPoint Energy Houston Electric | Interest on stranded cost pursuant to Texas Supreme Court remand. |
| 09/04 | U-23327 Subdocket B | LA | Louisiana Public Service Commission Staff | SWEPCO | Fuel and purchased power expenses recoverable through fuel adjustment clause, trading activities, compliance with terms of various LPSC Orders. |
| 10/04 | U-23327 Subdocket A | LA | Louisiana Public Service Commission Staff | SWEPCO | Revenue requirements. |
| 12/04 | Case Nos. 2004-00321, 2004-00372 | KY | Gallatin Steel Co. | East Kentucky Power Cooperative, Inc., Big Sandy Recc, et al. | Environmental cost recovery, qualified costs, TIER requirements, cost allocation. |
| 01/05 | 30485 | TX | Houston Council for Health and Education | CenterPoint Energy Houston Electric, LLC | Stranded cost true-up including regulatory Central Co. assets and liabilities, ITC, EDIT, capacity auction, proceeds, excess mitigation credits, retrospective and prospective ADIT. |
| 02/05 | 18638-U | GA | Georgia Public Service Commission Adversary Staff | Atlanta Gas Light Co. | Revenue requirements. |
| 02/05 | 18638-U Panel with Tony Wackerly | GA | Georgia Public Service Commission Adversary Staff | Atlanta Gas Light Co. | Comprehensive rate plan, pipeline replacement program surcharge, performance based rate plan. |

**Expert Testimony Appearances**
**of**
**Lane Kollen**
**As of March 2019**

| Date | Case | Jurisdict. | Party | Utility | Subject |
|---|---|---|---|---|---|
| 02/05 | 18638-U Panel with Michelle Thebert | GA | Georgia Public Service Commission Adversary Staff | Atlanta Gas Light Co. | Energy conservation, economic development, and tariff issues. |
| 03/05 | Case Nos. 2004-00426, 2004-00421 | KY | Kentucky Industrial Utility Customers, Inc. | Kentucky Utilities Co., Louisville Gas & Electric | Environmental cost recovery, Jobs Creation Act of 2004 and §199 deduction, excess common equity ratio, deferral and amortization of nonrecurring O&M expense. |
| 06/05 | 2005-00068 | KY | Kentucky Industrial Utility Customers, Inc. | Kentucky Power Co. | Environmental cost recovery, Jobs Creation Act of 2004 and §199 deduction, margins on allowances used for AEP system sales. |
| 06/05 | 050045-EI | FL | South Florida Hospital and Heallthcare Assoc. | Florida Power & Light Co. | Storm damage expense and reserve, RTO costs, O&M expense projections, return on equity performance incentive, capital structure, selective second phase post-test year rate increase. |
| 08/05 | 31056 | TX | Alliance for Valley Healthcare | AEP Texas Central Co. | Stranded cost true-up including regulatory assets and liabilities, ITC, EDIT, capacity auction, proceeds, excess mitigation credits, retrospective and prospective ADIT. |
| 09/05 | 20298-U | GA | Georgia Public Service Commission Adversary Staff | Atmos Energy Corp. | Revenue requirements, roll-in of surcharges, cost recovery through surcharge, reporting requirements. |
| 09/05 | 20298-U Panel with Victoria Taylor | GA | Georgia Public Service Commission Adversary Staff | Atmos Energy Corp. | Affiliate transactions, cost allocations, capitalization, cost of debt. |
| 10/05 | 04-42 | DE | Delaware Public Service Commission Staff | Artesian Water Co. | Allocation of tax net operating losses between regulated and unregulated. |
| 11/05 | 2005-00351 2005-00352 | KY | Kentucky Industrial Utility Customers, Inc. | Kentucky Utilities Co., Louisville Gas & Electric | Workforce Separation Program cost recovery and shared savings through VDT surcredit. |
| 01/06 | 2005-00341 | KY | Kentucky Industrial Utility Customers, Inc. | Kentucky Power Co. | System Sales Clause Rider, Environmental Cost Recovery Rider. Net Congestion Rider, Storm damage, vegetation management program, depreciation, off-system sales, maintenance normalization, pension and OPEB. |
| 03/06 | PUC Docket 31994 | TX | Cities | Texas-New Mexico Power Co. | Stranded cost recovery through competition transition or change. |
| 05/06 | 31994 Supplemental | TX | Cities | Texas-New Mexico Power Co. | Retrospective ADFIT, prospective ADFIT. |
| 03/06 | U-21453, U-20925, U-22092 (Subdocket B) | LA | Louisiana Public Service Commission Staff | Entergy Gulf States, Inc. | Jurisdictional separation plan. |

**Expert Testimony Appearances**
**of**
**Lane Kollen**
**As of March 2019**

| Date | Case | Jurisdict. | Party | Utility | Subject |
|---|---|---|---|---|---|
| 03/06 | NOPR Reg 104385-OR | IRS | Alliance for Valley Health Care and Houston Council for Health Education | AEP Texas Central Company and CenterPoint Energy Houston Electric | Proposed Regulations affecting flow- through to ratepayers of excess deferred income taxes and investment tax credits on generation plant that is sold or deregulated. |
| 04/06 | U-25116 | LA | Louisiana Public Service Commission Staff | Entergy Louisiana, Inc. | 2002-2004 Audit of Fuel Adjustment Clause Filings. Affiliate transactions. |
| 07/06 | R-00061366, Et. al. | PA | Met-Ed Ind. Users Group Pennsylvania Ind. Customer Alliance | Metropolitan Edison Co., Pennsylvania Electric Co. | Recovery of NUG-related stranded costs, government mandated program costs, storm damage costs. |
| 07/06 | U-23327 | LA | Louisiana Public Service Commission Staff | Southwestern Electric Power Co. | Revenue requirements, formula rate plan, banking proposal. |
| 08/06 | U-21453, U-20925, U-22092 (Subdocket J) | LA | Louisiana Public Service Commission Staff | Entergy Gulf States, Inc. | Jurisdictional separation plan. |
| 11/06 | 05CVH03-3375 Franklin County Court Affidavit | OH | Various Taxing Authorities (Non-Utility Proceeding) | State of Ohio Department of Revenue | Accounting for nuclear fuel assemblies as manufactured equipment and capitalized plant. |
| 12/06 | U-23327 Subdocket A Reply Testimony | LA | Louisiana Public Service Commission Staff | Southwestern Electric Power Co. | Revenue requirements, formula rate plan, banking proposal. |
| 03/07 | U-29764 | LA | Louisiana Public Service Commission Staff | Entergy Gulf States, Inc., Entergy Louisiana, LLC | Jurisdictional allocation of Entergy System Agreement equalization remedy receipts. |
| 03/07 | PUC Docket 33309 | TX | Cities | AEP Texas Central Co. | Revenue requirements, including functionalization of transmission and distribution costs. |
| 03/07 | PUC Docket 33310 | TX | Cities | AEP Texas North Co. | Revenue requirements, including functionalization of transmission and distribution costs. |
| 03/07 | 2006-00472 | KY | Kentucky Industrial Utility Customers, Inc. | East Kentucky Power Cooperative | Interim rate increase, RUS loan covenants, credit facility requirements, financial condition. |
| 03/07 | U-29157 | LA | Louisiana Public Service Commission Staff | Cleco Power, LLC | Permanent (Phase II) storm damage cost recovery. |
| 04/07 | U-29764 Supplemental and Rebuttal | LA | Louisiana Public Service Commission Staff | Entergy Gulf States, Inc., Entergy Louisiana, LLC | Jurisdictional allocation of Entergy System Agreement equalization remedy receipts. |
| 04/07 | ER07-682-000 Affidavit | FERC | Louisiana Public Service Commission | Entergy Services, Inc. and the Entergy Operating Companies | Allocation of intangible and general plant and A&G expenses to production and state income tax effects on equalization remedy receipts. |
| 04/07 | ER07-684-000 Affidavit | FERC | Louisiana Public Service Commission | Entergy Services, Inc. and the Entergy Operating Companies | Fuel hedging costs and compliance with FERC USOA. |

**Expert Testimony Appearances**
**of**
**Lane Kollen**
**As of March 2019**

| Date | Case | Jurisdict. | Party | Utility | Subject |
|---|---|---|---|---|---|
| 05/07 | ER07-682-000 Supplemental Affidavit | FERC | Louisiana Public Service Commission | Entergy Services, Inc. and the Entergy Operating Companies | Allocation of intangible and general plant and A&G expenses to production and account 924 effects on MSS-3 equalization remedy payments and receipts. |
| 06/07 | U-29764 | LA | Louisiana Public Service Commission Staff | Entergy Louisiana, LLC, Entergy Gulf States, Inc. | Show cause for violating LPSC Order on fuel hedging costs. |
| 07/07 | 2006-00472 | KY | Kentucky Industrial Utility Customers, Inc. | East Kentucky Power Cooperative | Revenue requirements, post-test year adjustments, TIER, surcharge revenues and costs, financial need. |
| 07/07 | ER07-956-000 Affidavit | FERC | Louisiana Public Service Commission | Entergy Services, Inc. | Storm damage costs related to Hurricanes Katrina and Rita and effects of MSS-3 equalization payments and receipts. |
| 10/07 | 05-UR-103 Direct | WI | Wisconsin Industrial Energy Group | Wisconsin Electric Power Company, Wisconsin Gas, LLC | Revenue requirements, carrying charges on CWIP, amortization and return on regulatory assets, working capital, incentive compensation, use of rate base in lieu of capitalization, quantification and use of Point Beach sale proceeds. |
| 10/07 | 05-UR-103 Surrebuttal | WI | Wisconsin Industrial Energy Group | Wisconsin Electric Power Company, Wisconsin Gas, LLC | Revenue requirements, carrying charges on CWIP, amortization and return on regulatory assets, working capital, incentive compensation, use of rate base in lieu of capitalization, quantification and use of Point Beach sale proceeds. |
| 10/07 | 25060-U Direct | GA | Georgia Public Service Commission Public Interest Adversary Staff | Georgia Power Company | Affiliate costs, incentive compensation, consolidated income taxes, §199 deduction. |
| 11/07 | 06-0033-E-CN Direct | WV | West Virginia Energy Users Group | Appalachian Power Company | IGCC surcharge during construction period and post-in-service date. |
| 11/07 | ER07-682-000 Direct | FERC | Louisiana Public Service Commission | Entergy Services, Inc. and the Entergy Operating Companies | Functionalization and allocation of intangible and general plant and A&G expenses. |
| 01/08 | ER07-682-000 Cross-Answering | FERC | Louisiana Public Service Commission | Entergy Services, Inc. and the Entergy Operating Companies | Functionalization and allocation of intangible and general plant and A&G expenses. |
| 01/08 | 07-551-EL-AIR Direct | OH | Ohio Energy Group, Inc. | Ohio Edison Company, Cleveland Electric Illuminating Company, Toledo Edison Company | Revenue requirements. |
| 02/08 | ER07-956-000 Direct | FERC | Louisiana Public Service Commission | Entergy Services, Inc. and the Entergy Operating Companies | Functionalization of expenses, storm damage expense and reserves, tax NOL carrybacks in accounts, ADIT, nuclear service lives and effects on depreciation and decommissioning. |

**Expert Testimony Appearances**
**of**
**Lane Kollen**
**As of March 2019**

| Date | Case | Jurisdict. | Party | Utility | Subject |
|---|---|---|---|---|---|
| 03/08 | ER07-956-000 Cross-Answering | FERC | Louisiana Public Service Commission | Entergy Services, Inc. and the Entergy Operating Companies | Functionalization of expenses, storm damage expense and reserves, tax NOL carrybacks in accounts, ADIT, nuclear service lives and effects on depreciation and decommissioning. |
| 04/08 | 2007-00562, 2007-00563 | KY | Kentucky Industrial Utility Customers, Inc. | Kentucky Utilities Co., Louisville Gas and Electric Co. | Merger surcredit. |
| 04/08 | 26837 Direct Bond, Johnson, Thebert, Kollen Panel | GA | Georgia Public Service Commission Staff | SCANA Energy Marketing, Inc. | Rule Nisi complaint. |
| 05/08 | 26837 Rebuttal Bond, Johnson, Thebert, Kollen Panel | GA | Georgia Public Service Commission Staff | SCANA Energy Marketing, Inc. | Rule Nisi complaint. |
| 05/08 | 26837 Suppl Rebuttal Bond, Johnson, Thebert, Kollen Panel | GA | Georgia Public Service Commission Staff | SCANA Energy Marketing, Inc. | Rule Nisi complaint. |
| 06/08 | 2008-00115 | KY | Kentucky Industrial Utility Customers, Inc. | East Kentucky Power Cooperative, Inc. | Environmental surcharge recoveries, including costs recovered in existing rates, TIER. |
| 07/08 | 27163 Direct | GA | Georgia Public Service Commission Public Interest Advocacy Staff | Atmos Energy Corp. | Revenue requirements, including projected test year rate base and expenses. |
| 07/08 | 27163 Taylor, Kollen Panel | GA | Georgia Public Service Commission Public Interest Advocacy Staff | Atmos Energy Corp. | Affiliate transactions and division cost allocations, capital structure, cost of debt. |
| 08/08 | 6680-CE-170 Direct | WI | Wisconsin Industrial Energy Group, Inc. | Wisconsin Power and Light Company | Nelson Dewey 3 or Colombia 3 fixed financial parameters. |
| 08/08 | 6680-UR-116 Direct | WI | Wisconsin Industrial Energy Group, Inc. | Wisconsin Power and Light Company | CWIP in rate base, labor expenses, pension expense, financing, capital structure, decoupling. |
| 08/08 | 6680-UR-116 Rebuttal | WI | Wisconsin Industrial Energy Group, Inc. | Wisconsin Power and Light Company | Capital structure. |
| 08/08 | 6690-UR-119 Direct | WI | Wisconsin Industrial Energy Group, Inc. | Wisconsin Public Service Corp. | Prudence of Weston 3 outage, incentive compensation, Crane Creek Wind Farm incremental revenue requirement, capital structure. |
| 09/08 | 6690-UR-119 Surrebuttal | WI | Wisconsin Industrial Energy Group, Inc. | Wisconsin Public Service Corp. | Prudence of Weston 3 outage, Section 199 deduction. |

**Expert Testimony Appearances
of
Lane Kollen
As of March 2019**

| Date | Case | Jurisdict. | Party | Utility | Subject |
|---|---|---|---|---|---|
| 09/08 | 08-935-EL-SSO, 08-918-EL-SSO | OH | Ohio Energy Group, Inc. | First Energy | Standard service offer rates pursuant to electric security plan, significantly excessive earnings test. |
| 10/08 | 08-917-EL-SSO | OH | Ohio Energy Group, Inc. | AEP | Standard service offer rates pursuant to electric security plan, significantly excessive earnings test. |
| 10/08 | 2007-00564, 2007-00565, 2008-00251 2008-00252 | KY | Kentucky Industrial Utility Customers, Inc. | Louisville Gas and Electric Co., Kentucky Utilities Company | Revenue forecast, affiliate costs, ELG v ASL depreciation procedures, depreciation expenses, federal and state income tax expense, capitalization, cost of debt. |
| 11/08 | EL08-51 | FERC | Louisiana Public Service Commission | Entergy Services, Inc. | Spindletop gas storage facilities, regulatory asset and bandwidth remedy. |
| 11/08 | 35717 | TX | Cities Served by Oncor Delivery Company | Oncor Delivery Company | Recovery of old meter costs, asset ADFIT, cash working capital, recovery of prior year restructuring costs, levelized recovery of storm damage costs, prospective storm damage accrual, consolidated tax savings adjustment. |
| 12/08 | 27800 | GA | Georgia Public Service Commission | Georgia Power Company | AFUDC versus CWIP in rate base, mirror CWIP, certification cost, use of short term debt and trust preferred financing, CWIP recovery, regulatory incentive. |
| 01/09 | ER08-1056 | FERC | Louisiana Public Service Commission | Entergy Services, Inc. | Entergy System Agreement bandwidth remedy calculations, including depreciation expense, ADIT, capital structure. |
| 01/09 | ER08-1056 Supplemental Direct | FERC | Louisiana Public Service Commission | Entergy Services, Inc. | Blytheville leased turbines; accumulated depreciation. |
| 02/09 | EL08-51 Rebuttal | FERC | Louisiana Public Service Commission | Entergy Services, Inc. | Spindletop gas storage facilities regulatory asset and bandwidth remedy. |
| 02/09 | 2008-00409 Direct | KY | Kentucky Industrial Utility Customers, Inc. | East Kentucky Power Cooperative, Inc. | Revenue requirements. |
| 03/09 | ER08-1056 Answering | FERC | Louisiana Public Service Commission | Entergy Services, Inc. | Entergy System Agreement bandwidth remedy calculations, including depreciation expense, ADIT, capital structure. |
| 03/09<br><br><br><br>04/09 | U-21453, U-20925 U-22092 (Sub J) Direct<br>Rebuttal | LA | Louisiana Public Service Commission Staff | Entergy Gulf States Louisiana, LLC | Violation of EGSI separation order, ETI and EGSL separation accounting, Spindletop regulatory asset. |
| 04/09 | 2009-00040 Direct-Interim (Oral) | KY | Kentucky Industrial Utility Customers, Inc. | Big Rivers Electric Corp. | Emergency interim rate increase; cash requirements. |

**Expert Testimony Appearances**
**of**
**Lane Kollen**
**As of March 2019**

| Date | Case | Jurisdict. | Party | Utility | Subject |
|---|---|---|---|---|---|
| 04/09 | PUC Docket 36530 | TX | State Office of Administrative Hearings | Oncor Electric Delivery Company, LLC | Rate case expenses. |
| 05/09 | ER08-1056 Rebuttal | FERC | Louisiana Public Service Commission | Entergy Services, Inc. | Entergy System Agreement bandwidth remedy calculations, including depreciation expense, ADIT, capital structure. |
| 06/09 | 2009-00040 Direct-Permanent | KY | Kentucky Industrial Utility Customers, Inc. | Big Rivers Electric Corp. | Revenue requirements, TIER, cash flow. |
| 07/09 | 080677-EI | FL | South Florida Hospital and Healthcare Association | Florida Power & Light Company | Multiple test years, GBRA rider, forecast assumptions, revenue requirement, O&M expense, depreciation expense, Economic Stimulus Bill, capital structure. |
| 08/09 | U-21453, U-20925, U-22092 (Subdocket J) Supplemental Rebuttal | LA | Louisiana Public Service Commission | Entergy Gulf States Louisiana, LLC | Violation of EGSI separation order, ETI and EGSL separation accounting, Spindletop regulatory asset. |
| 08/09 | 8516 and 29950 | GA | Georgia Public Service Commission Staff | Atlanta Gas Light Company | Modification of PRP surcharge to include infrastructure costs. |
| 09/09 | 05-UR-104 Direct and Surrebuttal | WI | Wisconsin Industrial Energy Group | Wisconsin Electric Power Company | Revenue requirements, incentive compensation, depreciation, deferral mitigation, capital structure, cost of debt. |
| 09/09 | 09AL-299E Answer | CO | CF&I Steel, Rocky Mountain Steel Mills LP, Climax Molybdenum Company | Public Service Company of Colorado | Forecasted test year, historic test year, proforma adjustments for major plant additions, tax depreciation. |
| 09/09 | 6680-UR-117 Direct and Surrebuttal | WI | Wisconsin Industrial Energy Group | Wisconsin Power and Light Company | Revenue requirements, CWIP in rate base, deferral mitigation, payroll, capacity shutdowns, regulatory assets, rate of return. |
| 10/09 | 09A-415E Answer | CO | Cripple Creek & Victor Gold Mining Company, et al. | Black Hills/CO Electric Utility Company | Cost prudence, cost sharing mechanism. |
| 10/09 | EL09-50 Direct | FERC | Louisiana Public Service Commission | Entergy Services, Inc. | Waterford 3 sale/leaseback accumulated deferred income taxes, Entergy System Agreement bandwidth remedy calculations. |
| 10/09 | 2009-00329 | KY | Kentucky Industrial Utility Customers, Inc. | Louisville Gas and Electric Company, Kentucky Utilities Company | Trimble County 2 depreciation rates. |
| 12/09 | PUE-2009-00030 | VA | Old Dominion Committee for Fair Utility Rates | Appalachian Power Company | Return on equity incentive. |

**Expert Testimony Appearances**
**of**
**Lane Kollen**
**As of March 2019**

| Date | Case | Jurisdict. | Party | Utility | Subject |
|---|---|---|---|---|---|
| 12/09 | ER09-1224 Direct | FERC | Louisiana Public Service Commission | Entergy Services, Inc. | Hypothetical versus actual costs, out of period costs, Spindletop deferred capital costs, Waterford 3 sale/leaseback ADIT. |
| 01/10 | ER09-1224 Cross-Answering | FERC | Louisiana Public Service Commission | Entergy Services, Inc. | Hypothetical versus actual costs, out of period costs, Spindletop deferred capital costs, Waterford 3 sale/leaseback ADIT. |
| 01/10 | EL09-50 Rebuttal<br>Supplemental Rebuttal | FERC | Louisiana Public Service Commission | Entergy Services, Inc. | Waterford 3 sale/leaseback accumulated deferred income taxes, Entergy System Agreement bandwidth remedy calculations. |
| 02/10 | ER09-1224 Final | FERC | Louisiana Public Service Commission | Entergy Services, Inc. | Hypothetical versus actual costs, out of period costs, Spindletop deferred capital costs, Waterford 3 sale/leaseback ADIT. |
| 02/10 | 30442 Wackerly-Kollen Panel | GA | Georgia Public Service Commission Staff | Atmos Energy Corporation | Revenue requirement issues. |
| 02/10 | 30442 McBride-Kollen Panel | GA | Georgia Public Service Commission Staff | Atmos Energy Corporation | Affiliate/division transactions, cost allocation, capital structure. |
| 02/10 | 2009-00353 | KY | Kentucky Industrial Utility Customers, Inc.,<br>Attorney General | Louisville Gas and Electric Company, Kentucky Utilities Company | Ratemaking recovery of wind power purchased power agreements. |
| 03/10 | 2009-00545 | KY | Kentucky Industrial Utility Customers, Inc. | Kentucky Power Company | Ratemaking recovery of wind power purchased power agreement. |
| 03/10 | E015/GR-09-1151 | MN | Large Power Interveners | Minnesota Power | Revenue requirement issues, cost overruns on environmental retrofit project. |
| 04/10 | 2009-00459 | KY | Kentucky Industrial Utility Customers, Inc. | Kentucky Power Company | Revenue requirement issues. |
| 04/10 | 2009-00548, 2009-00549 | KY | Kentucky Industrial Utility Customers, Inc. | Kentucky Utilities Company, Louisville Gas and Electric Company | Revenue requirement issues. |
| 08/10 | 31647 | GA | Georgia Public Service Commission Staff | Atlanta Gas Light Company | Revenue requirement and synergy savings issues. |
| 08/10 | 31647 Wackerly-Kollen Panel | GA | Georgia Public Service Commission Staff | Atlanta Gas Light Company | Affiliate transaction and Customer First program issues. |
| 08/10 | 2010-00204 | KY | Kentucky Industrial Utility Customers, Inc. | Louisville Gas and Electric Company, Kentucky Utilities Company | PPL acquisition of E.ON U.S. (LG&E and KU) conditions, acquisition savings, sharing deferral mechanism. |

**Expert Testimony Appearances**
**of**
**Lane Kollen**
**As of March 2019**

| Date | Case | Jurisdict. | Party | Utility | Subject |
|---|---|---|---|---|---|
| 09/10 | 38339 Direct and Cross-Rebuttal | TX | Gulf Coast Coalition of Cities | CenterPoint Energy Houston Electric | Revenue requirement issues, including consolidated tax savings adjustment, incentive compensation FIN 48; AMS surcharge including roll-in to base rates; rate case expenses. |
| 09/10 | EL10-55 | FERC | Louisiana Public Service Commission | Entergy Services, Inc., Entergy Operating Cos | Depreciation rates and expense input effects on System Agreement tariffs. |
| 09/10 | 2010-00167 | KY | Gallatin Steel | East Kentucky Power Cooperative, Inc. | Revenue requirements. |
| 09/10 | U-23327 Subdocket E Direct | LA | Louisiana Public Service Commission | SWEPCO | Fuel audit: S02 allowance expense, variable O&M expense, off-system sales margin sharing. |
| 11/10 | U-23327 Rebuttal | LA | Louisiana Public Service Commission | SWEPCO | Fuel audit: S02 allowance expense, variable O&M expense, off-system sales margin sharing. |
| 09/10 | U-31351 | LA | Louisiana Public Service Commission Staff | SWEPCO and Valley Electric Membership Cooperative | Sale of Valley assets to SWEPCO and dissolution of Valley. |
| 10/10 | 10-1261-EL-UNC | OH | Ohio OCC, Ohio Manufacturers Association, Ohio Energy Group, Ohio Hospital Association, Appalachian Peace and Justice Network | Columbus Southern Power Company | Significantly excessive earnings test. |
| 10/10 | 10-0713-E-PC | WV | West Virginia Energy Users Group | Monongahela Power Company, Potomac Edison Power Company | Merger of First Energy and Allegheny Energy. |
| 10/10 | U-23327 Subdocket F Direct | LA | Louisiana Public Service Commission Staff | SWEPCO | AFUDC adjustments in Formula Rate Plan. |
| 11/10 | EL10-55 Rebuttal | FERC | Louisiana Public Service Commission | Entergy Services, Inc., Entergy Operating Cos | Depreciation rates and expense input effects on System Agreement tariffs. |
| 12/10 | ER10-1350 Direct | FERC | Louisiana Public Service Commission | Entergy Services, Inc. Entergy Operating Cos | Waterford 3 lease amortization, ADIT, and fuel inventory effects on System Agreement tariffs. |
| 01/11 | ER10-1350 Cross-Answering | FERC | Louisiana Public Service Commission | Entergy Services, Inc., Entergy Operating Cos | Waterford 3 lease amortization, ADIT, and fuel inventory effects on System Agreement tariffs. |
| 03/11<br>04/11 | ER10-2001 Direct<br>Cross-Answering | FERC | Louisiana Public Service Commission | Entergy Services, Inc., Entergy Arkansas, Inc. | EAI depreciation rates. |

**Expert Testimony Appearances
of
Lane Kollen
As of March 2019**

| Date | Case | Jurisdict. | Party | Utility | Subject |
|---|---|---|---|---|---|
| 04/11 | U-23327<br>Subdocket E | LA | Louisiana Public Service Commission Staff | SWEPCO | Settlement, incl resolution of S02 allowance expense, var O&M expense, sharing of OSS margins. |
| 04/11<br><br>05/11 | 38306<br>Direct<br>Suppl Direct | TX | Cities Served by Texas-New Mexico Power Company | Texas-New Mexico Power Company | AMS deployment plan, AMS Surcharge, rate case expenses. |
| 05/11 | 11-0274-E-GI | WV | West Virginia Energy Users Group | Appalachian Power Company, Wheeling Power Company | Deferral recovery phase-in, construction surcharge. |
| 05/11 | 2011-00036 | KY | Kentucky Industrial Utility Customers, Inc. | Big Rivers Electric Corp. | Revenue requirements. |
| 06/11 | 29849 | GA | Georgia Public Service Commission Staff | Georgia Power Company | Accounting issues related to Vogtle risk-sharing mechanism. |
| 07/11 | ER11-2161<br>Direct and Answering | FERC | Louisiana Public Service Commission | Entergy Services, Inc. and Entergy Texas, Inc. | ETI depreciation rates; accounting issues. |
| 07/11 | PUE-2011-00027 | VA | Virginia Committee for Fair Utility Rates | Virginia Electric and Power Company | Return on equity performance incentive. |
| 07/11 | 11-346-EL-SSO<br>11-348-EL-SSO<br>11-349-EL-AAM<br>11-350-EL-AAM | OH | Ohio Energy Group | AEP-OH | Equity Stabilization Incentive Plan; actual earned returns; ADIT offsets in riders. |
| 08/11 | U-23327<br>Subdocket F<br>Rebuttal | LA | Louisiana Public Service Commission Staff | SWEPCO | Depreciation rates and service lives; AFUDC adjustments. |
| 08/11 | 05-UR-105 | WI | Wisconsin Industrial Energy Group | WE Energies, Inc. | Suspended amortization expenses; revenue requirements. |
| 08/11 | ER11-2161<br>Cross-Answering | FERC | Louisiana Public Service Commission | Entergy Services, Inc. and Entergy Texas, Inc. | ETI depreciation rates; accounting issues. |
| 09/11 | PUC Docket 39504 | TX | Gulf Coast Coalition of Cities | CenterPoint Energy Houston Electric | Investment tax credit, excess deferred income taxes; normalization. |
| 09/11 | 2011-00161<br>2011-00162 | KY | Kentucky Industrial Utility Consumers, Inc. | Louisville Gas & Electric Company, Kentucky Utilities Company | Environmental requirements and financing. |
| 10/11 | 11-4571-EL-UNC<br>11-4572-EL-UNC | OH | Ohio Energy Group | Columbus Southern Power Company, Ohio Power Company | Significantly excessive earnings. |
| 10/11 | 4220-UR-117<br>Direct | WI | Wisconsin Industrial Energy Group | Northern States Power-Wisconsin | Nuclear O&M, depreciation. |

**Expert Testimony Appearances
of
Lane Kollen
As of March 2019**

| Date | Case | Jurisdict. | Party | Utility | Subject |
|---|---|---|---|---|---|
| 11/11 | 4220-UR-117 Surrebuttal | WI | Wisconsin Industrial Energy Group | Northern States Power-Wisconsin | Nuclear O&M, depreciation. |
| 11/11 | PUC Docket 39722 | TX | Cities Served by AEP Texas Central Company | AEP Texas Central Company | Investment tax credit, excess deferred income taxes; normalization. |
| 02/12 | PUC Docket 40020 | TX | Cities Served by Oncor | Lone Star Transmission, LLC | Temporary rates. |
| 03/12 | 11AL-947E Answer | CO | Climax Molybdenum Company and CF&I Steel, L.P. d/b/a Evraz Rocky Mountain Steel | Public Service Company of Colorado | Revenue requirements, including historic test year, future test year, CACJA CWIP, contra-AFUDC. |
| 03/12 | 2011-00401 | KY | Kentucky Industrial Utility Customers, Inc. | Kentucky Power Company | Big Sandy 2 environmental retrofits and environmental surcharge recovery. |
| 4/12 | 2011-00036 Direct Rehearing Supplemental Rebuttal Rehearing | KY | Kentucky Industrial Utility Customers, Inc. | Big Rivers Electric Corp. | Rate case expenses, depreciation rates and expense. |
| 04/12 | 10-2929-EL-UNC | OH | Ohio Energy Group | AEP Ohio Power | State compensation mechanism, CRES capacity charges, Equity Stabilization Mechanism |
| 05/12 | 11-346-EL-SSO 11-348-EL-SSO | OH | Ohio Energy Group | AEP Ohio Power | State compensation mechanism, Equity Stabilization Mechanism, Retail Stability Rider. |
| 05/12 | 11-4393-EL-RDR | OH | Ohio Energy Group | Duke Energy Ohio, Inc. | Incentives for over-compliance on EE/PDR mandates. |
| 06/12 | 40020 | TX | Cities Served by Oncor | Lone Star Transmission, LLC | Revenue requirements, including ADIT, bonus depreciation and NOL, working capital, self insurance, depreciation rates, federal income tax expense. |
| 07/12 | 120015-EI | FL | South Florida Hospital and Healthcare Association | Florida Power & Light Company | Revenue requirements, including vegetation management, nuclear outage expense, cash working capital, CWIP in rate base. |
| 07/12 | 2012-00063 | KY | Kentucky Industrial Utility Customers, Inc. | Big Rivers Electric Corp. | Environmental retrofits, including environmental surcharge recovery. |
| 09/12 | 05-UR-106 | WI | Wisconsin Industrial Energy Group, Inc. | Wisconsin Electric Power Company | Section 1603 grants, new solar facility, payroll expenses, cost of debt. |
| 10/12 | 2012-00221 2012-00222 | KY | Kentucky Industrial Utility Customers, Inc. | Louisville Gas and Electric Company, Kentucky Utilities Company | Revenue requirements, including off-system sales, outage maintenance, storm damage, injuries and damages, depreciation rates and expense. |
| 10/12 | 120015-EI Direct | FL | South Florida Hospital and Healthcare Association | Florida Power & Light Company | Settlement issues. |

**Expert Testimony Appearances**
**of**
**Lane Kollen**
**As of March 2019**

| Date | Case | Jurisdict. | Party | Utility | Subject |
|---|---|---|---|---|---|
| 11/12 | 120015-EI<br>Rebuttal | FL | South Florida Hospital and Healthcare Association | Florida Power & Light Company | Settlement issues. |
| 10/12 | 40604 | TX | Steering Committee of Cities Served by Oncor | Cross Texas Transmission, LLC | Policy and procedural issues, revenue requirements, including AFUDC, ADIT – bonus depreciation & NOL, incentive compensation, staffing, self-insurance, net salvage, depreciation rates and expense, income tax expense. |
| 11/12 | 40627<br>Direct | TX | City of Austin d/b/a Austin Energy | City of Austin d/b/a Austin Energy | Rate case expenses. |
| 12/12 | 40443 | TX | Cities Served by SWEPCO | Southwestern Electric Power Company | Revenue requirements, including depreciation rates and service lives, O&M expenses, consolidated tax savings, CWIP in rate base, Turk plant costs. |
| 12/12 | U-29764 | LA | Louisiana Public Service Commission Staff | Entergy Gulf States Louisiana, LLC and Entergy Louisiana, LLC | Termination of purchased power contracts between EGSL and ETI, Spindletop regulatory asset. |
| 01/13 | ER12-1384<br>Rebuttal | FERC | Louisiana Public Service Commission | Entergy Gulf States Louisiana, LLC and Entergy Louisiana, LLC | Little Gypsy 3 cancellation costs. |
| 02/13 | 40627<br>Rebuttal | TX | City of Austin d/b/a Austin Energy | City of Austin d/b/a Austin Energy | Rate case expenses. |
| 03/13 | 12-426-EL-SSO | OH | The Ohio Energy Group | The Dayton Power and Light Company | Capacity charges under state compensation mechanism, Service Stability Rider, Switching Tracker. |
| 04/13 | 12-2400-EL-UNC | OH | The Ohio Energy Group | Duke Energy Ohio, Inc. | Capacity charges under state compensation mechanism, deferrals, rider to recover deferrals. |
| 04/13 | 2012-00578 | KY | Kentucky Industrial Utility Customers, Inc. | Kentucky Power Company | Resource plan, including acquisition of interest in Mitchell plant. |
| 05/13 | 2012-00535 | KY | Kentucky Industrial Utility Customers, Inc. | Big Rivers Electric Corporation | Revenue requirements, excess capacity, restructuring. |
| 06/13 | 12-3254-EL-UNC | OH | The Ohio Energy Group, Inc.,<br>Office of the Ohio Consumers' Counsel | Ohio Power Company | Energy auctions under CBP, including reserve prices. |
| 07/13 | 2013-00144 | KY | Kentucky Industrial Utility Customers, Inc. | Kentucky Power Company | Biomass renewable energy purchase agreement. |
| 07/13 | 2013-00221 | KY | Kentucky Industrial Utility Customers, Inc. | Big Rivers Electric Corporation | Agreements to provide Century Hawesville Smelter market access. |
| 10/13 | 2013-00199 | KY | Kentucky Industrial Utility Customers, Inc. | Big Rivers Electric Corporation | Revenue requirements, excess capacity, restructuring. |

**Expert Testimony Appearances**
**of**
**Lane Kollen**
**As of March 2019**

| Date | Case | Jurisdict. | Party | Utility | Subject |
|---|---|---|---|---|---|
| 12/13 | 2013-00413 | KY | Kentucky Industrial Utility Customers, Inc. | Big Rivers Electric Corporation | Agreements to provide Century Sebree Smelter market access. |
| 01/14 | ER10-1350 Direct and Answering | FERC | Louisiana Public Service Commission | Entergy Services, Inc. | Waterford 3 lease accounting and treatment in annual bandwidth filings. |
| 02/14 | U-32981 | LA | Louisiana Public Service Commission | Entergy Louisiana, LLC | Montauk renewable energy PPA. |
| 04/14 | ER13-432 Direct | FERC | Louisiana Public Service Commission | Entergy Gulf States Louisiana, LLC and Entergy Louisiana, LLC | UP Settlement benefits and damages. |
| 05/14 | PUE-2013-00132 | VA | HP Hood LLC | Shenandoah Valley Electric Cooperative | Market based rate; load control tariffs. |
| 07/14 | PUE-2014-00033 | VA | Virginia Committee for Fair Utility Rates | Virginia Electric and Power Company | Fuel and purchased power hedge accounting, change in FAC Definitional Framework. |
| 08/14 | ER13-432 Rebuttal | FERC | Louisiana Public Service Commission | Entergy Gulf States Louisiana, LLC and Entergy Louisiana, LLC | UP Settlement benefits and damages. |
| 08/14 | 2014-00134 | KY | Kentucky Industrial Utility Customers, Inc. | Big Rivers Electric Corporation | Requirements power sales agreements with Nebraska entities. |
| 09/14 | E-015/CN-12-1163 Direct | MN | Large Power Intervenors | Minnesota Power | Great Northern Transmission Line; cost cap; AFUDC v. current recovery; rider v. base recovery; class cost allocation. |
| 10/14 | 2014-00225 | KY | Kentucky Industrial Utility Customers, Inc. | Kentucky Power Company | Allocation of fuel costs to off-system sales. |
| 10/14 | ER13-1508 | FERC | Louisiana Public Service Commission | Entergy Services, Inc. | Entergy service agreements and tariffs for affiliate power purchases and sales; return on equity. |
| 10/14 | 14-0702-E-42T 14-0701-E-D | WV | West Virginia Energy Users Group | First Energy-Monongahela Power, Potomac Edison | Consolidated tax savings; payroll; pension, OPEB, amortization; depreciation; environmental surcharge. |
| 11/14 | E-015/CN-12-1163 Surrebuttal | MN | Large Power Intervenors | Minnesota Power | Great Northern Transmission Line; cost cap; AFUDC v. current recovery; rider v. base recovery; class allocation. |
| 11/14 | 05-376-EL-UNC | OH | Ohio Energy Group | Ohio Power Company | Refund of IGCC CWIP financing cost recoveries. |
| 11/14 | 14AL-0660E | CO | Climax, CF&I Steel | Public Service Company of Colorado | Historic test year v. future test year; AFUDC v. current return; CACJA rider, transmission rider; equivalent availability rider; ADIT; depreciation; royalty income; amortization. |
| 12/14 | EL14-026 | SD | Black Hills Industrial Intervenors | Black Hills Power Company | Revenue requirement issues, including depreciation expense and affiliate charges. |

**Expert Testimony Appearances**
**of**
**Lane Kollen**
**As of March 2019**

| Date | Case | Jurisdict. | Party | Utility | Subject |
|---|---|---|---|---|---|
| 12/14 | 14-1152-E-42T | WV | West Virginia Energy Users Group | AEP-Appalachian Power Company | Income taxes, payroll, pension, OPEB, deferred costs and write offs, depreciation rates, environmental projects surcharge. |
| 01/15 | 9400-YO-100 Direct | WI | Wisconsin Industrial Energy Group | Wisconsin Energy Corporation | WEC acquisition of Integrys Energy Group, Inc. |
| 01/15 | 14F-0336EG 14F-0404EG | CO | Development Recovery Company LLC | Public Service Company of Colorado | Line extension policies and refunds. |
| 02/15 | 9400-YO-100 Rebuttal | WI | Wisconsin Industrial Energy Group | Wisconsin Energy Corporation | WEC acquisition of Integrys Energy Group, Inc. |
| 03/15 | 2014-00396 | KY | Kentucky Industrial Utility Customers, Inc. | AEP-Kentucky Power Company | Base, Big Sandy 2 retirement rider, environmental surcharge, and Big Sandy 1 operation rider revenue requirements, depreciation rates, financing, deferrals. |
| 03/15 | 2014-00371 2014-00372 | KY | Kentucky Industrial Utility Customers, Inc. | Kentucky Utilities Company and Louisville Gas and Electric Company | Revenue requirements, staffing and payroll, depreciation rates. |
| 04/15 | 2014-00450 | KY | Kentucky Industrial Utility Customers, Inc. and the Attorney General of the Commonwealth of Kentucky | AEP-Kentucky Power Company | Allocation of fuel costs between native load and off-system sales. |
| 04/15 | 2014-00455 | KY | Kentucky Industrial Utility Customers, Inc. and the Attorney General of the Commonwealth of Kentucky | Big Rivers Electric Corporation | Allocation of fuel costs between native load and off-system sales. |
| 04/15 | ER2014-0370 | MO | Midwest Energy Consumers' Group | Kansas City Power & Light Company | Affiliate transactions, operation and maintenance expense, management audit. |
| 05/15 | PUE-2015-00022 | VA | Virginia Committee for Fair Utility Rates | Virginia Electric and Power Company | Fuel and purchased power hedge accounting; change in FAC Definitional Framework. |
| 05/15<br>09/15 | EL10-65 Direct, Rebuttal Complaint | FERC | Louisiana Public Service Commission | Entergy Services, Inc. | Accounting for AFUDC Debt, related ADIT. |
| 07/15 | EL10-65 Direct and Answering Consolidated Bandwidth Dockets | FERC | Louisiana Public Service Commission | Entergy Services, Inc. | Waterford 3 sale/leaseback ADIT, Bandwidth Formula. |
| 09/15 | 14-1693-EL-RDR | OH | Public Utilities Commission of Ohio | Ohio Energy Group | PPA rider for charges or credits for physical hedges against market. |

**Expert Testimony Appearances**
**of**
**Lane Kollen**
**As of March 2019**

| Date | Case | Jurisdict. | Party | Utility | Subject |
|---|---|---|---|---|---|
| 12/15 | 45188 | TX | Cities Served by Oncor Electric Delivery Company | Oncor Electric Delivery Company | Hunt family acquisition of Oncor; transaction structure; income tax savings from real estate investment trust (REIT) structure; conditions. |
| 12/15<br><br><br>01/16 | 6680-CE-176<br>Direct,<br>Surrebuttal,<br>Supplemental Rebuttal | WI | Wisconsin Industrial Energy Group, Inc. | Wisconsin Power and Light Company | Need for capacity and economics of proposed Riverside Energy Center Expansion project; ratemaking conditions. |
| 03/16<br><br>03/16<br>04/16<br>05/16<br>06/16 | EL01-88<br>Remand<br>Direct<br>Answering<br>Cross-Answering<br>Rebuttal | FERC | Louisiana Public Service Commission | Entergy Services, Inc. | Bandwidth Formula: Capital structure, fuel inventory, Waterford 3 sale/leaseback, Vidalia purchased power, ADIT, Blythesville, Spindletop, River Bend AFUDC, property insurance reserve, nuclear depreciation expense. |
| 03/16 | 15-1673-E-T | WV | West Virginia Energy Users Group | Appalachian Power Company | Terms and conditions of utility service for commercial and industrial customers, including security deposits. |
| 04/16 | 39971<br>Panel Direct | GA | Georgia Public Service Commission Staff | Southern Company, AGL Resources, Georgia Power Company, Atlanta Gas Light Company | Southern Company acquisition of AGL Resources, risks, opportunities, quantification of savings, ratemaking implications, conditions, settlement. |
| 04/16 | 2015-00343 | KY | Office of the Attorney General | Atmos Energy Corporation | Revenue requirements, including NOL ADIT, affiliate transactions. |
| 04/16 | 2016-00070 | KY | Office of the Attorney General | Atmos Energy Corporation | R & D Rider. |
| 05/16 | 2016-00026<br>2016-00027 | KY | Kentucky Industrial Utility Customers, Inc. | Kentucky Utilities Co., Louisville Gas & Electric Co. | Need for environmental projects, calculation of environmental surcharge rider. |
| 05/16 | 16-G-0058<br>16-G-0059 | NY | New York City | Keyspan Gas East Corp., Brooklyn Union Gas Company | Depreciation, including excess reserves, leak prone pipe. |
| 06/16 | 160088-EI | FL | South Florida Hospital and Healthcare Association | Florida Power and Light Company | Fuel Adjustment Clause Incentive Mechanism re: economy sales and purchases, asset optimization. |
| 07/16 | 160021-EI | FL | South Florida Hospital and Healthcare Association | Florida Power and Light Company | Revenue requirements, including capital recovery, depreciation, ADIT. |
| 07/16 | 16-057-01 | UT | Office of Consumer Services | Dominion Resources, Inc. / Questar Corporation | Merger, risks, harms, benefits, accounting. |
| 08/16 | 15-1022-EL-UNC<br>16-1105-EL-UNC | OH | Ohio Energy Group | AEP Ohio Power Company | SEET earnings, effects of other pending proceedings. |

**Expert Testimony Appearances**
**of**
**Lane Kollen**
**As of March 2019**

| Date | Case | Jurisdict. | Party | Utility | Subject |
|---|---|---|---|---|---|
| 9/16 | 2016-00162 | KY | Office of the Attorney General | Columbia Gas Kentucky | Revenue requirements, O&M expense, depreciation, affiliate transactions. |
| 09/16 | E-22 Sub 519, 532, 533 | NC | Nucor Steel | Dominion North Carolina Power Company | Revenue requirements, deferrals and amortizations. |
| 09/16 | 15-1256-G-390P (Reopened) 16-0922-G-390P | WV | West Virginia Energy Users Group | Mountaineer Gas Company | Infrastructure rider, including NOL ADIT and other income tax normalization and calculation issues. |
| 10/16 | 10-2929-EL-UNC 11-346-EL-SSO 11-348-EL-SSO 11-349-EL-SSO 11-350-EL-SSO 14-1186-EL-RDR | OH | Ohio Energy Group | AEP Ohio Power Company | State compensation mechanism, capacity cost, Retail Stability Rider deferrals, refunds, SEET. |
| 11/16 | 16-0395-EL-SSO Direct | OH | Ohio Energy Group | Dayton Power & Light Company | Credit support and other riders; financial stability of Utility, holding company. |
| 12/16 | Formal Case 1139 | DC | Healthcare Council of the National Capital Area | Potomac Electric Power Company | Post test year adjust, merger costs, NOL ADIT, incentive compensation, rent. |
| 01/17 | 46238 | TX | Steering Committee of Cities Served by Oncor | Oncor Electric Delivery Company | Next Era acquisition of Oncor; goodwill, transaction costs, transition costs, cost deferrals, ratemaking issues. |
| 02/17 | 16-0395-EL-SSO Direct (Stipulation) | OH | Ohio Energy Group | Dayton Power & Light Company | Non-unanimous stipulation re: credit support and other riders; financial stability of utility, holding company. |
| 02/17 | 45414 | TX | Cities of Midland, McAllen, and Colorado City | Sharyland Utilities, LP, Sharyland Distribution & Transmission Services, LLC | Income taxes, depreciation, deferred costs, affiliate expenses. |
| 03/17 | 2016-00370 2016-00371 | KY | Kentucky Industrial Utility Customers, Inc. | Kentucky Utilities Company, Louisville Gas and Electric Company | AMS, capital expenditures, maintenance expense, amortization expense, depreciation rates and expense. |
| 06/17 | 29849 (Panel with Philip Hayet) | GA | Georgia Public Service Commission Staff | Georgia Power Company | Vogtle 3 and 4 economics. |
| 08/17 | 17-0296-E-PC | WV | Public Service Commission of West Virginia Charleston | Monongahela Power Company, The Potomac Edison Power Company | ADIT, OPEB. |
| 10/17 | 2017-00179 | KY | Kentucky Industrial Utility Customers, Inc. | Kentucky Power Company | Weather normalization, Rockport lease, O&M, incentive compensation, depreciation, income taxes. |

**Expert Testimony Appearances
of
Lane Kollen
As of March 2019**

| Date | Case | Jurisdict. | Party | Utility | Subject |
|---|---|---|---|---|---|
| 10/17 | 2017-00287 | KY | Kentucky Industrial Utility Customers, Inc. | Big Rivers Electric Corporation | Fuel cost allocation to native load customers. |
| 12/17 | 2017-00321 | KY | Attorney General | Duke Energy Kentucky (Electric) | Revenues, depreciation, income taxes, O&M, regulatory assets, environmental surcharge rider, FERC transmission cost reconciliation rider. |
| 12/17 | 29849 (Panel with Philip Hayet, Tom Newsome) | GA | Georgia Public Service Commission Staff | Georgia Power Company | Vogtle 3 and 4 economics, tax abandonment loss. |
| 01/18 | 2017-00349 | KY | Kentucky Attorney General | Atmos Energy Kentucky | O&M expense, depreciation, regulatory assets and amortization, Annual Review Mechanism, Pipeline Replacement Program and Rider, affiliate expenses. |
| 06/18 | 18-0047 | OH | Ohio Energy Group | Ohio Electric Utilities | Tax Cuts and Jobs Act. Reduction in income tax expense; amortization of excess ADIT. |
| 07/18 | T-34695 | LA | LPSC Staff | Crimson Gulf, LLC | Revenues, depreciation, income taxes, O&M, ADIT. |
| 08/18 | 48325 | TX | Cities Served by Oncor | Oncor Electric Delivery Company | Tax Cuts and Jobs Act; amortization of excess ADIT. |
| 08/18 | 48401 | TX | Cities Served by TNMP | Texas-New Mexico Power Company | Revenues, payroll, income taxes, amortization of excess ADIT, capital structure. |
| 08/18 | 2018-00146 | KY | KIUC | Big Rivers Electric Corporation | Station Two contracts termination, regulatory asset, regulatory liability for savings |
| 09/18<br><br><br><br>10/18 | 20170235-EI<br>20170236-EU<br>Direct<br>Supplemental<br>Direct | FL | Office of Public Counsel | Florida Power & Light Company | FP&L acquisition of City of Vero Beach municipal electric utility systems. |
| 09/18<br><br>10/18 | 2017-370-E<br>Direct<br>2017-207, 305, 370-E<br>Surrebuttal<br>Supplemental<br>Surrebuttal | SC | Office of Regulatory Staff | South Carolina Electric & Gas Company and Dominion Energy, Inc. | Recovery of Summer 2 and 3 new nuclear development costs, related regulatory liabilities, securitization, NOL carryforward and ADIT, TCJA savings, merger conditions and savings. |
| 12/18 | 2018-00261 | KY | Attorney General | Duke Energy Kentucky (Gas) | Revenues, O&M, regulatory assets, payroll, integrity management, incentive compensation, cash working capital. |
| 01/19 | 2018-00294<br>2018-00295 | KY | Kentucky Industrial Utility Customers, Inc. | Kentucky Utilities Company, Louisville Gas & Electric Company | AFUDC v. CWIP in rate base, transmission and distribution plant additions, capitalization, revenues generation outage expense, depreciation rates and expenses, cost of debt. |

**Expert Testimony Appearances
of
Lane Kollen
As of March 2019**

| Date | Case | Jurisdict. | Party | Utility | Subject |
|---|---|---|---|---|---|
| 01/19 | 2018-00281 | KY | Attorney General | Atmos Energy Group | AFUDC v. CWIP in rate base, ALG v. ELG depreciation rates, cash working capital, PRP Rider, forecast plant additions, forecast expenses, cost of debt, corporate cost allocation. |
| 02/19 | UD-18-17 | New Orleans | Crescent City Power Users Group | Entergy New Orleans, LLC | Post-test year adjustments, storm reserve fund, NOL ADIT, FIN48 ADIT, cash working capital, depreciation, amortization, capital structure, formula rate plans, purchased power rider. |
| 03/19 | 48929 | TX | Steering Committee of Cities Served by Oncor | Oncor Electric Delivery Company LLC, Sempra Energy, Sharyland Distribution & Transmission Services, L.L.C.., Sharyland Utilities, L.P. | Sale, transfer, merger transactions, hold harmless and other regulatory conditions. |

EXHIBIT ____ (LK-2)

**KENTUCKY-AMERICAN WATER COMPANY**
**CASE NO. 2018-00358**
**ATTORNEY GENERAL'S SECOND REQUEST FOR INFORMATION**

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**Witness: Melissa L. Schwarzell**

**31.** Provide the date when the Company receives an invoice from AWWSC each month for the prior month's services. Confirm that the Company receives the monthly invoice after the accounting close for the prior month. If this is not correct, then explain why it is not correct and provide a correct statement.

**Response:**

On the 3rd business day of each month, the Company receives an invoice from AWWSC for the previous month's services. At that time, accounting closing for the previous month has not yet occurred.

**EXHIBIT ____ (LK-3)**

**KENTUCKY-AMERICAN WATER COMPANY
CASE NO. 2018-00358
ATTORNEY GENERAL'S SECOND REQUEST FOR INFORMATION**

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**Witness: Melissa L. Schwarzell**

**32.** Indicate when the Company records the liability to AWWSC each month for the prior month's services, e.g., in conjunction with the Company's accounting close for the prior month or in the current month when the invoice is received.

**Response:**

The Company's expenses and net liabilities related to Service Company for a given month are recorded when the Service Company bill is run on the third business day of the following month. When the Company pays the bill, approximately mid-month of the following month, the Company also prepays an estimate for the new month's expenses based on the previous month's expenses. Simultaneously, the previous month's prepaid balance is cleared. Cash is credited through the Company's loan balance with AWCC (in-house bank).

EXHIBIT ____ (LK-4)

**KENTUCKY-AMERICAN WATER COMPANY**
**CASE NO. 2018-00358**
**ATTORNEY GENERAL'S SECOND REQUEST FOR INFORMATION**

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**Witness: Melissa L. Schwarzell**

**33.** Provide a copy of the AWWSC invoices for each month January 2017 through December 2018. Provide the date at which each of those invoices was paid.

**Response:**

Please see KAW_R_AGDR2_NUM033_030119_Attachment for copies of all AWWSC invoices requested. Payment dates are listed in the table below.

| Monthly Bill | Estimated Amount | Payment Date | True-Up Between Estimated and Actual Amounts | Payment Date | Total Payment |
|---|---|---|---|---|---|
| Jan 2017 Bill | $1,244,410.09 | 1/12/2017 | ($238,329.74) | 2/23/2017 | $1,006,080.35 |
| Feb 2017 Bill | 1,006,080.35 | 2/10/2017 | (388,028.07) | 3/16/2017 | 618,052.28 |
| Mar 2017 Bill | 618,052.28 | 3/10/2017 | 310,952.48 | 4/26/2017 | 929,004.76 |
| Apr 2017 Bill | 929,004.76 | 4/12/2017 | (152,114.97) | 5/11/2017 | 776,889.79 |
| May 2017 Bill | 776,889.79 | 5/11/2017 | 314,439.81 | 6/19/2017 | 1,091,329.60 |
| Jun 2017 Bill | 1,091,329.60 | 6/12/2017 | (38,434.28) | 7/26/2017 | 1,052,895.32 |
| Jul 2017 Bill | 1,052,895.32 | 7/21/2017 | (179,780.61) | 8/18/2017 | 873,114.71 |
| Aug 2017 Bill | 873,114.71 | 8/9/2017 | 105,008.89 | 9/19/2017 | 978,123.60 |
| Sep 2017 Bill | 978,123.60 | 9/11/2017 | 107,384.62 | 10/30/2017 | 1,085,508.22 |
| Oct 2017 Bill | 1,085,508.22 | 10/11/2017 | (78,456.96) | 11/9/2017 | 1,007,051.26 |
| Nov 2017 Bill | 1,007,051.26 | 11/7/2017 | (73,429.17) | 12/11/2017 | 933,622.09 |
| Dec 2017 Bill | 933,622.09 | 12/11/2017 | 185,422.35 | 1/18/2018 | 1,119,044.44 |
| Jan 2018 Bill | 1,119,044.44 | 1/11/2018 | (25,194.59) | 2/26/2018 | 1,093,849.85 |
| Feb 2018 Bill | 1,093,849.85 | 2/12/2018 | (122,503.59) | 3/9/2018 | 971,346.26 |
| Mar 2018 Bill | 971,346.26 | 3/8/2018 | 227,366.75 | 4/13/2018 | 1,198,713.01 |
| Apr 2018 Bill | 1,198,713.01 | 4/10/2018 | (342,179.86) | 5/11/2018 | 856,533.15 |
| May 2018 Bill | 856,533.15 | 5/11/2018 | 143,246.09 | 6/22/2018 | 999,779.24 |
| Jun 2018 Bill | 999,779.24 | 6/11/2018 | 230,100.65 | 7/26/2018 | 1,229,879.89 |
| Jul 2018 Bill | 1,229,879.89 | 7/16/2018 | (163,680.44) | 8/15/2018 | 1,066,199.45 |
| Aug 2018 Bill | 1,064,199.45 | 8/30/2018 | (129,042.05) | 9/12/2018 | 935,157.40 |
| Sep 2018 Bill | 935,157.40 | 9/11/2018 | 382,751.04 | 10/19/2018 | 1,317,908.44 |
| Oct 2018 Bill | 1,317,908.44 | 10/10/2018 | (128,039.11) | 11/28/2018 | 1,189,869.33 |
| Nov 2018 Bill | 1,189,869.33 | 11/7/2018 | (38,075.98) | 12/24/2018 | 1,151,793.35 |
| Dec 2018 Bill | 1,151,793.35 | 12/10/2018 | 416,153.35 | 1/14/2019 | 1,567,946.70 |

American Water Works Service Company Invoice

Company Name: Kentucky-American Water C
Company Number: 1012
Month/Year: 01/2017

| | Labor, Taxes & Benefits | Other | Total |
|---|---|---|---|
| Shared Business Services | $ 285,201.62 | $ 223,419.75 | $ 508,621.37 |
| Central Lab | 4,430.01 | 2,065.56 | 6,495.57 |
| SC-Central Lab | 4,430.01 | 2,065.56 | 6,495.57 |
| 334517 Central Lab | 4,430.01 | 2,065.56 | 6,495.57 |
| Customer Service Center (CSC) | 130,355.98 | 24,248.34 | 154,604.32 |
| SC-Alton Call Center | 70,222.15 | 12,627.90 | 82,850.05 |
| 334076 CCA-Quality & Rprtg | 2,517.86 | 51.07 | 2,568.93 |
| 334005 CCA-Administration | 3,656.59 | 804.31 | 4,460.90 |
| 334070 CCA-Call Handling | 24,958.94 | 509.46 | 25,468.40 |
| 334071 CCA-Billing | 24,764.84 | 472.27 | 25,237.11 |
| 334072 CCA-Collections | 6,285.85 | 450.35 | 6,736.20 |
| 334073 CCA-Oper & Perform | 2,350.71 | 10,064.44 | 12,415.15 |
| 334074 CCA-Business Srvcs | 3,992.99 | 144.09 | 4,137.08 |
| 334075 CCA-Education & Dev | 1,694.37 | 131.91 | 1,826.28 |
| SC-Customer Experience | 1,151.27 | 59.03 | 1,210.30 |
| 332045 Customer Experience | 1,151.27 | 59.03 | 1,210.30 |
| SC-Customer Relations | 29,570.45 | 3,350.11 | 32,920.56 |
| 335203 CORP-CR-Area2-MainBV | 29,541.26 | 3,313.19 | 32,854.45 |
| 335303 CORP-CR-Area1-MainWB | 29.19 | 33.38 | 62.57 |
| 335204 COE-CR-Area2-LX | 0.00 | 3.54 | 3.54 |
| SC-Pensacola Call Center | 29,412.11 | 8,211.30 | 37,623.41 |
| 337005 CCP-Administration | 440.79 | 10.62 | 451.41 |
| 337070 CCP-Call Handling | 26,474.72 | 2,170.41 | 28,645.13 |
| 337073 CCP-Oper & Spprt | 1,046.95 | 5,988.60 | 7,035.55 |
| 337075 CCP-Education & Dev | 686.41 | 15.01 | 701.42 |
| 337076 CCP-Quality & Rprtg | 763.24 | 26.66 | 789.90 |
| Information Tech Services (ITS) | 140,588.39 | 193,458.89 | 334,047.28 |
| SC - ITS-Administration | 140,588.39 | 192,664.13 | 333,252.82 |
| 332071 CORP-ITS Admin | 140,588.39 | 192,610.08 | 333,198.47 |
| 333531 CORP-ITS Client Door | 0.00 | 54.35 | 54.35 |
| Supply Chain | 9,827.24 | 3,646.96 | 13,474.20 |
| SC-Supply Chain | 9,827.24 | 3,646.96 | 13,474.20 |
| 332010 CORP-Spply Chain-Src | 8,912.54 | 3,584.46 | 12,497.00 |
| 332562 CORP-Procurement | 914.70 | 62.50 | 977.20 |
| Shared Governance & Service Fees | $ 267,907.92 | $ 142,366.93 | $ 410,274.85 |
| Security Operations | 6,272.07 | 3,240.34 | 9,512.41 |
| SC-Security Operations | 6,272.07 | 3,240.34 | 9,512.41 |
| 332077 CORP-Security Ops | 6,272.07 | 3,240.34 | 9,512.41 |
| Regulated Operations | 39,749.86 | 6,984.52 | 46,734.38 |
| SC - Regulated Ops - CD | 31,656.35 | 5,665.78 | 37,322.13 |
| 335205 CD - Admin & Gen | 22,957.92 | 4,980.81 | 27,938.73 |
| 335212 CD - Rates | 8,698.43 | 684.97 | 9,383.40 |
| SC - CORP-Regulated Operations | 6,502.48 | 713.37 | 7,215.85 |
| 332026 CORP-Regulated Ops | 6,502.48 | 713.37 | 7,215.85 |
| SC - Regulated Ops - MAD | 11.33 | 382.26 | 393.59 |
| 335305 MAD - Admin & Generl | 6.24- | 387.23 | 380.99 |
| 335312 MAD - Rates | 17.57 | 4.97- | 12.60 |
| SC - Regulated Ops - NED | 6.30- | 35.25- | 41.55- |
| 335405 NED - Admin & Gen | 19.60- | 3.54 | 16.06- |
| 335412 NED - Rates | 13.30 | 38.79- | 25.49- |
| SC - Operations Excellence | 1,586.00 | 202.46 | 1,788.46 |
| 332044 Operation Excellence | 1,586.00 | 202.46 | 1,788.46 |
| Facilities | 319.71 | 18,399.48 | 18,719.19 |
| SC-Facilities | 319.71 | 18,399.48 | 18,719.19 |
| 332045 CORP-3906 Church Rd | 0.18 | 1,432.64 | 1,432.82 |
| 332062 CORP-Voorhees | 319.53 | 6,183.68 | 6,503.21 |
| 332042 CORP-CITE Voorhees | 0.00 | 51.70 | 51.70 |
| 332063 CORP-Woodcrest | 0.00 | 10,731.46 | 10,731.46 |
| Health & Safety | 2,825.06 | 4,756.35- | 1,931.29- |
| SC-Health & Safety | 2,825.06 | 4,756.35- | 1,931.29- |
| 332019 CORP-Operationl Risk | 2,825.06 | 4,756.35- | 1,931.29- |
| Legal | 41,615.96 | 9,984.07 | 51,600.03 |
| SC-Legal | 30,022.27 | 9,429.50 | 39,451.77 |
| 335415 NED - Legal | 18.73 | 16.45 | 35.18 |
| 335315 MAD - Legal | 0.82 | 3.02 | 3.84 |
| 335215 CD - Legal | 16,520.05 | 814.67 | 17,334.72 |
| 332015 CORP-Legal | 13,482.67 | 8,595.36 | 22,078.03 |
| Rates & Regulatory Support | 11,593.69 | 554.57 | 12,148.26 |
| 332574 Regulatory Reporting | 11,593.69 | 554.57 | 12,148.26 |
| Investor Relations | 1,466.23 | 433.70 | 1,899.93 |
| SC-Investor Relations | 1,466.23 | 433.70 | 1,899.93 |
| 332037 CORP-Investr Relatn | 1,466.23 | 433.70 | 1,899.93 |
| Innov & Stewardship | 7,646.43 | 2,644.95- | 5,001.48 |
| SC-Innov & Env Stewardship | 7,646.43 | 2,644.95- | 5,001.48 |
| 332066 CORP-Innov&Env Stwd | 7,646.43 | 2,644.95- | 5,001.48 |
| HR Comp & Benefits | 8,162.94 | 2,351.04 | 10,513.98 |
| SC-HR Comp & Benefits | 8,162.94 | 2,351.04 | 10,513.98 |
| 332520 CORP-HTR HR Svc Adm | 361.35 | 1,233.36 | 1,594.71 |

| | | | | |
|---|---|---|---|---|
| 332518 | CORP- HTR HR Svc CC | 795.59 | 44.08 | 839.67 |
| 332014 | CORP-Benefit Svc Ctr | 3,166.85 | [illegible] | 3,698.60 |
| 332002 | CORP-HR Comp/Benefit | 3,839.15 | 499.32 | 4,338.47 |
| 332012 | Wrkfrc Plng & HR Sys | 0.00 | 42.53 | 42.53 |
| Talent Mgmt & Org Effectiveness | | 15,838.47 | 6,567.16 | 22,405.63 |
| SC-Talent Mgmt & Org Effectiveness | | 15,838.47 | 6,567.16 | 22,405.63 |
| 336518 | Talent Acquisition | 2,897.79 | 1,137.21 | 4,035.00 |
| 332082 | CORP-Oper. Education | 4,909.48 | 3,725.05 | 8,634.53 |
| 332013 | Core HR Admin&OrgMgt | 227.21 | 43.47 | 270.68 |
| 332003 | CORP-HR Talent Dev | 7,803.99 | 1,655.17 | 9,459.16 |
| 332606 | CORP-Oper Training | 0.00 | 6.28 | 6.28 |
| HR Business Partners | | 20,338.07 | 5,808.28 | 26,146.35 |
| SC-HR Business Partners | | 20,338.07 | 5,808.28 | 26,146.35 |
| 332004 | CORP-HR Labor Relatn | 3,490.87 | 896.21 | 4,387.08 |
| 332006 | CORP-Business Ctr HR | 3,721.08 | 259.17 | 3,980.25 |
| 334018 | CCA-Human Resources | 950.70 | 82.89 | 1,033.59 |
| 335218 | CD - Human Resources | 11,296.89 | 4,598.50 | 15,895.39 |
| 335318 | MAD Human Resource | 878.53 | 28.49- | 850.04 |
| Human Resources Corp | | 2,245.88 | 346.03 | 2,591.91 |
| SC-Human Resources Corp | | 2,245.88 | 346.03 | 2,591.91 |
| 332018 | CORP-Human Resources | 2,313.93 | 343.08 | 2,657.01 |
| 332048 | CORP-HR Hlth&Well | 68.05- | 2.95 | 65.10- |
| Finance | | 83,266.78 | 19,686.75 | 102,953.53 |
| SC-Treasury | | 8,706.06 | 2,416.98 | 11,123.04 |
| 332057 | CORP-Treasury | 7,292.66 | 2,362.33 | 9,654.99 |
| 332519 | CORP-HTRClaims Mgmnt | 1,413.40 | 54.65 | 1,468.05 |
| FSPBS | | 25,803.77 | 5,586.05 | 31,389.82 |
| 335407 | NED - F P & A | 668.21 | 17.12 | 685.33 |
| 335307 | MAD - F P & A | 0.24 | 2.42 | 2.66 |
| 335207 | CD - FP & A | 7,526.54 | 610.33 | 8,136.87 |
| 332017 | CORP-ServCo FP&A | 17,286.91 | 4,782.44 | 22,069.35 |
| 335605 | Corp FP&A - Admin | 321.87 | 173.74 | 495.61 |
| SC-CTIO Organization | | 1,773.26 | 9.94 | 1,783.20 |
| 332201 | CTIO-Organization | 1,773.26 | 9.94 | 1,783.20 |
| SC-Corporate Finance | | 3,514.56 | 6,244.84 | 9,759.40 |
| 337777 | CORP-CEO | 3,514.56 | 6,244.84 | 9,759.40 |
| SC-Accounting Organization | | 43,469.13 | 5,428.94 | 48,898.07 |
| 332584 | CORP-PTPAcct Payable | 3,622.87 | 4,120.13- | 497.26- |
| 332581 | CORP-RTRPayroll Acct | 2,886.89 | 1,915.93 | 4,802.82 |
| 332575 | CORP-PTP Cash Oper | 4,204.57 | 185.08 | 4,389.65 |
| 332573 | Ext Rprtng & Tech Ac | 2,242.45 | 289.92 | 2,532.37 |
| 332574 | CORP-PTP General Tax | 5,970.63 | 321.21 | 6,291.84 |
| 332576 | CORP-RTR Acctg & Rep | 14,981.77 | 1,760.12 | 16,741.89 |
| 332047 | CORP-Income Tax | 4,189.24 | 4,102.10 | 8,291.34 |
| 332007 | CORP-Finance | 5,370.71 | 974.71 | 6,345.42 |
| Engineering | | 13,972.90 | 988.19 | 14,961.09 |
| SC-Arc Flash | | 37.84 | 44.76 | 82.60 |
| 332016 | CORP-Arc Flash | 37.84 | 44.76 | 82.60 |
| SC-Asset Management | | 13,935.06 | 943.43 | 14,878.49 |
| 332065 | CORP-Asset Mgmnt | 2,067.98 | 420.58 | 2,488.56 |
| 336550 | CORP-COE-Engineering | 351.22 | 108.46 | 459.68 |
| 336551 | CORP-COE-Tech Srvcs | 11,515.86 | 414.39 | 11,930.25 |
| External Affairs & Public Policy | | 16,263.51 | 1,336.08 | 17,599.59 |
| SC-External Affairs Communication | | 12,862.64 | 2,797.60 | 15,660.24 |
| 335425 | NED - Externl Affrs | 0.21 | 1.07 | 1.28 |
| 335325 | MAD - Externl Affrs | 0.43- | 1.07 | 0.64 |
| 335225 | CD - Externl Affairs | 6,788.64 | 875.01 | 7,663.65 |
| 332086 | CORP-Internal Comm | 2,557.40 | 261.48 | 2,818.88 |
| 332085 | CORP-External Comm | 3,516.82 | 1,632.52 | 5,149.34 |
| 332087 | CORP-Social Respons | 0.00 | 26.45 | 26.45 |
| SC-External Affairs & Public Policy | | 2,997.96 | 1,117.47- | 1,880.49 |
| 332050 | CORP-EA & Pblc Plcy | 2,997.96 | 1,117.47- | 1,880.49 |
| SC-Government Affairs | | 655.13 | 301.36 | 956.49 |
| 332022 | CORP-Govt Affairs | 655.13 | 301.36 | 956.49 |
| SC-Regulatory Policy | | 252.22- | 645.41- | 897.63- |
| 335705 | CORP-Reg Policy | 252.22- | 645.41- | 897.63- |
| Process Excellence | | 4,886.42 | 1,281.05 | 6,167.47 |
| SC - Process Excellence | | 4,886.42 | 1,281.05 | 6,167.47 |
| 332605 | CORP-Proc Excellence | 4,886.42 | 1,276.04 | 6,162.46 |
| 332578 | Project Mgmnt | 0.00 | 5.01 | 5.01 |
| Business Development | | 9,395.80 | 521.90- | 8,873.90 |
| SC-Business Development | | 9,395.80 | 521.90- | 8,873.90 |
| 335320 | MAD - Business Dev | 6.62 | 3.76 | 10.38 |
| 335220 | CD - Business Dev | 1,793.48 | 315.61 | 2,109.09 |
| 332120 | CORP-BD-Shale Gas | 472.33 | 584.99- | 112.66- |
| 332020 | CORP-Corp Bus Dev | 7,123.37 | 257.17- | 6,866.20 |
| 335420 | NED - Business Dev | 0.00 | 0.69 | 0.69 |
| Audit | | 3,813.79 | 17,033.62 | 20,847.41 |
| SC-Audit | | 3,813.79 | 17,033.62 | 20,847.41 |
| 332060 | CORP-Audit | 3,813.79 | 14,540.30 | 18,354.09 |
| 332027 | CORP-Compliance | 0.00 | 2,493.32 | 2,493.32 |
| Administration - Corporate | | 10,171.96- | 55,849.82 | 45,677.86 |
| SC-Corporate Admin | | 10,171.96- | 55,849.82 | 45,677.86 |
| 332098 | CORP-Non-Depart Cost | 274.38 | 1,468.83- | 1,194.45- |
| 332095 | CORP-Admin | 10,443.37- | 64,850.36 | 54,406.99 |
| 332070 | CORP-SharedBusSvcAdm | 1.12 | 0.00 | 1.12 |
| 332041 | CORP-Legal BOD | 4.09- | 7,544.96- | 7,549.05- |
| 332059 | CORP-Trans Labor | 0.00 | 7.03- | 7.03- |
| 332505 | SSC-Administration | 0.00 | 20.28 | 20.28 |

KAW_R_AGDR2_NUM033_030119



| | | | | |
|---|---|---|---|---|
| Total O & M Billing | | $ 553,109.54 | $ 365,786.60 | $ 918,896.22 |
| CAPEX | | | | |
| B12-01-8011 | - 10780110 - Eng Dist Clear | 57,565.81 | 9,112.96 | 66,678.77 |
| R12-01K3.15-P-0010 | - Internet Content Redesign | 783.97 | 1,616.45 | 2,400.42 |
| R12-01K3.15-P-0013 | - Records Management | 71.59 | 4.68 | 76.27 |
| R12-01K3.16-P-0001 | - SAP RTR Change Requests - 2016 | 166.59 | 2,627.64 | 2,794.23 |
| R12-01K3.16-P-0002 | - SAP PTP Change Requests - 2016 | 194.91 | 12.68 | 207.59 |
| R12-01K3.16-P-0003 | - SAP HTR Change Requests - 2016 | 940.88 | 455.72 | 1,396.60 |
| R12-01K3.16-P-0004 | - SAP CIS Change Requests - 2016 | 1,048.07 | 24.42- | 1,023.65 |
| R12-01K3.16-P-0005 | - SAP EAM Change Requests - 2016 | 1,031.62 | 1,865.10 | 2,896.72 |
| R12-01K3.16-P-0009 | - Contact Center Call Routing & Optimizati | 641.13 | 294.64 | 935.77 |
| R12-01K3.16-P-0010 | - Office365 | 20.90 | 1,374.39 | 1,395.29 |
| R12-01K3.16-P-0011 | - Ent. Identity Management Solution (IAM) | 514.60 | 2,436.88 | 2,951.48 |
| R12-01K3.16-P-0013 | - Environmental Health & Safety Management | 33.67- | 0.00 | 33.67- |
| R12-01K3.16-P-0019 | - AMI SAP Integration | 4.48 | 2,445.98- | 2,441.50- |
| R12-01K3.16-P-0021 | - SAP EHP7 & HANA Imp. - Phase 3 | 17.57- | 1.57- | 19.14- |
| R12-01K3.16-P-0022 | - myTime | 1,415.38 | 8,044.47 | 9,459.85 |
| R12-02K1.16-P-I016-99 | - PUR(16)CF-53 Toughbooks | 2,654.76- | 0.00 | 2,654.76- |
| R12-01K3.14-P-0010 | - Kronos - Implementation | 0.00 | 116.56 | 116.56 |
| Total Capex Billing | | $ 61,693.93 | $ 25,490.20 | $ 87,184.13 |
| Total Service Company Billing - Current Month | | $ 614,803.47 | $ 391,276.88 | $ 1,006,080.35 |
| Less: Payment - Prior estimated billing | | | | $ 1,244,410.09 |
| Net Amount Payable (Receivable) - Current month | | | | $ -238,329.74 |
| Plus: Est. Current month billing | | | | $ 1,006,080.35 |
| Total Due | | | | $ 767,750.61 |

EXHIBIT ____ (LK-5)

**KENTUCKY-AMERICAN WATER COMPANY**
**CASE NO. 2018-00358**
**ATTORNEY GENERAL'S SECOND REQUEST FOR INFORMATION**

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**Witness: Scott W. Rungren**

**23.** Provide a schedule showing the Company's monthly earnings on common, common dividends declared, and common dividends paid from January 2015 through the most recent month for which actual information is available. In addition, provide the date that each common dividend was paid since January 2015. Further, provide a copy of all written dividend policies and guidelines.

**Response:**

Please see the attachments.

**Kentucky-American Water Company**
**Net Income and Common Dividends**

| Month/Yr | Net Income Available To Common | Common Dividends Declared | Common Dividends Paid | Common Dividend Payment Date |
|---|---|---|---|---|
| Jan-15 | $881,243 | | | |
| Feb-15 | $899,436 | | | |
| Mar-15 | $1,258,345 | $2,680,239 | $2,680,239 | 03/31/15 |
| Apr-15 | $976,200 | | | |
| May-15 | $538,134 | | | |
| Jun-15 | $1,558,192 | $2,272,717 | $2,272,717 | 06/29/15 |
| Jul-15 | $1,606,946 | | | |
| Aug-15 | $1,709,252 | | | |
| Sep-15 | $2,116,781 | $2,304,065 | $2,304,065 | 09/29/15 |
| Oct-15 | $1,994,615 | | | |
| Nov-15 | $1,089,246 | | | |
| Dec-15 | $126,326 | $4,028,195 | $4,028,195 | 12/31/15 |
| Jan-16 | $900,922 | | | |
| Feb-16 | $1,085,545 | | | |
| Mar-16 | $1,083,419 | $2,398,108 | $2,398,108 | 03/30/16 |
| Apr-16 | $1,124,753 | | | |
| May-16 | $1,373,370 | | | |
| Jun-16 | $1,664,528 | $2,304,065 | $2,304,065 | 06/29/16 |
| Jul-16 | $2,020,583 | | | |
| Aug-16 | $2,119,934 | | | |
| Sep-16 | $1,771,670 | $3,119,108 | $3,119,108 | 09/28/16 |
| Oct-16 | $2,264,081 | | | |
| Nov-16 | $1,895,916 | | | |
| Dec-16 | $479,064 | $4,420,043 | $4,420,043 | 12/29/16 |
| Jan-17 | $1,112,931 | | | |
| Feb-17 | $1,429,098 | | | |
| Mar-17 | $1,168,696 | $3,463,934 | $3,463,934 | 03/31/17 |
| Apr-17 | $1,622,786 | | | |
| May-17 | $1,162,800 | | | |
| Jun-17 | $1,857,417 | $2,774,282 | $2,774,282 | 06/29/17 |
| Jul-17 | $2,262,451 | | | |
| Aug-17 | $2,302,466 | | | |
| Sep-17 | $5,700,732 | $3,510,956 | $3,510,956 | 09/28/17 |
| Oct-17 | $1,840,198 | | | |
| Nov-17 | $1,274,854 | | | |
| Dec-17 | ($652,172) | $4,686,499 | $4,686,499 | 12/29/17 |
| Jan-18 | $1,304,013 | | | |
| Feb-18 | $1,555,124 | | | |
| Mar-18 | $892,791 | $1,865,195 | $1,865,195 | 03/30/18 |
| Apr-18 | $351,125 | | | |
| May-18 | $1,860,030 | | | |
| Jun-18 | $1,501,059 | $2,288,391 | $2,288,391 | 06/28/18 |
| Jul-18 | $2,168,884 | | | |
| Aug-18 | $2,141,809 | | | |
| Sep-18 | $1,854,616 | $3,354,217 | $3,354,217 | 09/28/18 |
| Oct-18 | $2,962,572 | | | |
| Nov-18 | $730,931 | | | |
| Dec-18 | $2,057,599 | $4,639,477 | $4,639,477 | 12/28/18 |
| Jan-19 | $622,988 | | | |

AMERICAN WATER

**Title:** **American Water Subsidiary Dividend Policy**
**Functional Area:** **Corporate Treasury**
**Policy Number:** **fin_trs_gen_po_01_Dividendpmts_ 2007_04_25**

## SCOPE

This policy applies to American Water Works Company, Inc. and its regulated subsidiaries, including, for purposes of this policy, American Water Works Service Company, Inc. (together "American Water" or the "Company").

## POLICY STATEMENT

Business Objective:
This dividend policy establishes requirements for the payment of common dividends by American Water Works Company, Inc. (the "Company") subsidiaries. The Company is a holding company whose principal asset is the common stock of its subsidiaries. This policy is designed to provide the Company with the cash necessary to meet its obligations to its subsidiaries and shareholders.

A balance between an appropriate capital structure for each subsidiary and maintenance of an appropriate dividend payout to shareholders must be preserved. The following policy is intended to ensure that equity is strictly managed while ensuring that shareholders receive appropriate dividends.

Statement:

**Regulated Utility Subsidiary**
Each regulated utility subsidiary of the Company ("Regulated Subsidiary") will target to pay out approximately 75% of the relevant year's net income to common stock, as a common dividend, subject to any restrictions contained in loan agreements, indentures, regulatory orders, charters, or relevant state or federal tax laws. In order to coordinate with the business planning process, the calculation of the dividend will be based on net income to common stock earned during a twelve month period ending September 30 and will be paid quarterly in arrears. Quarterly payments in each of the first three quarters of a calendar year shall be limited to ensure accumulated dividend payments do not exceed a forecast of the full calendar year dividend disbursement. All Regulated Subsidiaries shall calculate a dividend per share rounded down to the nearest penny. If the calculation of available net income to common stock produces an amount equal to or less than zero, no dividends are expected to be paid up to the Company for the given quarter.

In instances where the Regulated Subsidiary's capital structure is expected to exceed 50% equity, the Regulated Subsidiary may increase the dividend rate above 75% upon written consent from the Regulated Subsidiary 's Board of Directors and the Company's Vice President and Treasurer. Any material reduction below the target pay out must be approved by the Regulated Subsidiary's Board of Directors and the Company's Vice President and Treasurer

**Non-Utility Subsidiary**
Each non-regulated subsidiary ("Non-utility") is expected to payout all cash in excess of the requirements necessary to meet their approved annual business plan. The excess cash will be paid in the form of a dividend to the Non-utility's parent not to exceed the planned net income to common stock for any fiscal year or retained earnings, whichever is greater. Any material

change from the target pay out must be approved by the Company's Vice President and Treasurer.

All Non-utilities which are neither directly or indirectly 100% owned by the Company shall calculate a dividend per share rounded down to the nearest penny. Reasonable care will be taken to ensure that all dividends are calculated correctly. Quarterly payments in each of the first three quarters of a calendar year are subject to a limitation that it will not result in accumulated dividend payments that exceed an updated forecast of the full year common dividend disbursement.

**Minority Shareholders**
Dividends made to Minority Shareholders will be paid at the same time payment is issued to the majority shareholders.

**Review / Approval Dividend Payments**
All dividends must be approved by the Board of Directors of each dividend paying subsidiary and are subject to any existing restrictions imposed by loan agreements, indentures, regulatory orders, charters, or relevant state or federal tax laws. Settlement of dividends must be based upon subsidiary Board or Directors approved amounts, made each quarter. Dividend calculations will be made in accordance with the American Water Subsidiary Dividend Practice.

## MONITORING

This policy will be monitored by the Company's VP & Treasurer and Assistant Treasurer.

## REPORTING / METRICS

The American Water Works Service Company, Inc. Shared Service Center ("SSC") will prepare a quarterly report of dividends paid, and report to the Company's Treasurer and Assistant Treasurer.

## CONSEQUENCE OF NON-COMPLIANCE

Employees violating this policy may be subject to appropriate disciplinary action up to and including termination.

## WAIVER

Any deviation or waiver from or exception to this policy requires the prior, written approval of the Senior Vice President & Chief Financial Officer, or his or her designee.

## REFERENCES

Subsidiary Dividends Practice.

## DEFINITIONS

"Minority Shareholders" means the individuals and institutions which own less than 50% of all outstanding shares in the Company's subsidiaries.

## REVIEW / UPDATE

This policy will be reviewed and revised as necessary, not to exceed 3 year intervals.

AMERICAN WATER

**Approved by:**
Indicate: Ellen Wolf, Senior Vice President & Chief Financial Officer

| | |
|---|---|
| Original Adopted: | 4/25/2007 |
| Revised Adopted: | 11/2010 |
| Date of Last Review: | 11/2010 |
| Effective Date: | 4/24/2007 |
| **Prepared By:** | Corporate Treasury |

**Disclaimer**

American Water reserves the right to change, revise or discontinue this Policy for any reason whatsoever. No employee, manager or other agent of American Water, other than the Service Company Board (and, if applicable, the executive having authority to approve this policy) has the authority to enter into any agreement contrary to this Policy.

This policy is not intended to create any contractual rights or duties and will be applied at the Company's sole discretion.

Employment with the Company is "at-will". That means that either you or the Company can terminate employment at any time, for any reason or no reason at all, with or without cause or notice.

Neither this policy nor any oral statement will create a right of continued employment. Any employment contract must be in writing and must be signed by the President of American Water, or his or her designee.

This Policy supersedes and voids all previous policies and practices, which may be inconsistent in any way with that stated herein.

**EXHIBIT ____ (LK-6)**

**KENTUCKY-AMERICAN WATER COMPANY**
**CASE NO. 2018-00358**
**COMMISSION STAFF'S THIRD REQUEST FOR INFORMATION**

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**Witness: Brent E. O'Neill/Melissa L. Schwarzell**

**2.** Using the revised budget project schedules provided in the response to Item 1. above, provide a schedule that calculates the ten-year average slippage factor for the original construction budgets for calendar years 2008 through 2017.

**Response:**

Please find attached the ten-year average slippage factor using the revised budget project schedules provided in Commission Staff's Third Request Item 1. Because these slippage factors reflect only half of the equation when tradeoffs occur between projects, the Company does not feel that the schedules reasonably reflect the variance between the budgeted and actual capital spend for a year. Please see the Company's response to Commission Staff's Third Request Item 1 for further explanation.

Kentucky American Water
Case No. 2018-00358
Construction Projects

PSC Data Request 3
Schedule 2

Type of Filing: _X__Original _____Updated _____Revised
Workpaper Reference No(s).:____________________

Witness Responsible:
Brent O'Neill

Source: PSC_DR3_Schedule 1

| Year | Annual Actual Cost | Annual Original Budget | Variance in Dollars | Variance as Percent | Slippage Factor |
|---|---|---|---|---|---|
| 2008 | 12,880,191.40 | 17,969,149.00 | (5,088,957.60) | -28.32% | 71.679% |
| 2009 | 11,817,305.39 | 17,882,050.69 | (6,064,745.30) | -33.92% | 66.085% |
| 2010 | 14,868,318.05 | 17,995,115.70 | (3,126,797.65) | -17.38% | 82.624% |
| 2011 | 20,572,837.39 | 22,943,595.00 | (2,370,757.61) | -10.33% | 89.667% |
| 2012 | 23,077,755.00 | 24,601,436.00 | (1,523,681.00) | -6.19% | 93.807% |
| 2013 | 26,128,386.00 | 24,050,759.00 | 2,077,627.00 | 8.64% | 108.639% |
| 2014 | 18,446,756.00 | 19,534,567.00 | (1,087,811.00) | -5.57% | 94.431% |
| 2015 | 28,256,721.00 | 27,313,795.00 | 942,926.00 | 3.45% | 103.452% |
| 2016 | 20,674,381.10 | 19,030,344.86 | 1,644,036.24 | 8.64% | 108.639% |
| 2017 | 19,896,804.77 | 22,469,449.50 | (2,572,644.73) | -11.45% | 88.550% |
| Totals | 196,619,456.10 | 213,790,261.75 | (17,170,805.65) | -8.03% | 91.968% |

The Annual Actual Cost, Annual Original Budget, Variance in Dollars, and Variance as Percent are to be taken from Schedule 1 for Public Service Commission DR3.

The Slippage Factor is calculated by dividing the Annual Actual Cost by the Annual Original Budget. Calculate a Slippage Factor for each year and the Totals line. Carry Slippage Factor percentages to 3 decimal places.

**EXHIBIT ____ (LK-7)**

**KENTUCKY-AMERICAN WATER COMPANY**
**CASE NO. 2018-00358**
**ATTORNEY GENERAL'S SECOND REQUEST FOR INFORMATION**

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**Witness: Melissa L. Schwarzell**

**10.** If given the choice, would the Company prefer to 1) have the Lexington Trane plant revenues reflected as a reduction to the revenue requirement and then defer the lost revenues as a regulatory asset after the plant is closed or 2) exclude the revenues from the revenue requirement and then defer the actual revenues as a regulatory liability until the plant is closed or the meter is removed. Explain any response.

**Response:**

Given the Company's response to the Attorney General's Second Request, Item 8, the potential monthly revenue from Trane would likely be less than $3,000. If the choices described in this question were the only ones available for ratemaking outcome, then the Company would have a preference for the latter choice.

**EXHIBIT ____ (LK-8)**

**KENTUCKY-AMERICAN WATER COMPANY**
**CASE NO. 2018-00358**
**ATTORNEY GENERAL'S SECOND REQUEST FOR INFORMATION**

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**Witness: Melissa L. Schwarzell**

**8.** Reference Schwarzell Direct at page 11, lines 14–17. Provide the actual Trane revenues in 2015, 2016, 2017, and 2018 by tariff, and the forecast revenues by tariff that would have been included in the 2019 and 2020 budgets/forecasts if Trane had not announced the Lexington plant closing. Provide all support, including billing determinants, tariff rates, and the calculations of the 2019 and 2020 revenues.

**Response:**

Please see attached.

**Kentucky American Water Company**
**Trane Company Revenues by Year ($)**

| Name | Charges | Tariff/Price | Revenues Generated by Year ($) | | | | Revenues if Trane Had Not Announced Plant Closing ($) | |
|---|---|---|---|---|---|---|---|---|
| | | | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
| Trane Company | 1.5 " Meter | 62.45 | 749.40 | 543.13 | - | - | | |
| | | 68.17 | - | 225.17 | 818.04 | 818.04 | 818.04 | 818.04 |
| | 1.5 " Meter Total | | 749.40 | 768.30 | 818.04 | 818.04 | 818.04 | 818.04 |
| | 4 " Meter | 312.25 | 3,747.00 | 2,715.63 | - | - | | |
| | | 340.77 | - | 1,125.57 | 4,089.24 | 4,089.24 | 4,089.24 | 4,089.24 |
| | 4 " Meter Total | | 3,747.00 | 3,841.20 | 4,089.24 | 4,089.24 | 4,089.24 | 4,089.24 |
| | Total Meter Charges | | 4,496.40 | 4,609.50 | 4,907.28 | 4,907.28 | 4,907.28 | 4,907.28 |
| | Volumetric Charges | 0.38947 | 52,228.48 | 38,744.38 | - | - | | |
| | | 0.43090 | - | 15,956.35 | 38,268.26 | 22,953.76 | | |
| | | 0.38340 | - | - | - | 8,624.82 | 26,473.00 | 26,473.00 |
| | Total Volumetric Charge | | 52,228.48 | 54,700.73 | 38,268.26 | 31,578.58 | 26,473.00 | 26,473.00 |
| **Total Trane Company** | | | **56,724.88** | **59,310.23** | **43,175.54** | **36,485.86** | **31,380.28** | **31,380.28** |

**Kentucky American Water Company**
**Trane Company 2019 & 2020 Revenues if Trane Had Not Announced Plant Closing ($)**
**Worksheet**

Trane Company historical Usage (00s gallons)

| Company | Fiscal year | Values JAN | FEB | MAR | APR | MAY | JUN | JUL | AUG | SEP | OCT | NOV | DEC | TOTAL CGL |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Trane Company | AW/2015 | 9,163 | 7,368 | 6,897 | 8,026 | 9,769 | 7,390 | 23,263 | 16,419 | 15,499 | 13,748 | 8,782 | 7,779 | 134,101 |
| | AW/2016 | 8,647 | 7,353 | 7,024 | 7,779 | 10,233 | 12,611 | 16,247 | 16,897 | 18,206 | 13,255 | 10,584 | 7,674 | 136,510 |
| | AW/2017 | 7,592 | 7,315 | 7,570 | 7,300 | 5,101 | 8,206 | 9,791 | 11,033 | 10,046 | 7,278 | 5,139 | 2,438 | 88,810 |
| | AW/2018 | 2,192 | 2,237 | 2,042 | 2,154 | 3,553 | 9,978 | 11,055 | 10,936 | 11,227 | 9,372 | 5,154 | 5,864 | 75,765 |
| **Grand Total** | | **27,594** | **24,273** | **23,533** | **25,259** | **28,656** | **38,185** | **60,356** | **55,285** | **54,978** | **43,653** | **29,659** | **23,755** | **435,186** |

| | Jan-19 | Feb-19 | Mar-19 | Apr-19 | May-19 | Jun-19 | Jul-19 | Aug-19 | Sep-19 | Oct-19 | Nov-19 | Dec-19 | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **2019 PL Usage Projected 00s Gals (12 month rolling as of Sept 2018)** | **2,192** | **2,237** | **2,042** | **2,154** | **3,553** | **9,978** | **11,055** | **10,936** | **10,046** | **7,278** | **5,139** | **2,438** | 69,048 |

| <u>Tariff</u> | |
|---|---|
| 1.5' Meter | 68.17 |
| 4' Meter | 340.77 |
| $ /00s Gals | 0.3834 |

**<u>Revenues Projection from Trane Company</u>**

| <u>Meter Count</u> | | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 1.5' Meter | 68.17 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| 4' Meter | 340.77 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| <u>Meter Charges</u> | | | | | | | | | | | | | | |
| 1.5' Meter | 68.17 | 68.17 | 68.17 | 68.17 | 68.17 | 68.17 | 68.17 | 68.17 | 68.17 | 68.17 | 68.17 | 68.17 | 68.17 | 818.04 |
| 4' Meter | 340.77 | 340.77 | 340.77 | 340.77 | 340.77 | 340.77 | 340.77 | 340.77 | 340.77 | 340.77 | 340.77 | 340.77 | 340.77 | 4,089.24 |
| **Total Fixed Charges** | | **408.94** | **408.94** | **408.94** | **408.94** | **408.94** | **408.94** | **408.94** | **408.94** | **408.94** | **408.94** | **408.94** | **408.94** | **4,907.28** |
| <u>Volumetric Charge</u> | | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | Total |
| Volume | 0.3834 | 2,192 | 2,237 | 2,042 | 2,154 | 3,553 | 9,978 | 11,055 | 10,936 | 10,046 | 7,278 | 5,139 | 2,438 | 69,048.00 |
| **Volumetric Charge** | | **840.41** | **857.67** | **782.90** | **825.84** | **1,362.22** | **3,825.57** | **4,238.49** | **4,192.86** | **3,851.64** | **2,790.39** | **1,970.29** | **934.73** | **26,473.00** |
| **<u>Total Charges</u>** | | **1,249.35** | **1,266.61** | **1,191.84** | **1,234.78** | **1,771.16** | **4,234.51** | **4,647.43** | **4,601.80** | **4,260.58** | **3,199.33** | **2,379.23** | **1,343.67** | **31,380.28** |

| | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **2019 Forecast** | **1,249.35** | **1,266.61** | **1,191.84** | **1,234.78** | **1,771.16** | **4,234.51** | **4,647.43** | **4,601.80** | **4,260.58** | **3,199.33** | **2,379.23** | **1,343.67** | **31,380.28** |
| **2020 Forecast** | **1,249.35** | **1,266.61** | **1,191.84** | **1,234.78** | **1,771.16** | **4,234.51** | **4,647.43** | **4,601.80** | **4,260.58** | **3,199.33** | **2,379.23** | **1,343.67** | **31,380.28** |

**EXHIBIT ____ (LK-9)**

**KENTUCKY-AMERICAN WATER COMPANY**
**CASE NO. 2018-00358**
**ATTORNEY GENERAL'S FIRST REQUEST FOR INFORMATION**

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**Witness: James S. Pellock, Kevin N. Rogers**

7. Provide in an Excel spreadsheet the FTE staffing levels and related payroll (direct and burdens) by month from January 2015 through June 2020. As part of the Excel spreadsheet, include the FTE employee headcounts; related cost, including burdens; and related expense, including burdens. In addition, describe the accounting for the portion of the cost that is not expensed, e.g., to retirement work in progress or accumulated depreciation.

**Response:**

Please refer to the attachment, which shows the requested data by month from January 2015 through the end of the base year (February 2019) and for the forecasted test year (July 2019 – June 2020).

**Kentucky Amerian Water Company**
**Response to KAW_R_AGDR1_NUM007**

| | 2015 | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| FTE Employee Headcount | 127 | 127 | 127 | 127 | 127 | 127 | 127 | 128 | 133 | 132 | 133 | 134 |
| Account Description | January Actual | February Actual | March Actual | April Actual | May Actual | June Actual | July Actual | August Actual | September Actual | October Actual | November Actual | December Actual |
| Labor | $685,017 | $611,728 | $687,713 | $707,395 | $688,288 | $685,207 | $731,749 | $690,403 | $725,730 | $736,527 | $694,306 | $797,808 |
| Labor CWIP | (104,741) | (112,508) | (93,950) | (147,939) | (142,520) | (130,183) | (152,856) | (124,251) | (116,509) | (179,063) | (136,766) | (137,368) |
| Labor RWIP | (6,275) | (7,538) | 129 | (4,935) | (9,535) | (42,129) | 11,602 | (12,294) | (8,321) | (9,508) | (7,031) | (13,143) |
| APP | 20,747 | 22,055 | 11,779 | 22,449 | 23,003 | 18,411 | 21,460 | 21,504 | 27,323 | 19,644 | 16,055 | (18,013) |
| LTPP | 5,961 | 5,579 | 4,713 | 6,283 | 5,720 | 6,986 | 5,917 | 5,953 | 6,593 | (11,520) | 4,547 | 7,068 |
| Pension | 58,770 | 58,496 | 40,941 | 47,658 | 48,017 | 44,987 | 48,488 | 48,963 | 50,075 | 43,983 | 48,417 | 47,514 |
| PBOP | 49,995 | 49,663 | 41,807 | 40,757 | 40,921 | 38,055 | 40,876 | 41,455 | 42,623 | 32,590 | 44,980 | 35,942 |
| Group Insurance | 98,683 | 86,721 | 101,299 | 92,212 | 88,000 | 86,180 | 101,285 | 91,733 | 97,091 | 91,008 | 93,076 | 101,458 |
| 401K | 11,136 | 10,531 | 13,445 | 12,106 | 10,975 | 11,678 | 12,329 | 11,547 | 12,709 | 11,729 | 12,320 | 13,132 |
| DCP | 12,278 | 10,969 | 13,438 | 12,063 | 11,678 | 12,691 | 12,703 | 12,228 | 13,720 | 13,469 | 13,888 | 15,949 |
| ESPP | 859 | 859 | 1,245 | 1,245 | 1,245 | 915 | 915 | 915 | 1,111 | 1,111 | 1,111 | 779 |
| VEBA | 53 | 457 | 2,611 | 1,036 | 992 | 798 | 891 | 950 | 979 | 892 | 1,196 | 5,597 |
| Other Benefits | 46,236 | 3,635 | 13,685 | 2,884 | 9,367 | 7,307 | 4,307 | 3,700 | 3,240 | 11,246 | 3,286 | 10,725 |

**Kentucky Amerian Water Cor**
**Response to KAW_R_AGDR1_**

| | 2016 | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| FTE Employee Headcount | 133 | 132 | 132 | 131 | 134 | 133 | 132 | 134 | 133 | 133 | 134 | 132 |
| | January | February | March | April | May | June | July | August | September | October | November | December |
| Account Description | Actual | Actual | Actual | Actual | Actual | Actual | Actual | Actual | Actual | Actual | Actual | Actual |
| Labor | $704,336 | $673,154 | $672,012 | $686,811 | $690,142 | $720,579 | $667,535 | $751,643 | $732,969 | $681,868 | $757,928 | $725,242 |
| Labor CWIP | (126,082) | (161,555) | (164,004) | (149,578) | (184,040) | (204,790) | (208,314) | (195,792) | (202,964) | (124,167) | (258,603) | (150,315) |
| Labor RWIP | (2,099) | (3,142) | (4,079) | (4,210) | (2,715) | (4,994) | (2,861) | (9,561) | (1,110) | (1,873) | (4,290) | (4,964) |
| APP | 23,618 | (15,820) | 27,050 | 24,730 | 40,141 | 26,656 | 27,842 | 27,868 | 101,751 | (17,126) | 38,946 | 162,751 |
| LTPP | 1,054 | 2,629 | 2,178 | 2,612 | 3,589 | 3,154 | 2,652 | 3,220 | 1,497 | 3,941 | 2,638 | 1,214 |
| Pension | 58,304 | 56,397 | 55,160 | 56,836 | 53,646 | 43,864 | 49,442 | 50,334 | 50,159 | 58,803 | 43,670 | 55,212 |
| PBOP | 37,091 | 31,962 | 29,112 | 27,599 | 32,690 | 44,891 | 30,420 | 31,055 | (38,604) | (1,977) | (14,333) | (9,956) |
| Group Insurance | 97,392 | 93,530 | 96,806 | 94,911 | 92,436 | 146,500 | 215,565 | 3,932 | 145,862 | 70,523 | 128,971 | 144,647 |
| 401K | 12,193 | 11,974 | 11,271 | 11,745 | 12,013 | 11,870 | 10,870 | 12,909 | 11,939 | 13,053 | 10,466 | 13,293 |
| DCP | 14,639 | 13,917 | 14,657 | 14,446 | 14,720 | 14,066 | 12,817 | 15,317 | 15,073 | 16,227 | 13,273 | 16,705 |
| ESPP | 779 | 779 | 973 | 973 | 973 | 937 | 937 | 937 | 1,023 | 1,023 | 1,023 | 843 |
| VEBA | 1,262 | 1,179 | 1,202 | 1,201 | 1,262 | 1,234 | 978 | 1,239 | 336 | 1,384 | 960 | 1,151 |
| Other Benefits | 16,400 | 3,462 | 18,781 | 10,424 | 10,926 | 6,926 | 3,751 | 7,578 | 7,735 | 7,231 | 6,104 | 8,275 |

**Kentucky Amerian Water Cor**
**Response to KAW_R_AGDR1_**

| | 2017 | | | | | | | | | | | | 2018 | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| FTE Employee Headcount | 132 | 132 | 133 | 133 | 133 | 134 | 137 | 136 | 134 | 131 | 131 | 132 | 133 | 135 |
| Account Description | January Actual | February Actual | March Actual | April Actual | May Actual | June Actual | July Actual | August Actual | September Actual | October Actual | November Actual | December Actual | January Actual | February Actual |
| Labor | $726,055 | $625,935 | $765,768 | $671,301 | $778,273 | $721,414 | $720,889 | $763,923 | $712,778 | $650,255 | $738,858 | $738,212 | $996,051 | $557,635 |
| Labor CWIP | (182,144) | (146,290) | (214,775) | (177,936) | (198,324) | (195,747) | (172,696) | (184,989) | (132,549) | (148,113) | (180,504) | (353,779) | (233,517) | (118,131) |
| Labor RWIP | (3,283) | (10,690) | (5,350) | (1,859) | (3,374) | (6,809) | (3,645) | (2,861) | (3,593) | (6,825) | (11,920) | (7,921) | 102 | (8,376) |
| APP | 26,652 | 26,425 | (6,199) | 32,586 | 29,199 | 38,982 | 30,829 | 30,829 | 45,949 | 32,509 | 23,801 | 99,585 | 32,718 | 32,718 |
| LTPP | - | - | 1,724 | - | - | 2,751 | - | - | 3,059 | - | - | 3,522 | - | - |
| Pension | 58,673 | 60,485 | 54,139 | 58,993 | 56,498 | 55,898 | 59,324 | 57,833 | 63,649 | 61,659 | 57,157 | 38,830 | 33,256 | 40,220 |
| PBOP | 979 | 20,248 | 4,483 | 12,235 | 8,391 | 5,660 | 12,308 | 9,141 | 7,308 | 12,823 | 9,530 | 279 | 12,683 | 21,248 |
| Group Insurance | 83,279 | 97,366 | 121,248 | 102,816 | 122,685 | 140,432 | 92,599 | 123,003 | 121,231 | 105,409 | 109,919 | 99,296 | 131,104 | 100,131 |
| 401K | 12,347 | 11,497 | 15,960 | 11,222 | 13,276 | 11,688 | 12,971 | 14,179 | 14,380 | 12,300 | 13,608 | 12,695 | 16,570 | 12,616 |
| DCP | 15,251 | 14,704 | 15,442 | 14,802 | 16,926 | 14,847 | 16,469 | 18,113 | 18,125 | 15,726 | 16,774 | 12,638 | 20,818 | 15,255 |
| ESPP | - | 1,686 | - | - | 2,164 | - | - | 2,148 | - | - | 2,547 | 1,151 | - | 2,302 |
| VEBA | 1,197 | 1,844 | 1,167 | 1,241 | 1,500 | 1,417 | 1,467 | 1,556 | 355 | 1,256 | 1,369 | 1,229 | 1,775 | 2,715 |
| Other Benefits | 7,791 | 4,270 | 17,580 | 11,816 | 16,772 | 11,543 | 19,387 | 11,718 | 6,927 | 13,005 | 11,246 | 17,723 | 3,769 | 5,494 |

**Kentucky Amerian Water Cor**
**Response to KAW_R_AGDR1_**

| | 2018 | | | | | | | | | | 2019 | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| FTE Employee Headcount | 133 | 133 | 134 | 135 | 139 | 138 | 137 | 138 | 138 | 141 | 152 | 152 |
| Account Description | March Base Year | April Base Year | May Base Year | June Base Year | July Base Year | August Base Year | September Base Year | October Base Year | November Base Year | December Base Year | January Base Year | February Base Year |
| Labor | $757,239 | $779,555 | $868,243 | $791,043 | $819,044 | $897,472 | $716,524 | $803,953 | $782,021 | $756,975 | $857,802 | $752,278 |
| Labor CWIP | (216,018) | (209,405) | (246,085) | (262,375) | (242,415) | (286,720) | (183,354) | (210,556) | (203,058) | (194,363) | (228,771) | (200,627) |
| Labor RWIP | (9,944) | (9,640) | (11,328) | (12,078) | (11,159) | (13,199) | (8,440) | (9,693) | (9,347) | (8,947) | (10,531) | (9,235) |
| APP | (40,585) | 34,282 | 36,741 | 35,282 | 34,858 | 44,092 | 36,801 | 42,261 | 40,441 | 38,622 | 48,624 | 42,282 |
| LTPP | 2,563 | - | - | 5,282 | - | - | 3,829 | - | - | 3,888 | - | - |
| Pension | 32,641 | 33,252 | 30,455 | 29,866 | 31,161 | 27,556 | 48,557 | 48,557 | 48,557 | 48,557 | 30,001 | 30,001 |
| PBOP | 10,677 | 17,519 | 13,070 | 12,938 | 12,733 | 11,192 | 6,255 | 6,255 | 6,255 | 6,255 | 5,726 | 5,726 |
| Group Insurance | 111,312 | 111,443 | 116,895 | 98,133 | 110,291 | 113,397 | 125,987 | 125,987 | 125,987 | 125,987 | 125,299 | 124,799 |
| 401K | 21,989 | 13,694 | 14,763 | 13,194 | 20,687 | 14,780 | 14,669 | 16,666 | 16,213 | 15,538 | 16,331 | 14,353 |
| DCP | 17,904 | 18,132 | 19,434 | 16,318 | 18,171 | 19,228 | 17,987 | 20,629 | 19,996 | 19,104 | 21,374 | 18,586 |
| ESPP | - | - | 4,433 | - | - | 3,992 | 1,023 | 1,023 | 1,023 | 843 | - | 2,500 |
| VEBA | 1,098 | 1,540 | 1,551 | 1,424 | 1,915 | 1,490 | 1,525 | 1,303 | 1,875 | 1,767 | 1,775 | 2,715 |
| Other Benefits | 22,617 | 11,622 | 9,441 | 10,442 | 11,498 | 10,189 | 9,218 | 6,634 | 7,061 | 10,419 | 4,913 | 9,528 |

**Kentucky Amerian Water Cor**
**Response to KAW_R_AGDR1_**

| | 2019 | | | | | | 2020 | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| FTE Employee Headcount | 152 | 152 | 152 | 152 | 152 | 152 | 152 | 152 | 152 | 152 | 152 | 152 |
| Account Description | July Test Year | August Test Year | September Test Year | October Test Year | November Test Year | December Test Year | January Test Year | February Test Year | March Test Year | April Test Year | May Test Year | June Test Year |
| Labor | $849,301 | $849,301 | $821,904 | $849,301 | $821,904 | $849,301 | $849,301 | $767,111 | $849,301 | $821,904 | $849,301 | $821,904 |
| Labor CWIP | (226,807) | (226,807) | (219,490) | (226,807) | (219,490) | (226,807) | (226,807) | (204,858) | (226,807) | (219,490) | (226,807) | (219,490) |
| Labor RWIP | (10,196) | (10,196) | (9,867) | (10,196) | (9,867) | (10,196) | (10,196) | (9,209) | (10,196) | (9,867) | (10,196) | (9,867) |
| APP | 49,007 | 49,007 | 47,426 | 49,007 | 47,426 | 49,007 | 49,007 | 44,265 | 49,007 | 47,426 | 49,007 | 47,426 |
| LTPP | 1,368 | 1,368 | 1,324 | 1,368 | 1,324 | 1,368 | 1,368 | 1,235 | 1,368 | 1,324 | 1,368 | 1,324 |
| Pension | 33,932 | 33,932 | 32,837 | 33,932 | 32,837 | 33,932 | 33,932 | 30,648 | 33,932 | 32,837 | 33,932 | 32,837 |
| PBOP | 6,288 | 6,288 | 6,085 | 6,288 | 6,085 | 6,288 | 6,288 | 5,679 | 6,288 | 6,085 | 6,288 | 6,085 |
| Group Insurance | 146,109 | 146,109 | 141,396 | 146,109 | 141,396 | 146,109 | 146,109 | 131,969 | 146,109 | 141,396 | 146,109 | 141,396 |
| 401K | 18,610 | 18,610 | 18,010 | 18,610 | 18,010 | 18,610 | 18,610 | 16,809 | 18,610 | 18,010 | 18,610 | 18,010 |
| DCP | 22,284 | 22,284 | 21,565 | 22,284 | 21,565 | 22,284 | 22,284 | 20,127 | 22,284 | 21,565 | 22,284 | 21,565 |
| ESPP | 1,490 | 1,490 | 1,442 | 1,490 | 1,442 | 1,490 | 1,490 | 1,346 | 1,490 | 1,442 | 1,490 | 1,442 |
| VEBA | 2,035 | 2,035 | 1,969 | 2,035 | 1,969 | 2,035 | 2,035 | 1,838 | 2,035 | 1,969 | 2,035 | 1,969 |
| Other Benefits | 10,681 | 10,681 | 10,337 | 10,681 | 10,337 | 10,681 | 10,681 | 9,648 | 10,681 | 10,337 | 10,681 | 10,337 |

## AEP System-SPP Zone
## New Generation Technologies
## Key Supply-Side Resource Option Assumptions (a)(b)(c)

| Type | Capability (MW) (g) Std. ISO | Capability (MW) (g) Winter | Capability (MW) (g) Summer | Installed Cost (c,d) ($/kW) | Full Load Heat Rate (HHV,Btu/kWh) | Fuel Cost (f) ($/MBtu) | Variable O&M ($/MWh) | Fixed O&M ($/kW-yr) | Emission Rates SO2 (Lb/mmBtu) | Emission Rates NOx (Lb/mmBtu) | Emission Rates CO2 (Lb/mmBtu) | Capacity Factor (%) | Overall Availability (%) | LCOE (k) ($/MWh) |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Base Load** | | | | | | | | | | | | | | |
| Nuclear | 1,610 | 1,690 | 1,560 | 7,400 | 10,500 | 1.1 | 6.2 | 143.5 | 0.0000 | 0.000 | 0.0 | 90 | 94 | 176.2 |
| **Base Load (90% CO2 Capture New Unit)** | | | | | | | | | | | | | | |
| Pulv. Coal (Ultra-Supercritical) (PRB) | 540 | 570 | 520 | 8,700 | 12,500 | 3.2 | 13.0 | 95.8 | 0.1000 | 0.070 | 21.3 | 85 | 90 | 252.6 |
| IGCC "F" Class (PRB) | 490 | 510 | 470 | 8,200 | 10,300 | 3.2 | 5.6 | 76.3 | 0.0638 | 0.062 | 21.3 | 85 | 88 | 227.5 |
| **Base / Intermediate** | | | | | | | | | | | | | | |
| Combined Cycle (1X1 "F" Class) | 376 | 400 | 510 | 1,200 | 6,600 | 7.4 | 3.7 | 7.5 | 0.0007 | 0.009 | 117.1 | 60 | 89 | 91.9 |
| Combined Cycle (1X1 "J" Class) | 484 | 510 | 620 | 1,400 | 6,300 | 7.4 | 3.7 | 8.1 | 0.0007 | 0.007 | 117.1 | 60 | 89 | 94.6 |
| Combined Cycle (2X1 "J" Class) | 1,066 | 1,120 | 1,370 | 1,000 | 6,300 | 7.4 | 3.7 | 4.9 | 0.0007 | 0.007 | 117.1 | 60 | 89 | 82.5 |
| Combined Cycle (2X1 "H" Class) | 1,020 | 1,080 | 1,320 | 900 | 6,400 | 7.4 | 3.7 | 4.9 | 0.0007 | 0.007 | 117.1 | 60 | 89 | 83.3 |
| **Peaking** | | | | | | | | | | | | | | |
| Combustion Turbine (2 - "E" Class) (h) | 175 | 180 | 180 | 1,200 | 11,700 | 7.4 | 15.6 | 9.8 | 0.0007 | 0.009 | 117.1 | 25 | 93 | 196.9 |
| Combustion Turbine (2 - "F" Class, w/evap coolers) (h) | 466 | 490 | 470 | 700 | 10,000 | 7.4 | 15.6 | 5.2 | 0.0007 | 0.009 | 117.1 | 25 | 93 | 151.3 |
| Aero-Derivative (1 - Large Machine) (h) | 110 | 110 | 110 | 1,500 | 9,200 | 7.4 | 15.6 | 13.7 | 0.0007 | 0.007 | 117.1 | 25 | 97 | 180.8 |
| Aero-Derivative (2 - Large Machines) (h,i) | 200 | 210 | 210 | 1,300 | 9,200 | 7.4 | 15.6 | 10.1 | 0.0007 | 0.007 | 117.1 | 25 | 97 | 180.7 |
| Aero-Derivative (2 - Small Machines) (h,i) | 100 | 100 | 100 | 1,700 | 9,800 | 7.4 | 15.6 | 43.7 | 0.0007 | 0.007 | 117.1 | 25 | 97 | 206.6 |
| Recip Engine Farm (3 - Engines) (h) | 50 | 50 | 50 | 1,800 | 8,400 | 7.4 | 6.2 | 27.2 | 0.0007 | 0.018 | 117.1 | 25 | 98 | 198.5 |
| Battery Storage (Lithium-Ion) | 10 | 10 | 10 | 1,900 | 87% (j) | -- | -- | 15.9 | -- | -- | -- | 25 | 94 | 171.7 |

Notes: (a) Installed cost, capability and heat rate numbers have been rounded.
(b) All costs in 2017 dollars. Assume 2.13% escalation rate for 2017 and beyond.
(c) $/kW costs are based on nominal capability.
(d) Total Plant Investment Cost w/AFUDC (AEP-East rate of 5.4%,site rating $/kW).
(f) Levelized Fuel Cost (40-Yr. Period 2018-2057)
(g) All Capabilities are at 1,000 feet above sea level
(h) Includes Dual Fuel capability and SCR environmental installation,
(i) Includes Black Start capability.
(j) Denotes efficiency, (w/ power electronics).
(k) Levelized cost of energy based on assumed capacity factors shown in table.

EXHIBIT ____ (LK-10)

**KENTUCKY-AMERICAN WATER COMPANY**
**CASE NO. 2018-00358**
**COMMISSION STAFF'S THIRD REQUEST FOR INFORMATION**

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**Witness: Kevin N. Rogers**

**32.** Refer to Kentucky-American's Response to the Attorney General's First Request, Item 8. For each department listed in the table below, provide a detailed explanation for the forecasted increase in employee staffing from the "2014 December Actual" to the "2020 June Forecast."

| Department | 2014 December Actual | 2020 June Forecast |
|---|---|---|
| Production | 39 | 46 |
| Distribution | 65 | 74 |
| Commercial | 0 | 7 |
| Administrative & General | 22 | 25 |

**Response:**

KAW frequently reviews business needs and assigns duties and responsibilities accordingly, resulting in changes to job titles, as well as the creation and elimination of roles. Since 2014 there have been significant changes within and between departments. The changes described here are the net headcount changes by department.

The Production department had a net increase of 7 jobs as a result of filling December 2014 vacancies for Operations Specialist, Specialist Water Quality, Maintenance Service Specialist Supervisor Production and Waste Water Operator. Additionally, two trainee positions (Treatment Operator Trainee and Production Maintenance Trainee) have been added.

The Distribution department had a net increase of 9 jobs as a result of filling December 2014 vacancies for Crew Leader, Supervisor Field Operations and two Utility workers. Also three additional Field Service Representatives and four Utility workers have been added to the organization. Acquisitions since 2014 added three employees, including 1 Clerk Operations, and 2 Operations Generalists. Five employees have been transferred out of Distribution to create the Commercial department.

The Commercial department was created with 7 jobs being transferred from other departments. The Senior Supervisor Operations transferred from the Administration department, one Operations Clerk transferred from the Service Company (FRCC) and five from the Distribution department (Operations Specialist, four Specialist Service Delivery).

The Administration department had a net increase of 3 jobs by filling the 2014 vacant External Affairs Specialist and adding roles for Construction Inspector, Government Affairs Manager and Intern Admin (Engineering) and a new role for Operations

Specialist. The role of President was transferred to Service Company and a Senior Supervisor Operations was transferred to the Commercial department.

Kentucky American Water Company
Changes in the Jobs by Department
December 2014 to 2020 June Forecast

| Department | Job | Dec-14 | Forecast Jun-16 |
|---|---|---|---|
| Admin | Admin Asst - Staff Supp (N) | 1 | 1 |
| Admin | Capital Program Coordinator | | 1 |
| Admin | Clerk Opns (N) | 2 | 2 |
| Admin | Constuction Inspector | | 1 |
| Admin | Dir Govt Affairs (State) | | 1 |
| Admin | Drafter CAD (N) | 1 | |
| Admin | Engineer | 1 | |
| Admin | Engineering Project Manager | | 2 |
| Admin | Engineering Specialist | | 2 |
| Admin | Engineering Tech (N) | 1 | |
| Admin | Engineering Technician | | 4 |
| Admin | Exec Asst (N) | 1 | 1 |
| Admin | Intern Admin | | 1 |
| Admin | Mgr Business Performance | 1 | 1 |
| Admin | Mgr Ext Affairs (State) | 1 | 1 |
| Admin | Mgr Health and Safety Programs | | 1 |
| Admin | Operations Specialist | | 1 |
| Admin | President (Large States) | 1 | |
| Admin | Project Mgr Engr | 1 | |
| Admin | Spec Ext Affairs | | 1 |
| Admin | Specialist Engrg (N) | 4 | 1 |
| Admin | Specialist Operations (N) | 2 | |
| Admin | Sr Project Engineer | | 1 |
| Admin | Sr Project Engr | 1 | |
| Admin | Sr Specialist ORM | 1 | |
| Admin | Sr Supt Opns | | 1 |
| Admin | Supt Opns II | 2 | |
| Admin | VP Operations (Large 2) | | 1 |
| Admin | VP Operations (Large) | 1 | |
| Admin Total | | 22 | 25 |
| Commercial | Clerk Opns (N) | | 1 |
| Commercial | Operations Specialist | | 1 |
| Commercial | Specialist Service Delivery | | 4 |
| Commercial | Sr Supvr Operations | | 1 |
| Commercial Total | | | 7 |
| Distribution | Admin Asst (N) | 1 | |
| Distribution | Backhoe Operator F320O | 1 | 2 |
| Distribution | Clerk Opns (N) | 7 | 3 |
| Distribution | Crew Leader F320O & U335P | 10 | 8 |
| Distribution | Field Service Rep F320O | 12 | 15 |
| Distribution | Jr Backhoe/Crew Leader F320O | | 1 |
| Distribution | Jr Backoe/Crew Leader F320O | 1 | |
| Distribution | Meter Reader F320O | 5 | 5 |
| Distribution | Meter Technician F320O | 1 | 1 |
| Distribution | Mgr Field Operations | 1 | |

Kentucky American Water Company
Changes in the Jobs by Department
December 2014 to 2020 June Forecast

| Department | Job | Dec-14 | Forecast Jun-16 |
|---|---|---|---|
| Distribution | Operations Generalist | | 5 |
| Distribution | Operations Generalist II (N) | 4 | 1 |
| Distribution | Operations Specialist | | 4 |
| Distribution | Specialist Operations (N) | 4 | |
| Distribution | Sr Mgr Operations | | 1 |
| Distribution | Sr Supt Opns | | 2 |
| Distribution | Sr Supvr Operations | | 1 |
| Distribution | Supvr Field Operations | 2 | 1 |
| Distribution | Supvr Opns | | 1 |
| Distribution | Supvr Opns II | 2 | |
| Distribution | Utility F320O | 14 | 23 |
| Distribution Total | | 65 | 74 |
| Production | Admin Asst - Staff Supp (N) | 1 | 1 |
| Production | Chief Operator (N) | 1 | |
| Production | Maint Service Specialist | | 2 |
| Production | Maintenance Technician I F320O | | 2 |
| Production | Maintenance Technician II F320O | 4 | 2 |
| Production | Maintenance Trainee | | 1 |
| Production | Manager WQ & Env Compliance | | 1 |
| Production | Mgr Opns | 1 | 1 |
| Production | Operations Generalist | | 1 |
| Production | Operations Specialist | | 2 |
| Production | Operations Technician | | 6 |
| Production | Spec Wtr Qlty & Env Compl II | 2 | 3 |
| Production | Specialist Maint Service (N) | 2 | |
| Production | Specialist Operations (N) | 1 | |
| Production | Sr Automation & Controls Tech | | 1 |
| Production | Sr Spec Cross Connect (N) | 1 | |
| Production | Sr Specialist Maint Service(N) | 1 | |
| Production | Supt Wtr Qlty & Envrn Cmpl | 1 | |
| Production | Supvr Cross Connection | | 1 |
| Production | Supvr Opns | | 1 |
| Production | Supvr Production | 2 | 3 |
| Production | Technician Production (N) | 7 | 1 |
| Production | TREATMENT PLANT OPERATOR 3S F320O | | 2 |
| Production | Treatment Plant Operator Trainee II | | 1 |
| Production | Treatment Plant Operator Util 2S F320O | | 1 |
| Production | Treatment Plt Opr 2 F320O | | 1 |
| Production | Treatment Plt Opr F320O U511 | 10 | 9 |
| Production | Treatment Plt Opr Relief F320O | 2 | 1 |
| Production | Treatment Plt Opr Utility F320O | 3 | 1 |
| Production | Wastewater Operator | | 1 |
| Production Total | | 39 | 46 |

**EXHIBIT ____ (LK-11)**

**KENTUCKY-AMERICAN WATER COMPANY**
**CASE NO. 2018-00358**
**ATTORNEY GENERAL'S SECOND REQUEST FOR INFORMATION**

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**Witness: Kevin N. Rogers**

**29.** Provide a monthly history of budget FTE and actual FTE by department from January 2015 through December 2018 for KAWC.

**Response:**

Please refer to KAW_R_AGDR2_NUM029_030119_Attachment.

The actual FTE information does not include any contract temporary employees that may be in the workforce.

**Kentucky Amerian Water Company**
**Response to AGDR2_NUM029**
**FTE Count by Department**

| | 2018 | | | | | | | | | | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | January | | February | | March | | April | | May | | June | | July | | August | | September | | October | | November | | December | |
| | Actual | Budget | Actual | Budget | Actual | Budget | Actual | Budget | Actual | Budget | Actual | Budget | Actual | Budget | Actual | Budget | Actual | Budget | Actual | Budget | Actual | Budget | Actual | Budget |
| Production | 40 | 42 | 39 | 42 | 41 | 42 | 41 | 42 | 42 | 42 | 43 | 42 | 42 | 42 | 40 | 42 | 40 | 42 | 40 | 42 | 42 | 42 | 42 | 42 |
| Distribution | 58 | 62 | 61 | 62 | 59 | 62 | 61 | 62 | 61 | 62 | 62 | 62 | 67 | 62 | 67 | 62 | 67 | 62 | 68 | 62 | 66 | 62 | 69 | 62 |
| Commercial | 9 | 12 | 9 | 12 | 8 | 12 | 7 | 12 | 7 | 12 | 7 | 12 | 7 | 12 | 7 | 12 | 7 | 12 | 7 | 12 | 6 | 12 | 6 | 12 |
| Admin & General | 25 | 25 | 25 | 25 | 24 | 25 | 23 | 25 | 23 | 25 | 22 | 25 | 22 | 25 | 23 | 25 | 23 | 25 | 23 | 25 | 24 | 25 | 23 | 25 |
| | 132 | 141 | 134 | 141 | 132 | 141 | 132 | 141 | 133 | 141 | 134 | 141 | 138 | 141 | 137 | 141 | 137 | 141 | 138 | 141 | 138 | 141 | 140 | 141 |

| | 2017 | | | | | | | | | | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | January | | February | | March | | April | | May | | June | | July | | August | | September | | October | | November | | December | |
| | Actual | Budget | Actual | Budget | Actual | Budget | Actual | Budget | Actual | Budget | Actual | Budget | Actual | Budget | Actual | Budget | Actual | Budget | Actual | Budget | Actual | Budget | Actual | Budget |
| Production | 39 | 44 | 39 | 44 | 41 | 44 | 39 | 44 | 41 | 44 | 41 | 44 | 41 | 44 | 41 | 44 | 40 | 44 | 40 | 44 | 40 | 44 | 40 | 44 |
| Distribution | 60 | 50 | 61 | 50 | 59 | 50 | 61 | 50 | 59 | 50 | 60 | 50 | 62 | 50 | 61 | 50 | 60 | 50 | 58 | 50 | 58 | 50 | 58 | 50 |
| Commercial | 9 | 27 | 8 | 27 | 9 | 27 | 9 | 27 | 8 | 27 | 8 | 27 | 9 | 27 | 9 | 27 | 9 | 27 | 9 | 27 | 9 | 27 | 9 | 27 |
| Admin & General | 24 | 22 | 24 | 22 | 24 | 22 | 24 | 22 | 24 | 22 | 24 | 22 | 24 | 22 | 24 | 22 | 24 | 22 | 23 | 22 | 23 | 22 | 24 | 22 |
| | 132 | 143 | 132 | 143 | 133 | 143 | 133 | 143 | 132 | 143 | 133 | 143 | 136 | 143 | 135 | 143 | 133 | 143 | 130 | 143 | 130 | 143 | 131 | 143 |

| | 2016 | | | | | | | | | | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | January | | February | | March | | April | | May | | June | | July | | August | | September | | October | | November | | December | |
| | Actual | Budget | Actual | Budget | Actual | Budget | Actual | Budget | Actual | Budget | Actual | Budget | Actual | Budget | Actual | Budget | Actual | Budget | Actual | Budget | Actual | Budget | Actual | Budget |
| Production | 42 | 43 | 40 | 43 | 40 | 43 | 40 | 43 | 43 | 43 | 37 | 43 | 40 | 43 | 41 | 43 | 41 | 43 | 39 | 43 | 40 | 43 | 39 | 43 |
| Distribution | 47 | 45 | 47 | 45 | 61 | 45 | 60 | 45 | 60 | 45 | 60 | 45 | 60 | 45 | 60 | 45 | 60 | 45 | 61 | 45 | 61 | 45 | 60 | 45 |
| Commercial | 24 | 26 | 24 | 26 | 10 | 26 | 10 | 26 | 10 | 26 | 10 | 26 | 10 | 26 | 10 | 26 | 10 | 26 | 9 | 26 | 9 | 26 | 9 | 26 |
| Admin & General | 20 | 22 | 21 | 22 | 21 | 22 | 21 | 22 | 21 | 22 | 26 | 22 | 22 | 22 | 23 | 22 | 22 | 22 | 24 | 22 | 24 | 22 | 24 | 22 |
| | 133 | 136 | 132 | 136 | 132 | 136 | 131 | 136 | 134 | 136 | 133 | 136 | 132 | 136 | 134 | 136 | 133 | 136 | 133 | 136 | 134 | 136 | 132 | 136 |

| | 2015 | | | | | | | | | | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | January | | February | | March | | April | | May | | June | | July | | August | | September | | October | | November | | December | |
| | Actual | Budget | Actual | Budget | Actual | Budget | Actual | Budget | Actual | Budget | Actual | Budget | Actual | Budget | Actual | Budget | Actual | Budget | Actual | Budget | Actual | Budget | Actual | Budget |
| Production | 40 | 43 | 41 | 43 | 40 | 43 | 40 | 43 | 38 | 43 | 39 | 43 | 40 | 43 | 40 | 43 | 39 | 43 | 39 | 43 | 39 | 43 | 40 | 43 |
| Distribution | 56 | 50 | 42 | 50 | 43 | 50 | 43 | 50 | 43 | 50 | 43 | 50 | 43 | 50 | 44 | 50 | 49 | 50 | 48 | 50 | 49 | 50 | 49 | 50 |
| Commercial | 10 | 24 | 25 | 24 | 25 | 24 | 25 | 24 | 24 | 24 | 23 | 24 | 22 | 24 | 22 | 24 | 23 | 24 | 24 | 24 | 24 | 24 | 24 | 24 |
| Admin & General | 21 | 21 | 19 | 21 | 19 | 21 | 19 | 21 | 22 | 21 | 22 | 21 | 22 | 21 | 22 | 21 | 22 | 21 | 21 | 21 | 21 | 21 | 21 | 21 |
| | 127 | 138 | 127 | 138 | 127 | 138 | 127 | 138 | 127 | 138 | 127 | 138 | 127 | 138 | 128 | 138 | 133 | 138 | 132 | 138 | 133 | 138 | 134 | 138 |

**EXHIBIT ____ (LK-12)**

**KENTUCKY-AMERICAN WATER COMPANY**
**CASE NO. 2018-00358**
**ATTORNEY GENERAL'S FIRST REQUEST FOR INFORMATION**

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**Witness: Kurt Kogler, James S. Pellock, Melissa L. Schwarzell**

**22.** Reference Rowe Direct at page 7, lines 15–17, describing the $1.8 million in "performance compensation costs that the Commission previously has not recognized in rates." Provide a description and quantification for each of the various kinds of costs being cited.

**Response:**

Performance compensation costs refer to the Company's Annual Performance Plan and Long-Term Performance Plan.

Of the $1.8 million referring to "performance compensation costs that the Commission previously has not recognized in rates," the Company's costs related to Support Services forecasted test year expenses for Annual Performance Plan and Long-Term Performance Plan total approximately $1.2M as shown below.

| | Support Services Forecasted Year 7/1/19-6/30/20 | |
|---|---|---|
| | Total | |
| Annual Performance Plan | $ | 696,641 |
| Long-Term Performance Plan | | 480,641 |
| | $ | 1,177,281 |

The other approximate $600,000 of the $1.8 million are costs from the Company's forecasted Salary and Wages expense for Annual Performance Plan and Long-Term Performance Plan below.

| | Kentucky-American Water Company Forcasted Year 7/1/19-6/30/20 | |
|---|---|---|
| | Total | |
| Annual Performance Plan | $ | 577,022 |
| Long-Term Performance Plan | | 16,105 |
| | $ | 593,127 |

**KENTUCKY-AMERICAN WATER COMPANY**
**CASE NO. 2018-00358**
**ATTORNEY GENERAL'S SECOND REQUEST FOR INFORMATION**

**Witness: James S. Pellock/Kurt M. Kogler**

**19.** Refer to the response to AG 1-22. Confirm that the amounts provided are expense, not total costs. If the amounts are total costs, then provide the portions that are: a) expensed, b) capitalized, and c) deferred.

**Response:**

The Support Services and Kentucky-American forecasted total amounts of $1,177,281 and $593,127, respectively on AG 1-22 are expense. Please see below for an update to the response for AG 1-22 as the original response included $1,279 related to sewer operations.

| | Support Services<br>Forecasted Year<br>7/1/19-6/30/20<br>Total |
|---|---|
| Annual Performance Plan | $ 695,884 |
| Long-Term Performance Plan | 480,118 |
| | $ 1,176,002 |

**EXHIBIT ____ (LK-13)**

**KENTUCKY-AMERICAN WATER COMPANY**
**CASE NO. 2018-00358**
**COMMISSION STAFF'S SECOND REQUEST FOR INFORMATION**

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**Witness: Kurt Kogler, Robert V. Mustich**

**31.** Refer to Kentucky-American's response to Staff's First Request, Item 33, page 8, the 2018 Determination of Company Performance.

a. Confirm that Kentucky-American's Annual Performance Plan is weighted equally (i.e., 50 percent each) toward reaching the financial and non-financial goals of American Water Works Company, Inc. (American Water).

b. Confirm that if American Water's financial goals are not met Kentucky-American's employees will not receive any incentive pay rewards.

**Response:**

a. The Annual Performance Plan is weighted as follows: Safety & People (15% weighting), Customer (15%), Environmental Leadership (10%), Technology & Operational Efficiency (10%), and Growth, as measured by Earnings per Share ("EPS") (50%). See page 3 of the 2018 Annual Performance Plan document previously provided in response to PSC 1-33. The Company's performance compensation plans align the interest of our customers, employees and shareholders. The operational components measure performance that can most directly influence customer satisfaction, health and safety, environmental performance, and operational efficiency, which affect the Company's financial performance (e.g., long-term cost savings or avoided costs). Importantly, to achieve performance pay financial goals, such as targeted EPS performance, demands attention to operating efficiency. That is, unless the utility controls or reduces its operating costs, it cannot achieve a targeted EPS. Well-grounded financial measures keep the organization focused on improved performance at all levels of the organization, particularly in increasing efficiency, decreasing waste, and boosting overall productivity. Those improvements benefit customers directly.

b. Under the provisions of the Annual Performance Plan, there are no APP payments to employees if EPS falls below 90% of target. All of the metrics operate on a sliding scale that includes a threshold (minimum) level of performance and a maximum level. If some, but less than all of the performance goals are achieved, the funding is diminished accordingly. No funding pool is created if the financial threshold (minimum) performance measure is not achieved to ensure the financial viability of the plan. See pages 3 and 11 of the 2018 Annual Performance Plan document previously provided in response to PSC 1-33.

**KENTUCKY-AMERICAN WATER COMPANY**
**CASE NO. 2018-00358**
**COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION**

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**Witness: James S. Pellock / Kurt Kogler**

33. a. Identify the amounts of incentive pay that are included in base year and forecasted labor. Describe the incentive pay plans and explain why such a plan is necessary and reasonable.

b. List each Kentucky-American employee who is eligible to participate in the incentive pay program.

c. State the level of incentive pay awarded to all individuals participating in the program for the previous five calendar years compared to the level of incentive pay available to each participant in the forecasted period.

d. For the previous five calendar years, provide a comparison of the incentive pay that was budgeted to the actual amounts paid in each year. Include detailed explanations for any variance between the budgeted and actual payments.

**Response:**

a. The amounts of performance pay in the base year and performance pay in the forecasted year are $409,263 and $593,127, respectively.

American Water's compensation program is designed to provide employees with a total compensation package on par with those offered by companies with which it competes for employees. By using a combination of base and performance compensation, Kentucky American Water satisfies a dual objective of reasonably compensating our employees while incentivizing them to achieve goals that improve performance and efficiency to benefit our customers. The Company offers performance compensation based on individual and company performance to eligible employees under American Water's Annual Performance Plan (APP) and Long Term Performance Plan (LTPP).

The Company's performance compensation plans contain tangible goals that are designed to do several things. First, they measure and reward employees for performance based on delivering clean, safe, reliable and affordable water service and providing good customer service when doing so. The operational components measure performance that can most directly influence customer satisfaction, health and safety, environmental performance, and operational efficiency. Customers derive a direct benefit from our focus on these key measures in the plan. Further, well-grounded financial measures keep employees focused on improved performance at all levels of the organization, particularly in increasing efficiency, decreasing waste, and boosting overall productivity.

A financially healthy utility focused on efficiency and customer satisfaction is able to attract the capital investments necessary to provide safe and reliable service and to maintain the technological expertise to operate the company and comply with increasing water quality standards. A financially healthy utility is very much in the interest of KAWC's customers, as it helps ensure KAWC the ability to provide safe and reliable service in the most cost-effective way to our customers in the long-term.

In addition, the American Water LTPP achieves its goal of reducing leadership attrition at a lower cost to customers than simply increasing leadership's base pay, because performance pay under the LTPP is stock-based. Because stock-based compensation vests on a phased basis in three installments over a prospective three-year period, employees must remain with the organization to realize the vesting of their awards. The retention of a highly trained and demonstrably effective and productive workforce is, without question, in the best interest of our customers.

The evidence in this case demonstrates that, even with performance payments, our overall compensation is reasonable. As Mr. Mustich explains in his testimony, the short-term variable compensation design, long-term variable compensation design, and employee benefits are within the range of market practices, based on the multiple market perspectives that were examined. He also found that Kentucky American Water's overall total remuneration – which includes base compensation and all performance compensation and benefits – is at the low end or below the competitive market range. Please the direct testimony of Mr. Mustich and Mr. Kogler in further support of the Company's performance compensation plans.

Please also see the attached 2018 APP and LTPP brochures, which are being provided pursuant to a Petition for Confidential Protection because a portion of the brochures are confidential.

b. All full-time employees are eligible to participate in the APP as of January 1, 2019. The Vice President and President of Kentucky American are eligible to participate in the LTPP.

c. Please see the attached for incentive pay to Kentucky American employees for the last five years. A portion of the attachment is confidential and is filed pursuant to a Petition for Confidential Protection.

d. Please see the attached schedule.

**EXHIBIT ____ (LK-14)**

**KENTUCKY-AMERICAN WATER COMPANY**
**CASE NO. 2018-00358**
**ATTORNEY GENERAL'S FIRST REQUEST FOR INFORMATION**

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**Witness: Kurt Kogler, James S. Pellock**

**10.** Reference the Direct Testimony of Mr. Kurt Kogler ("Kogler Direct"), at pages 13–14, specifically the discussion of employee participation in defined benefit and 401(k) plans. For employees who participate in a defined benefit plan, provide the total and jurisdictional amount of matching contributions made on behalf of employees who also participate in any 401(k) retirement savings account included in test year expense. This includes amounts of matching contributions for Company employees and for allocations from all other affiliates.

**Response:**

Please see attachment 1 for the Company employees who participated in both the 401(k) retirement savings plan included in test year expense and in the defined benefit plan.

Please see attachment 2 for the American Water Works Service Company employees who participated in both the 401(k) retirement savings plan included in test year expense and in the defined benefit plan.

Certain information in the attachments are confidential and is being provided pursuant to a petition for confidential protection.

Kentucky-American Water Company 401 (k) Contibutions

| Pers.No. | Personnel Subarea | 401(k) Benefit Plan | Test Year Gross 401(k) | Water 401(k) | Capitalized 401(k) | Test Year Expense Amount 401(k) |
|---|---|---|---|---|---|---|
| [redacted] | Union | 401(k) Match 50% up to 5% | $1,252 | $1,252 | $167 | $1,085 |
| | Union | 401(k) Match 50% up to 5% | 1,252 | 1,252 | 167 | 1,085 |
| | Union | 401(k) Match 50% up to 5% | 1,275 | 1,275 | 10 | 1,265 |
| | Union | 401(k) Match 50% up to 5% | 939 | 939 | 126 | 813 |
| | Union | 401(k) Match 50% up to 5% | 1,565 | 1,565 | 209 | 1,356 |
| | Union | 401(k) Match 50% up to 5% | 1,327 | 1,327 | 10 | 1,317 |
| | Union | 401(k) Match 50% up to 5% | 1,565 | 1,565 | 209 | 1,356 |
| | Union | 401(k) Match 50% up to 5% | 1,591 | 1,591 | 360 | 1,231 |
| | Union | 401(k) Match 50% up to 5% | 600 | 600 | 12 | 588 |
| | Union | 401(k) Match 50% up to 5% | 1,594 | 1,594 | 15 | 1,579 |
| | Union | 401(k) Match 50% up to 5% | 1,252 | 1,252 | 167 | 1,085 |
| | Union | 401(k) Match 50% up to 5% | 1,565 | 1,565 | 209 | 1,356 |
| | Union | 401(k) Match 50% up to 5% | 939 | 939 | 126 | 813 |
| | Union | 401(k) Match 50% up to 5% | 1,565 | 1,565 | 209 | 1,356 |
| | Union | 401(k) Match 50% up to 5% | 1,565 | 1,565 | 209 | 1,356 |
| | Union | 401(k) Match 50% up to 5% | 1,665 | 1,665 | 13 | 1,652 |
| | Non-Union | 401(k) Match 50% up to 5% | 1,423 | 1,405 | 328 | 1,077 |
| | Non-Union | 401(k) Match 50% up to 5% | 1,609 | 4 | 1 | 2 |
| | Non-Union | 401(k) Match 50% up to 5% | 1,558 | 1,558 | 1,556 | 2 |
| | Non-Union | 401(k) Match 50% up to 5% | 1,750 | 1,750 | 1,364 | 387 |
| | Non-Union | 401(k) Match 50% up to 5% | 1,426 | 1,426 | 250 | 1,175 |
| | Non-Union | 401(k) Match 50% up to 5% | 1,676 | 1,676 | 776 | 901 |
| | Non-Union | 401(k) Match 50% up to 5% | 1,229 | 1,229 | 398 | 831 |
| | Non-Union | 401(k) Match 50% up to 5% | 1,755 | 1,755 | 1,527 | 229 |
| | Non-Union | 401(k) Match 50% up to 5% | 1,574 | 1,574 | 728 | 846 |
| | Non-Union | 401(k) Match 50% up to 5% | 1,543 | 1,538 | 1,538 | 0 |
| | Non-Union | 401(k) Match 50% up to 5% | 223 | 223 | 25 | 198 |
| | Non-Union | 401(k) Match 50% up to 5% | 1,379 | 1,375 | 1,375 | 0 |
| | Non-Union | 401(k) Match 50% up to 5% | 1,074 | 1,074 | 122 | 952 |
| | Non-Union | 401(k) Match 50% up to 5% | 3,010 | 3,010 | - | 3,010 |
| | Non-Union | 401(k) Match 50% up to 5% | 1,865 | 1,861 | 59 | 1,802 |
| | Non-Union | 401(k) Match 50% up to 5% | 2,049 | 2,049 | 1,491 | 558 |
| | Non-Union | 401(k) Match 50% up to 5% | 2,247 | 2,247 | 185 | 2,062 |
| | Non-Union | 401(k) Match 50% up to 5% | 2,799 | 2,799 | 1,229 | 1,571 |
| | Non-Union | 401(k) Match 50% up to 5% | 2,201 | 2,201 | 714 | 1,488 |
| | Non-Union | 401(k) Match 50% up to 5% | 1,779 | 1,779 | 1,521 | 258 |
| | Non-Union | 401(k) Match 50% up to 5% | 2,718 | 2,717 | 920 | 1,797 |
| Total | | | $58,398 | $56,760 | $18,327 | $38,433 |

**American Water Works Service Company 401 (k) Contibutions**

| Pers.No. | Personnel Subarea | Benefit plan | Total Service Company 401k | Total Allocated to Kentucky | Total Allocated to Kentucky (Water) |
|---|---|---|---|---|---|
| [redacted] | Non-Union | 401(k) Match 50% up to 5% | $3,386 | $120 | $120 |
| | Non-Union | 401(k) Match 50% up to 5% | 303 | 11 | 11 |
| | Non-Union | 401(k) Match 50% up to 5% | 876 | 37 | 37 |
| | Non-Union | 401(k) Match 50% up to 5% | 1,603 | 66 | 66 |
| | Non-Union | 401(k) Match 50% up to 5% | 2,374 | 131 | 131 |
| | Non-Union | 401(k) Match 50% up to 5% | 4,410 | 185 | 184 |
| | Non-Union | 401(k) Match 50% up to 5% | 628 | 26 | 26 |
| | Non-Union | 401(k) Match 50% up to 5% | 2,050 | 84 | 84 |
| | Non-Union | 401(k) Match 50% up to 5% | 1,121 | 43 | 43 |
| | Non-Union | 401(k) Match 50% up to 5% | 1,747 | 30 | 30 |
| | Non-Union | 401(k) Match 50% up to 5% | 3,921 | 132 | 132 |
| | Non-Union | 401(k) Match 50% up to 5% | 3,733 | 125 | 125 |
| | Non-Union | 401(k) Match 50% up to 5% | 2,279 | 126 | 125 |
| | Non-Union | 401(k) Match 50% up to 5% | 3,051 | 53 | 53 |
| | Non-Union | 401(k) Match 50% up to 5% | 3,741 | 68 | 68 |
| | Non-Union | 401(k) Match 50% up to 5% | 4,980 | 167 | 167 |
| | Non-Union | 401(k) Match 50% up to 5% | 2,358 | 41 | 41 |
| | Non-Union | 401(k) Match 50% up to 5% | 2,899 | 53 | 53 |
| | Non-Union | 401(k) Match 50% up to 5% | 3,884 | 130 | 130 |
| | Non-Union | 401(k) Match 50% up to 5% | 2,375 | 97 | 97 |
| | Non-Union | 401(k) Match 50% up to 5% | 753 | 28 | 28 |
| | Non-Union | 401(k) Match 50% up to 5% | 9,791 | 165 | 165 |
| | Non-Union | 401(k) Match 50% up to 5% | 3,902 | 215 | 215 |
| | Non-Union | 401(k) Match 50% up to 5% | 3,738 | 64 | 64 |
| | Non-Union | 401(k) Match 50% up to 5% | 1,198 | 47 | 47 |
| | Non-Union | 401(k) Match 50% up to 5% | 2,031 | 71 | 71 |
| | Non-Union | 401(k) Match 50% up to 5% | 1,161 | 49 | 49 |
| | Non-Union | 401(k) Match 50% up to 5% | 806 | 33 | 33 |
| | Non-Union | 401(k) Match 50% up to 5% | 1,637 | 63 | 63 |
| | Non-Union | 401(k) Match 50% up to 5% | 1,169 | 20 | 20 |
| | Non-Union | 401(k) Match 50% up to 5% | 2,160 | 77 | 77 |
| | Non-Union | 401(k) Match 50% up to 5% | 1,183 | 49 | 49 |
| | Non-Union | 401(k) Match 50% up to 5% | 1,789 | 69 | 69 |
| | Non-Union | 401(k) Match 50% up to 5% | 796 | 32 | 32 |
| | Non-Union | 401(k) Match 50% up to 5% | 908 | 42 | 42 |
| | Non-Union | 401(k) Match 50% up to 5% | 2,439 | 94 | 94 |
| | Non-Union | 401(k) Match 50% up to 5% | 1,496 | 69 | 69 |
| | Non-Union | 401(k) Match 50% up to 5% | 1,023 | 121 | 121 |
| | Non-Union | 401(k) Match 50% up to 5% | 1,420 | 60 | 60 |
| | Non-Union | 401(k) Match 50% up to 5% | 278 | 13 | 13 |
| | Non-Union | 401(k) Match 50% up to 5% | 2,715 | 125 | 125 |
| | Non-Union | 401(k) Match 50% up to 5% | 672 | 31 | 31 |

| | | | | | |
|---|---|---|---|---|---|
| [redacted] | Non-Union | 401(k) Match 50% up to 5% | 1,372 | 56 | 56 |
| [redacted] | Non-Union | 401(k) Match 50% up to 5% | 1,166 | 54 | 54 |
| [redacted] | Non-Union | 401(k) Match 50% up to 5% | 1,106 | 131 | 131 |
| [redacted] | Non-Union | 401(k) Match 50% up to 5% | 2,399 | 94 | 93 |
| [redacted] | Non-Union | 401(k) Match 50% up to 5% | 4,373 | 156 | 155 |
| [redacted] | Non-Union | 401(k) Match 50% up to 5% | 1,561 | 64 | 64 |
| [redacted] | Non-Union | 401(k) Match 50% up to 5% | 1,471 | 60 | 60 |
| [redacted] | Non-Union | 401(k) Match 50% up to 5% | 1,176 | 48 | 48 |
| [redacted] | Non-Union | 401(k) Match 50% up to 5% | 1,049 | 124 | 124 |
| [redacted] | Non-Union | 401(k) Match 50% up to 5% | 1,053 | 48 | 48 |
| [redacted] | Non-Union | 401(k) Match 50% up to 5% | 442 | 19 | 19 |
| [redacted] | Non-Union | 401(k) Match 50% up to 5% | 1,655 | 59 | 59 |
| [redacted] | Non-Union | 401(k) Match 50% up to 5% | 2,267 | 87 | 87 |
| [redacted] | Non-Union | 401(k) Match 50% up to 5% | 2,050 | 84 | 84 |
| [redacted] | Non-Union | 401(k) Match 50% up to 5% | 2,590 | 91 | 91 |
| [redacted] | Non-Union | 401(k) Match 50% up to 5% | 2,096 | 61 | 61 |
| [redacted] | Non-Union | 401(k) Match 50% up to 5% | 2,633 | 103 | 103 |
| [redacted] | Non-Union | 401(k) Match 50% up to 5% | 2,085 | 38 | 38 |
| [redacted] | Non-Union | 401(k) Match 50% up to 5% | 1,768 | 65 | 65 |
| [redacted] | Non-Union | 401(k) Match 50% up to 5% | 1,905 | 73 | 73 |
| [redacted] | Non-Union | 401(k) Match 50% up to 5% | 1,060 | 125 | 125 |
| [redacted] | Non-Union | 401(k) Match 50% up to 5% | 469 | 56 | 55 |
| [redacted] | Non-Union | 401(k) Match 50% up to 5% | 1,792 | 61 | 61 |
| [redacted] | Non-Union | 401(k) Match 50% up to 5% | 2,513 | 98 | 98 |
| [redacted] | Non-Union | 401(k) Match 50% up to 5% | 2,566 | 141 | 141 |
| [redacted] | Non-Union | 401(k) Match 50% up to 5% | 1,115 | 51 | 51 |
| [redacted] | Non-Union | 401(k) Match 50% up to 5% | 297 | 14 | 14 |
| [redacted] | Non-Union | 401(k) Match 50% up to 5% | 1,027 | 47 | 47 |
| [redacted] | Non-Union | 401(k) Match 50% up to 5% | 2,723 | 116 | 116 |
| [redacted] | Non-Union | 401(k) Match 50% up to 5% | 620 | 22 | 22 |
| [redacted] | Non-Union | 401(k) Match 50% up to 5% | 1,070 | 0 | 0 |
| [redacted] | Non-Union | 401(k) Match 50% up to 5% | 2,373 | 83 | 83 |
| [redacted] | Non-Union | 401(k) Match 50% up to 5% | 401 | 48 | 47 |
| [redacted] | Non-Union | 401(k) Match 50% up to 5% | 423 | 17 | 17 |
| [redacted] | Non-Union | 401(k) Match 50% up to 5% | 786 | 31 | 31 |
| [redacted] | Non-Union | 401(k) Match 50% up to 5% | 322 | 13 | 13 |
| [redacted] | Non-Union | 401(k) Match 50% up to 5% | 1,162 | 46 | 46 |
| [redacted] | Non-Union | 401(k) Match 50% up to 5% | 2,612 | 100 | 100 |
| [redacted] | Non-Union | 401(k) Match 50% up to 5% | 1,088 | 45 | 45 |
| [redacted] | Non-Union | 401(k) Match 50% up to 5% | 1,108 | 51 | 51 |
| [redacted] | Non-Union | 401(k) Match 50% up to 5% | 990 | 41 | 41 |
| [redacted] | Non-Union | 401(k) Match 50% up to 5% | 391 | 46 | 46 |
| [redacted] | Non-Union | 401(k) Match 50% up to 5% | 4,825 | 166 | 166 |
| [redacted] | Non-Union | 401(k) Match 50% up to 5% | 2,669 | 102 | 102 |
| [redacted] | Non-Union | 401(k) Match 50% up to 5% | 1,491 | 69 | 69 |
| [redacted] | Non-Union | 401(k) Match 50% up to 5% | 2,356 | 279 | 279 |
| [redacted] | Non-Union | 401(k) Match 50% up to 5% | 1,153 | 136 | 136 |

[redacted]

| | | | | | |
|---|---|---|---|---|---|
| | Non-Union | 401(k) Match 50% up to 5% | 2,675 | 109 | 109 |
| | Non-Union | 401(k) Match 50% up to 5% | 3,495 | 2,103 | 2,101 |
| | Non-Union | 401(k) Match 50% up to 5% | 1,921 | 75 | 75 |
| | Non-Union | 401(k) Match 50% up to 5% | 2,302 | 76 | 76 |
| | Non-Union | 401(k) Match 50% up to 5% | 2,571 | 86 | 86 |
| | Non-Union | 401(k) Match 50% up to 5% | 1,868 | 76 | 76 |
| | Non-Union | 401(k) Match 50% up to 5% | 1,034 | 38 | 38 |
| | Non-Union | 401(k) Match 50% up to 5% | 7,566 | 4,554 | 4,549 |
| | Non-Union | 401(k) Match 50% up to 5% | 2,955 | 1,779 | 1,777 |
| | Non-Union | 401(k) Match 50% up to 5% | 7,767 | 272 | 271 |
| | Non-Union | 401(k) Match 50% up to 5% | 1,136 | 134 | 134 |
| | Non-Union | 401(k) Match 50% up to 5% | 1,197 | 55 | 55 |
| | Non-Union | 401(k) Match 50% up to 5% | 515 | 20 | 20 |
| | Non-Union | 401(k) Match 50% up to 5% | 1,021 | 37 | 37 |
| | Non-Union | 401(k) Match 50% up to 5% | 1,118 | 132 | 132 |
| | Non-Union | 401(k) Match 50% up to 5% | 2,133 | 87 | 87 |
| | Non-Union | 401(k) Match 50% up to 5% | 6,023 | 332 | 332 |
| | Non-Union | 401(k) Match 50% up to 5% | 2,177 | 63 | 63 |
| | Non-Union | 401(k) Match 50% up to 5% | 5,268 | 193 | 193 |
| | Non-Union | 401(k) Match 50% up to 5% | 1,476 | 58 | 58 |
| | Non-Union | 401(k) Match 50% up to 5% | 1,561 | 61 | 61 |
| | Non-Union | 401(k) Match 50% up to 5% | 5,967 | 250 | 249 |
| | Non-Union | 401(k) Match 50% up to 5% | 2,284 | 126 | 126 |
| | Non-Union | 401(k) Match 50% up to 5% | 1,734 | 71 | 71 |
| | Non-Union | 401(k) Match 50% up to 5% | 2,811 | 155 | 155 |
| | Non-Union | 401(k) Match 50% up to 5% | 2,965 | 116 | 115 |
| | Non-Union | 401(k) Match 50% up to 5% | 1,216 | 0 | 0 |
| | Non-Union | 401(k) Match 50% up to 5% | 1,208 | 48 | 48 |
| | Non-Union | 401(k) Match 50% up to 5% | 1,219 | 50 | 50 |
| | Non-Union | 401(k) Match 50% up to 5% | 2,636 | 101 | 101 |
| | Non-Union | 401(k) Match 50% up to 5% | 1,887 | 79 | 79 |
| | Non-Union | 401(k) Match 50% up to 5% | 1,637 | 64 | 64 |
| | Non-Union | 401(k) Match 50% up to 5% | 2,077 | 80 | 80 |
| | Non-Union | 401(k) Match 50% up to 5% | 6,264 | 215 | 215 |
| | Non-Union | 401(k) Match 50% up to 5% | 3,057 | 169 | 168 |
| | Non-Union | 401(k) Match 50% up to 5% | 857 | 35 | 35 |
| | Non-Union | 401(k) Match 50% up to 5% | 956 | 0 | 0 |
| | Non-Union | 401(k) Match 50% up to 5% | 1,153 | 0 | 0 |
| | Non-Union | 401(k) Match 50% up to 5% | 1,265 | 0 | 0 |
| | Non-Union | 401(k) Match 50% up to 5% | 278 | 0 | 0 |
| | Non-Union | 401(k) Match 50% up to 5% | 689 | 0 | 0 |
| | Non-Union | 401(k) Match 50% up to 5% | 924 | 0 | 0 |
| | Non-Union | 401(k) Match 50% up to 5% | 729 | 0 | 0 |
| | Non-Union | 401(k) Match 50% up to 5% | 1,914 | 105 | 105 |
| | Non-Union | 401(k) Match 50% up to 5% | 1,793 | 99 | 99 |
| | Non-Union | 401(k) Match 50% up to 5% | 1,924 | 1 | 1 |
| | Non-Union | 401(k) Match 50% up to 5% | 2,393 | 88 | 88 |

| | | | | | |
|---|---|---|---|---|---|
| [redacted] | Non-Union | 401(k) Match 50% up to 5% | 2,413 | 101 | 101 |
| [redacted] | Non-Union | 401(k) Match 50% up to 5% | 3,297 | 113 | 113 |
| [redacted] | Non-Union | 401(k) Match 50% up to 5% | 2,099 | 82 | 82 |
| [redacted] | Non-Union | 401(k) Match 50% up to 5% | 69 | 2 | 2 |
| [redacted] | Non-Union | 401(k) Match 50% up to 5% | 2,765 | 113 | 113 |
| [redacted] | Non-Union | 401(k) Match 50% up to 5% | 1,883 | 77 | 77 |
| [redacted] | Non-Union | 401(k) Match 50% up to 5% | 2,433 | 93 | 93 |
| [redacted] | Non-Union | 401(k) Match 50% up to 5% | 1,236 | 57 | 57 |
| [redacted] | Non-Union | 401(k) Match 50% up to 5% | 1,035 | 41 | 41 |
| [redacted] | Non-Union | 401(k) Match 50% up to 5% | 601 | 24 | 24 |
| [redacted] | Non-Union | 401(k) Match 50% up to 5% | 426 | 50 | 50 |
| [redacted] | Non-Union | 401(k) Match 50% up to 5% | 952 | 40 | 40 |
| [redacted] | Non-Union | 401(k) Match 50% up to 5% | 1,432 | 61 | 61 |
| [redacted] | Non-Union | 401(k) Match 50% up to 5% | 514 | 24 | 24 |
| [redacted] | Non-Union | 401(k) Match 50% up to 5% | 1,438 | 57 | 57 |
| [redacted] | Non-Union | 401(k) Match 50% up to 5% | 1,215 | 67 | 67 |
| [redacted] | Non-Union | 401(k) Match 50% up to 5% | 2,248 | 76 | 75 |
| [redacted] | Non-Union | 401(k) Match 50% up to 5% | 7,081 | 248 | 247 |
| [redacted] | Non-Union | 401(k) Match 50% up to 5% | 985 | 42 | 42 |
| [redacted] | Non-Union | 401(k) Match 50% up to 5% | 1,045 | 124 | 123 |
| [redacted] | Non-Union | 401(k) Match 50% up to 5% | 1,769 | 74 | 73 |
| [redacted] | Non-Union | 401(k) Match 50% up to 5% | 786 | 31 | 31 |
| [redacted] | Non-Union | 401(k) Match 50% up to 5% | 2,000 | 71 | 71 |
| [redacted] | Non-Union | 401(k) Match 50% up to 5% | 3,063 | 107 | 107 |
| [redacted] | Non-Union | 401(k) Match 50% up to 5% | 239 | 11 | 11 |
| [redacted] | Non-Union | 401(k) Match 50% up to 5% | 2,485 | 83 | 83 |
| [redacted] | Non-Union | 401(k) Match 50% up to 5% | 1,616 | 53 | 53 |
| [redacted] | Non-Union | 401(k) Match 50% up to 5% | 1,092 | 43 | 43 |
| [redacted] | Non-Union | 401(k) Match 50% up to 5% | 349 | 41 | 41 |
| [redacted] | Non-Union | 401(k) Match 50% up to 5% | 402 | 16 | 16 |
| [redacted] | Non-Union | 401(k) Match 50% up to 5% | 1,374 | 40 | 40 |
| [redacted] | Non-Union | 401(k) Match 50% up to 5% | 665 | 28 | 28 |
| [redacted] | Non-Union | 401(k) Match 50% up to 5% | 1,161 | 46 | 46 |
| [redacted] | Non-Union | 401(k) Match 50% up to 5% | 1,344 | 49 | 49 |
| [redacted] | Non-Union | 401(k) Match 50% up to 5% | 2,092 | 73 | 73 |
| [redacted] | Non-Union | 401(k) Match 50% up to 5% | 2,378 | 91 | 91 |
| [redacted] | Non-Union | 401(k) Match 50% up to 5% | 2,771 | 99 | 99 |
| [redacted] | Non-Union | 401(k) Match 50% up to 5% | 2,636 | 104 | 104 |
| [redacted] | Non-Union | 401(k) Match 50% up to 5% | 1,631 | 0 | 0 |
| [redacted] | Non-Union | 401(k) Match 50% up to 5% | 2,669 | 112 | 112 |
| [redacted] | Non-Union | 401(k) Match 50% up to 5% | 2,017 | 82 | 82 |
| [redacted] | Non-Union | 401(k) Match 50% up to 5% | 1,614 | 53 | 53 |
| [redacted] | Non-Union | 401(k) Match 50% up to 5% | 1,162 | 45 | 45 |
| [redacted] | Non-Union | 401(k) Match 50% up to 5% | 807 | 37 | 37 |
| [redacted] | Non-Union | 401(k) Match 50% up to 5% | 1,684 | 69 | 69 |
| [redacted] | Non-Union | 401(k) Match 50% up to 5% | 802 | 32 | 32 |
| [redacted] | Non-Union | 401(k) Match 50% up to 5% | 1,827 | 66 | 66 |

| | | | | | |
|---|---|---|---|---|---|
| [redacted] | Non-Union | 401(k) Match 50% up to 5% | 933 | 28 | 28 |
| [redacted] | Non-Union | 401(k) Match 50% up to 5% | 4,207 | 154 | 154 |
| [redacted] | Non-Union | 401(k) Match 50% up to 5% | 529 | 63 | 63 |
| [redacted] | Non-Union | 401(k) Match 50% up to 5% | 1,587 | 87 | 87 |
| [redacted] | Non-Union | 401(k) Match 50% up to 5% | 378 | 45 | 45 |
| [redacted] | Non-Union | 401(k) Match 50% up to 5% | 1,058 | 43 | 43 |
| [redacted] | Non-Union | 401(k) Match 50% up to 5% | 1,477 | 81 | 81 |
| [redacted] | Non-Union | 401(k) Match 50% up to 5% | 1,087 | 45 | 45 |
| [redacted] | Non-Union | 401(k) Match 50% up to 5% | 435 | 17 | 17 |
| [redacted] | Non-Union | 401(k) Match 50% up to 5% | 947 | 37 | 37 |
| [redacted] | Non-Union | 401(k) Match 50% up to 5% | 1,075 | 44 | 44 |
| [redacted] | Non-Union | 401(k) Match 50% up to 5% | 496 | 20 | 20 |
| [redacted] | Non-Union | 401(k) Match 50% up to 5% | 2,065 | 95 | 95 |
| [redacted] | Non-Union | 401(k) Match 50% up to 5% | 1,194 | 47 | 47 |
| [redacted] | Non-Union | 401(k) Match 50% up to 5% | 1,144 | 0 | 0 |
| [redacted] | Non-Union | 401(k) Match 50% up to 5% | 2,695 | 103 | 103 |
| [redacted] | Non-Union | 401(k) Match 50% up to 5% | 3,299 | 116 | 115 |
| [redacted] | Non-Union | 401(k) Match 50% up to 5% | 1,816 | 70 | 70 |
| [redacted] | Non-Union | 401(k) Match 50% up to 5% | 1,857 | 62 | 62 |
| [redacted] | Non-Union | 401(k) Match 50% up to 5% | 692 | 27 | 27 |
| [redacted] | Non-Union | 401(k) Match 50% up to 5% | 2,400 | 88 | 88 |
| [redacted] | Non-Union | 401(k) Match 50% up to 5% | 1,048 | 124 | 124 |
| [redacted] | Non-Union | 401(k) Match 50% up to 5% | 1,799 | 52 | 52 |
| [redacted] | Non-Union | 401(k) Match 50% up to 5% | 3,106 | 108 | 108 |
| [redacted] | Non-Union | 401(k) Match 50% up to 5% | 448 | 0 | 0 |
| [redacted] | Non-Union | 401(k) Match 50% up to 5% | 1,282 | 53 | 53 |
| [redacted] | Non-Union | 401(k) Match 50% up to 5% | 1,711 | 56 | 56 |
| [redacted] | Non-Union | 401(k) Match 50% up to 5% | 1,019 | 42 | 41 |
| [redacted] | Non-Union | 401(k) Match 50% up to 5% | 712 | 0 | 0 |
| [redacted] | Non-Union | 401(k) Match 50% up to 5% | 1,645 | 59 | 59 |
| [redacted] | Non-Union | 401(k) Match 50% up to 5% | 3,627 | 128 | 128 |
| [redacted] | Non-Union | 401(k) Match 50% up to 5% | 1,235 | 57 | 57 |
| [redacted] | Non-Union | 401(k) Match 50% up to 5% | 587 | 24 | 24 |
| [redacted] | Non-Union | 401(k) Match 50% up to 5% | 1,065 | 49 | 49 |
| [redacted] | Non-Union | 401(k) Match 50% up to 5% | 183 | 7 | 7 |
| [redacted] | Non-Union | 401(k) Match 50% up to 5% | 1,051 | 43 | 43 |
| [redacted] | Non-Union | 401(k) Match 50% up to 5% | 451 | 18 | 18 |
| [redacted] | Non-Union | 401(k) Match 50% up to 5% | 1,587 | 68 | 68 |
| [redacted] | Non-Union | 401(k) Match 50% up to 5% | 5,246 | 186 | 186 |
| [redacted] | Non-Union | 401(k) Match 50% up to 5% | 3,338 | 139 | 139 |
| [redacted] | Non-Union | 401(k) Match 50% up to 5% | 1,819 | 65 | 65 |
| [redacted] | Non-Union | 401(k) Match 50% up to 5% | 2,392 | 100 | 100 |
| [redacted] | Non-Union | 401(k) Match 50% up to 5% | 445 | 16 | 16 |
| [redacted] | Non-Union | 401(k) Match 50% up to 5% | 4,783 | 175 | 175 |
| [redacted] | Non-Union | 401(k) Match 50% up to 5% | 2,304 | 88 | 88 |
| [redacted] | Non-Union | 401(k) Match 50% up to 5% | 1,593 | 65 | 65 |
| [redacted] | Non-Union | 401(k) Match 50% up to 5% | 2,864 | 52 | 52 |

| | | | | | |
|---|---|---|---|---|---|
| [redacted] | Non-Union | 401(k) Match 50% up to 5% | 810 | 27 | 27 |
| [redacted] | Non-Union | 401(k) Match 50% up to 5% | 599 | 24 | 24 |
| [redacted] | Non-Union | 401(k) Match 50% up to 5% | 1,329 | 29 | 29 |
| [redacted] | Non-Union | 401(k) Match 50% up to 5% | 482 | 20 | 20 |
| [redacted] | Non-Union | 401(k) Match 50% up to 5% | 2,086 | 72 | 72 |
| [redacted] | Non-Union | 401(k) Match 50% up to 5% | 2,772 | 102 | 102 |
| [redacted] | Non-Union | 401(k) Match 50% up to 5% | 1,763 | 65 | 65 |
| [redacted] | Non-Union | 401(k) Match 50% up to 5% | 1,966 | 71 | 70 |
| [redacted] | Non-Union | 401(k) Match 50% up to 5% | 1,705 | 67 | 67 |
| [redacted] | Non-Union | 401(k) Match 50% up to 5% | 2,667 | 104 | 104 |
| [redacted] | Non-Union | 401(k) Match 50% up to 5% | 1,062 | 0 | 0 |
| [redacted] | Non-Union | 401(k) Match 50% up to 5% | 1,873 | 76 | 76 |
| [redacted] | Non-Union | 401(k) Match 50% up to 5% | 663 | 28 | 28 |
| [redacted] | Non-Union | 401(k) Match 50% up to 5% | 985 | 0 | 0 |
| [redacted] | Non-Union | 401(k) Match 50% up to 5% | 1,293 | 153 | 153 |
| [redacted] | Non-Union | 401(k) Match 50% up to 5% | 1,155 | 39 | 39 |
| [redacted] | Non-Union | 401(k) Match 50% up to 5% | 749 | 25 | 25 |
| [redacted] | Non-Union | 401(k) Match 50% up to 5% | 1,742 | 71 | 71 |
| [redacted] | Non-Union | 401(k) Match 50% up to 5% | 1,514 | 179 | 179 |
| [redacted] | Non-Union | 401(k) Match 50% up to 5% | 705 | 83 | 83 |
| [redacted] | Non-Union | 401(k) Match 50% up to 5% | 4,454 | 174 | 173 |
| [redacted] | Non-Union | 401(k) Match 50% up to 5% | 3,599 | 138 | 138 |
| [redacted] | Non-Union | 401(k) Match 50% up to 5% | 1,160 | 46 | 46 |
| [redacted] | Non-Union | 401(k) Match 50% up to 5% | 189 | 8 | 8 |
| [redacted] | Non-Union | 401(k) Match 50% up to 5% | 793 | 0 | 0 |
| [redacted] | Non-Union | 401(k) Match 50% up to 5% | 715 | 29 | 29 |
| [redacted] | Non-Union | 401(k) Match 50% up to 5% | 667 | 26 | 26 |
| [redacted] | Union | 401(k) Match 50% up to 5% | 771 | 35 | 35 |
| [redacted] | Union | 401(k) Match 50% up to 5% | 417 | 19 | 19 |
| [redacted] | Union | 401(k) Match 50% up to 5% | 631 | 29 | 29 |
| [redacted] | Union | 401(k) Match 50% up to 5% | 914 | 42 | 42 |
| [redacted] | Union | 401(k) Match 50% up to 5% | 386 | 18 | 18 |
| [redacted] | Union | 401(k) Match 50% up to 5% | 813 | 37 | 37 |
| [redacted] | Union | 401(k) Match 50% up to 5% | 380 | 17 | 17 |
| [redacted] | Union | 401(k) Match 50% up to 5% | 359 | 15 | 15 |
| [redacted] | Union | 401(k) Match 50% up to 5% | 374 | 15 | 15 |
| [redacted] | Union | 401(k) Match 50% up to 5% | 380 | 18 | 17 |
| [redacted] | Union | 401(k) Match 50% up to 5% | 360 | 17 | 17 |
| [redacted] | Union | 401(k) Match 50% up to 5% | 726 | 33 | 33 |
| [redacted] | Union | 401(k) Match 50% up to 5% | 941 | 43 | 43 |
| [redacted] | Union | 401(k) Match 50% up to 5% | 837 | 39 | 38 |
| [redacted] | Union | 401(k) Match 50% up to 5% | 950 | 44 | 44 |
| [redacted] | Union | 401(k) Match 50% up to 5% | 371 | 15 | 15 |
| [redacted] | Union | 401(k) Match 50% up to 5% | 805 | 37 | 37 |
| [redacted] | Union | 401(k) Match 50% up to 5% | 352 | 16 | 16 |
| [redacted] | Union | 401(k) Match 50% up to 5% | 386 | 18 | 18 |
| [redacted] | Union | 401(k) Match 50% up to 5% | 348 | 14 | 14 |

| | | | | | |
|---|---|---|---|---|---|
| [redacted] | Union | 401(k) Match 50% up to 5% | 952 | 44 | 44 |
| | Union | 401(k) Match 50% up to 5% | 348 | 14 | 14 |
| | Union | 401(k) Match 50% up to 5% | 832 | 38 | 38 |
| | Union | 401(k) Match 50% up to 5% | 912 | 42 | 42 |
| | Union | 401(k) Match 50% up to 5% | 386 | 18 | 18 |
| | Union | 401(k) Match 50% up to 5% | 802 | 34 | 34 |
| | Union | 401(k) Match 50% up to 5% | 1,041 | 48 | 48 |
| | Union | 401(k) Match 50% up to 5% | 824 | 38 | 38 |
| | Union | 401(k) Match 50% up to 5% | 477 | 19 | 19 |
| | Union | 401(k) Match 50% up to 5% | 551 | 25 | 25 |
| | Union | 401(k) Match 50% up to 5% | 347 | 16 | 16 |
| | Union | 401(k) Match 50% up to 5% | 386 | 15 | 15 |
| | Union | 401(k) Match 50% up to 5% | 363 | 15 | 15 |
| | Union | 401(k) Match 50% up to 5% | 885 | 41 | 41 |
| | Union | 401(k) Match 50% up to 5% | 377 | 15 | 15 |
| | Union | 401(k) Match 50% up to 5% | 801 | 34 | 34 |
| | Union | 401(k) Match 50% up to 5% | 766 | 35 | 35 |
| | Union | 401(k) Match 50% up to 5% | 384 | 18 | 18 |
| | Union | 401(k) Match 50% up to 5% | 326 | 14 | 14 |
| | Union | 401(k) Match 50% up to 5% | 815 | 38 | 37 |
| | Union | 401(k) Match 50% up to 5% | 465 | 21 | 21 |
| | Union | 401(k) Match 50% up to 5% | 826 | 38 | 38 |
| | Union | 401(k) Match 50% up to 5% | 761 | 35 | 35 |
| | Union | 401(k) Match 50% up to 5% | 821 | 38 | 38 |
| | Union | 401(k) Match 50% up to 5% | 795 | 34 | 34 |
| | Union | 401(k) Match 50% up to 5% | 1,037 | 48 | 48 |
| | Union | 401(k) Match 50% up to 5% | 567 | 26 | 26 |
| | Union | 401(k) Match 50% up to 5% | 442 | 20 | 20 |
| | Union | 401(k) Match 50% up to 5% | 917 | 36 | 36 |
| | Union | 401(k) Match 50% up to 5% | 348 | 14 | 14 |
| | Union | 401(k) Match 50% up to 5% | 777 | 33 | 33 |
| | Union | 401(k) Match 50% up to 5% | 356 | 15 | 15 |
| | Union | 401(k) Match 50% up to 5% | 381 | 18 | 18 |
| | Union | 401(k) Match 50% up to 5% | 835 | 38 | 38 |
| | Union | 401(k) Match 50% up to 5% | 345 | 16 | 16 |
| | Union | 401(k) Match 50% up to 5% | 805 | 32 | 32 |
| | Union | 401(k) Match 50% up to 5% | 637 | 29 | 29 |
| | Union | 401(k) Match 50% up to 5% | 804 | 34 | 34 |
| | Union | 401(k) Match 50% up to 5% | 347 | 16 | 16 |
| | Union | 401(k) Match 50% up to 5% | 348 | 14 | 14 |
| | Union | 401(k) Match 50% up to 5% | 734 | 34 | 34 |
| | Union | 401(k) Match 50% up to 5% | 567 | 26 | 26 |
| | Union | 401(k) Match 50% up to 5% | 348 | 14 | 14 |
| | Union | 401(k) Match 50% up to 5% | 919 | 36 | 36 |
| | Union | 401(k) Match 50% up to 5% | 800 | 34 | 34 |
| | Union | 401(k) Match 50% up to 5% | 819 | 38 | 38 |
| | Union | 401(k) Match 50% up to 5% | 386 | 18 | 18 |

| | | | | | |
|---|---|---|---|---|---|
| [redacted] | Union | 401(k) Match 50% up to 5% | 707 | 30 | 30 |
| [redacted] | Union | 401(k) Match 50% up to 5% | 673 | 27 | 27 |
| [redacted] | Union | 401(k) Match 50% up to 5% | 731 | 29 | 29 |
| [redacted] | Union | 401(k) Match 50% up to 5% | 825 | 38 | 38 |
| [redacted] | Union | 401(k) Match 50% up to 5% | 734 | 34 | 34 |
| [redacted] | Union | 401(k) Match 50% up to 5% | 825 | 38 | 38 |
| [redacted] | Union | 401(k) Match 50% up to 5% | 612 | 26 | 26 |
| [redacted] | Union | 401(k) Match 50% up to 5% | 347 | 16 | 16 |
| [redacted] | Union | 401(k) Match 50% up to 5% | 325 | 15 | 15 |
| [redacted] | Union | 401(k) Match 50% up to 5% | 347 | 16 | 16 |
| [redacted] | Union | 401(k) Match 50% up to 5% | 576 | 25 | 24 |
| [redacted] | Union | 401(k) Match 50% up to 5% | 418 | 19 | 19 |
| [redacted] | Union | 401(k) Match 50% up to 5% | 326 | 13 | 13 |
| [redacted] | Union | 401(k) Match 50% up to 5% | 350 | 16 | 16 |
| [redacted] | Union | 401(k) Match 50% up to 5% | 397 | 16 | 16 |
| [redacted] | Union | 401(k) Match 50% up to 5% | 388 | 15 | 15 |
| [redacted] | Union | 401(k) Match 50% up to 5% | 348 | 14 | 14 |
| [redacted] | Union | 401(k) Match 50% up to 5% | 493 | 20 | 20 |
| [redacted] | Union | 401(k) Match 50% up to 5% | 326 | 13 | 13 |
| [redacted] | Union | 401(k) Match 50% up to 5% | 816 | 38 | 38 |
| [redacted] | Union | 401(k) Match 50% up to 5% | 546 | 22 | 22 |
| [redacted] | Union | 401(k) Match 50% up to 5% | 517 | 21 | 21 |
| [redacted] | Union | 401(k) Match 50% up to 5% | 618 | 25 | 25 |
| [redacted] | Union | 401(k) Match 50% up to 5% | 666 | 27 | 27 |
| [redacted] | Union | 401(k) Match 50% up to 5% | 323 | 15 | 15 |
| [redacted] | Union | 401(k) Match 50% up to 5% | 710 | 29 | 29 |
| [redacted] | Union | 401(k) Match 50% up to 5% | 614 | 25 | 25 |
| [redacted] | Union | 401(k) Match 50% up to 5% | 316 | 13 | 13 |
| [redacted] | Union | 401(k) Match 50% up to 5% | 316 | 13 | 13 |
| [redacted] | Union | 401(k) Match 50% up to 5% | 376 | 15 | 15 |
| [redacted] | Union | 401(k) Match 50% up to 5% | 622 | 25 | 25 |
| [redacted] | Union | 401(k) Match 50% up to 5% | 316 | 13 | 13 |
| [redacted] | Union | 401(k) Match 50% up to 5% | 316 | 13 | 13 |
| [redacted] | Union | 401(k) Match 50% up to 5% | 530 | 22 | 22 |
| [redacted] | Union | 401(k) Match 50% up to 5% | 316 | 13 | 13 |
| [redacted] | Union | 401(k) Match 50% up to 5% | 353 | 14 | 14 |
| [redacted] | Union | 401(k) Match 50% up to 5% | 595 | 24 | 24 |
| [redacted] | Union | 401(k) Match 50% up to 5% | 348 | 14 | 14 |
| [redacted] | Union | 401(k) Match 50% up to 5% | 369 | 17 | 17 |
| [redacted] | Union | 401(k) Match 50% up to 5% | 705 | 32 | 32 |
| [redacted] | Union | 401(k) Match 50% up to 5% | 419 | 19 | 19 |
| [redacted] | Union | 401(k) Match 50% up to 5% | 303 | 14 | 14 |
| [redacted] | Union | 401(k) Match 50% up to 5% | 348 | 14 | 14 |
| [redacted] | Union | 401(k) Match 50% up to 5% | 326 | 14 | 14 |
| [redacted] | Union | 401(k) Match 50% up to 5% | 660 | 30 | 30 |
| [redacted] | Union | 401(k) Match 50% up to 5% | 561 | 26 | 26 |
| [redacted] | Union | 401(k) Match 50% up to 5% | 999 | 43 | 43 |

| | | | | | |
|---|---|---|---|---|---|
| [redacted] | Union | 401(k) Match 50% up to 5% | 617 | 28 | 28 |
| [redacted] | Union | 401(k) Match 50% up to 5% | 930 | 43 | 43 |
| [redacted] | Union | 401(k) Match 50% up to 5% | 734 | 29 | 29 |
| [redacted] | Union | 401(k) Match 50% up to 5% | 425 | 17 | 17 |
| [redacted] | Union | 401(k) Match 50% up to 5% | 307 | 13 | 13 |
| [redacted] | Union | 401(k) Match 50% up to 5% | 595 | 24 | 24 |
| [redacted] | Union | 401(k) Match 50% up to 5% | 996 | 46 | 46 |
| [redacted] | Union | 401(k) Match 50% up to 5% | 444 | 18 | 18 |
| [redacted] | Union | 401(k) Match 50% up to 5% | 348 | 14 | 14 |
| [redacted] | Union | 401(k) Match 50% up to 5% | 922 | 42 | 42 |
| [redacted] | Union | 401(k) Match 50% up to 5% | 377 | 15 | 15 |
| [redacted] | Union | 401(k) Match 50% up to 5% | 295 | 12 | 12 |
| [redacted] | Union | 401(k) Match 50% up to 5% | 617 | 28 | 28 |
| [redacted] | Union | 401(k) Match 50% up to 5% | 419 | 17 | 17 |
| [redacted] | Union | 401(k) Match 50% up to 5% | 348 | 14 | 14 |
| [redacted] | Union | 401(k) Match 50% up to 5% | 456 | 18 | 18 |
| [redacted] | Union | 401(k) Match 50% up to 5% | 1,056 | 45 | 45 |
| [redacted] | Union | 401(k) Match 50% up to 5% | 348 | 14 | 14 |
| [redacted] | Union | 401(k) Match 50% up to 5% | 419 | 17 | 17 |
| [redacted] | Union | 401(k) Match 50% up to 5% | 317 | 13 | 13 |
| [redacted] | Union | 401(k) Match 50% up to 5% | 770 | 33 | 33 |
| [redacted] | Union | 401(k) Match 50% up to 5% | 991 | 46 | 46 |
| [redacted] | Union | 401(k) Match 50% up to 5% | 285 | 12 | 12 |
| [redacted] | Union | 401(k) Match 50% up to 5% | 542 | 25 | 25 |
| [redacted] | Union | 401(k) Match 50% up to 5% | 350 | 14 | 14 |
| [redacted] | Union | 401(k) Match 50% up to 5% | 514 | 21 | 21 |
| [redacted] | Union | 401(k) Match 50% up to 5% | 285 | 12 | 12 |
| [redacted] | Union | 401(k) Match 50% up to 5% | 348 | 14 | 14 |
| [redacted] | Union | 401(k) Match 50% up to 5% | 348 | 14 | 14 |
| [redacted] | Union | 401(k) Match 50% up to 5% | 1,099 | 51 | 51 |
| [redacted] | Union | 401(k) Match 50% up to 5% | 285 | 12 | 12 |
| [redacted] | Union | 401(k) Match 50% up to 5% | 339 | 13 | 13 |
| [redacted] | Union | 401(k) Match 50% up to 5% | 963 | 44 | 44 |
| [redacted] | Union | 401(k) Match 50% up to 5% | 542 | 25 | 25 |
| [redacted] | Union | 401(k) Match 50% up to 5% | 285 | 12 | 12 |
| [redacted] | Union | 401(k) Match 50% up to 5% | 479 | 20 | 20 |
| [redacted] | Union | 401(k) Match 50% up to 5% | 440 | 20 | 20 |
| [redacted] | Union | 401(k) Match 50% up to 5% | 526 | 24 | 24 |
| [redacted] | Union | 401(k) Match 50% up to 5% | 625 | 25 | 25 |
| [redacted] | Union | 401(k) Match 50% up to 5% | 470 | 19 | 19 |
| [redacted] | Union | 401(k) Match 50% up to 5% | 285 | 12 | 12 |
| [redacted] | Union | 401(k) Match 50% up to 5% | 526 | 24 | 24 |
| [redacted] | Union | 401(k) Match 50% up to 5% | 285 | 12 | 12 |
| [redacted] | Union | 401(k) Match 50% up to 5% | 635 | 25 | 25 |
| [redacted] | Union | 401(k) Match 50% up to 5% | 655 | 26 | 26 |
| [redacted] | Union | 401(k) Match 50% up to 5% | 834 | 33 | 33 |
| [redacted] | Union | 401(k) Match 50% up to 5% | 298 | 12 | 12 |

| | | | | | |
|---|---|---|---|---|---|
| [redacted] | Union | 401(k) Match 50% up to 5% | 277 | 11 | 11 |
| [redacted] | Union | 401(k) Match 50% up to 5% | 277 | 11 | 11 |
| [redacted] | Union | 401(k) Match 50% up to 5% | 341 | 14 | 14 |
| [redacted] | Union | 401(k) Match 50% up to 5% | 480 | 20 | 20 |
| [redacted] | Union | 401(k) Match 50% up to 5% | 490 | 20 | 20 |
| [redacted] | Union | 401(k) Match 50% up to 5% | 697 | 32 | 32 |
| [redacted] | Union | 401(k) Match 50% up to 5% | 283 | 12 | 12 |
| [redacted] | Union | 401(k) Match 50% up to 5% | 635 | 25 | 25 |
| [redacted] | Union | 401(k) Match 50% up to 5% | 631 | 25 | 25 |
| [redacted] | Union | 401(k) Match 50% up to 5% | 348 | 14 | 14 |
| [redacted] | Union | 401(k) Match 50% up to 5% | 283 | 12 | 12 |
| [redacted] | Union | 401(k) Match 50% up to 5% | 966 | 44 | 44 |
| [redacted] | Union | 401(k) Match 50% up to 5% | 764 | 30 | 30 |
| [redacted] | Union | 401(k) Match 50% up to 5% | 802 | 32 | 32 |
| [redacted] | Union | 401(k) Match 50% up to 5% | 348 | 14 | 14 |
| [redacted] | Union | 401(k) Match 50% up to 5% | 822 | 32 | 32 |
| [redacted] | Union | 401(k) Match 50% up to 5% | 414 | 16 | 16 |
| [redacted] | Union | 401(k) Match 50% up to 5% | 298 | 12 | 12 |
| [redacted] | Union | 401(k) Match 50% up to 5% | 353 | 14 | 14 |
| [redacted] | Union | 401(k) Match 50% up to 5% | 632 | 25 | 25 |
| [redacted] | Union | 401(k) Match 50% up to 5% | 348 | 14 | 14 |
| [redacted] | Union | 401(k) Match 50% up to 5% | 348 | 14 | 14 |
| [redacted] | Union | 401(k) Match 50% up to 5% | 381 | 15 | 15 |
| [redacted] | Union | 401(k) Match 50% up to 5% | 257 | 10 | 10 |
| [redacted] | Union | 401(k) Match 50% up to 5% | 257 | 10 | 10 |
| [redacted] | Union | 401(k) Match 50% up to 5% | 257 | 10 | 10 |
| [redacted] | Union | 401(k) Match 50% up to 5% | 257 | 10 | 10 |
| [redacted] | Union | 401(k) Match 50% up to 5% | 373 | 15 | 15 |
| [redacted] | Union | 401(k) Match 50% up to 5% | 527 | 21 | 21 |
| [redacted] | Union | 401(k) Match 50% up to 5% | 348 | 14 | 14 |
| [redacted] | Union | 401(k) Match 50% up to 5% | 308 | 12 | 12 |
| [redacted] | Union | 401(k) Match 50% up to 5% | 308 | 12 | 12 |
| [redacted] | Union | 401(k) Match 50% up to 5% | 348 | 14 | 14 |
| [redacted] | Union | 401(k) Match 50% up to 5% | 525 | 21 | 21 |
| [redacted] | Union | 401(k) Match 50% up to 5% | 531 | 21 | 21 |
| [redacted] | Union | 401(k) Match 50% up to 5% | 370 | 15 | 15 |
| [redacted] | Union | 401(k) Match 50% up to 5% | 584 | 24 | 24 |
| [redacted] | Union | 401(k) Match 50% up to 5% | 269 | 11 | 11 |
| [redacted] | Union | 401(k) Match 50% up to 5% | 788 | 31 | 31 |
| [redacted] | Union | 401(k) Match 50% up to 5% | 470 | 19 | 19 |
| [redacted] | Union | 401(k) Match 50% up to 5% | 308 | 12 | 12 |
| [redacted] | Union | 401(k) Match 50% up to 5% | 526 | 21 | 21 |
| [redacted] | Union | 401(k) Match 50% up to 5% | 251 | 10 | 10 |
| [redacted] | Union | 401(k) Match 50% up to 5% | 251 | 10 | 10 |
| [redacted] | Union | 401(k) Match 50% up to 5% | 308 | 12 | 12 |
| [redacted] | Union | 401(k) Match 50% up to 5% | 308 | 12 | 12 |
| [redacted] | Union | 401(k) Match 50% up to 5% | 517 | 20 | 20 |

| | | | | | |
|---|---|---|---|---|---|
| [redacted] | Union | 401(k) Match 50% up to 5% | 585 | 23 | 23 |
| [redacted] | Union | 401(k) Match 50% up to 5% | 591 | 23 | 23 |
| [redacted] | Union | 401(k) Match 50% up to 5% | 308 | 12 | 12 |
| [redacted] | Union | 401(k) Match 50% up to 5% | 498 | 20 | 20 |
| [redacted] | Union | 401(k) Match 50% up to 5% | 462 | 19 | 19 |
| [redacted] | Union | 401(k) Match 50% up to 5% | 251 | 10 | 10 |
| [redacted] | Union | 401(k) Match 50% up to 5% | 251 | 10 | 10 |
| | | | $589,125 | $31,584 | $31,550 |

**EXHIBIT ____ (LK-15)**

**KENTUCKY-AMERICAN WATER COMPANY**
**CASE NO. 2018-00358**
**ATTORNEY GENERAL'S SECOND REQUEST FOR INFORMATION**

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**Witness: John R. Wilde**

**16.** Refer to the Direct Testimony of Mr. John Wilde ("Wilde Direct") at page 7, line 22 through page 8, line 8, and the response to Staff 2-65, which states that "The 2017 federal income tax return was completed in October of 2018, EADIT estimates as of 12/31/2017 are known with greater certainty, and ADIT and EADIT amounts in our accounting recordings now reflect the book to tax differences as claimed on tax returns through 12/31/2017."

a. Provide the excess ADIT at December 31, 2017 and the related regulatory liabilities for each temporary difference, including, but not limited to the separate temporary differences for accelerated tax depreciation and repair allowance.

b. Provide the amount of the repair allowance deduction for each tax year 2008 through 2018.

c. Confirm that the Company is required under GAAP to amortize the excess ADIT deemed "protected" and that it did so starting in January 2018.

d. Indicate whether the amortization of the excess ADIT regulatory liabilities deemed "protected" in 2018 were taken to income or deferred to new or different regulatory liability accounts. Describe the Company's accounting for the amortization of these excess ADIT amounts for each temporary difference.

e. Provide the amortization of the excess ADIT regulatory liability by temporary difference deemed "protected" for each month January through December 2018 recorded on the Company's accounting books and forecast for each month thereafter through June 2020. Provide the calculation of these amortization amounts, including all assumptions, data, calculations, and electronic spreadsheets in live format with all formulas intact. Also provide the actual monthly journal entries for January through December 2018, including any related deferrals of the amortization expense to new or different regulatory liability accounts.

**Response:**

a. See response and attachment to KAW_R_PSCDR3_NUM018. The details around accelerated tax depreciation and repairs will not be available until the software updates have been completed.

b. The tax method of accounting that KYAW uses to claim tax repair deductions in excess of repair deduction claimed for book purposes is focused on the calculation and carrying of the tax repair deduction in excess of the book repair deduction. The tax method of accounting that KYAW applied in claiming tax repairs in excess of book repairs applies to property placed in service between 2001-2018, and would be applicable to ADIT balances as of 12/31/2018. However, excess ADIT related to TCJA would be only applicable 2001-2017 vintage property.

We do not have the tax repair cumulative book to tax differences, nor resulting ADIT or excess ADIT balances, carved out of plant related amounts. That will be done as a function of setting up our ARAM record in PowerTax, and we will have a break-out of the cumulative book tax difference for tax repairs related to 2001-2018 property in mid-April.

c. It is KYAW's belief that that the stated action is not a requirement of GAAP because GAAP allows the deferral of and the amortization of excess ADIT balances to follow the treatment ordered by the applicable utility regulatory Commission, subject to normalization requirements.

d. Pending KYAW beginning to normalize excess ADIT into customer rates and provision for income taxes with the appropriate offset to ratebase or cost of capital, KYAW has estimated the balance of excess ADIT subject to normalization and deferred that amount to a regulatory liability. No amortization of the excess ADIT has begun.

e. As stated above amortization of excess ADIT has not begun. It is our intent to calculate the amortization pursuant to ARAM by mid-April, and update the record in this case at that time.

**EXHIBIT ____ (LK-16)**

**KENTUCKY-AMERICAN WATER COMPANY**
**CASE NO. 2018-00358**
**ATTORNEY GENERAL'S SECOND REQUEST FOR INFORMATION**

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**Witness: John R. Wilde**

**18.** Refer to Wilde Direct at page 11, lines 1–5.

a. Confirm that the Consent Agreement addresses only the ADIT due to the repair allowance deduction without consideration of excess ADIT resulting from subsequent tax law changes, such as the TCJA.

b. Confirm that the Consent Agreement does not address excess ADIT resulting from subsequent tax law changes, such as the TCJA.

c. Confirm that the Consent Agreement repeatedly states that if there are subsequent changes in the law, e.g., final or proposed regulations, that are inconsistent with the conclusions reached in this letter ruling, the method of accounting utilized as a result of the letter ruling will no longer be regarded as a proper method of accounting and would be subject to change.

d. Confirm that the TCJA does not require normalization accounting for the excess ADIT repair allowance. If the Company disagrees, then provide a copy of all authoritative support and research relied on for your conclusion.

e. Identify all other utilities that consider the excess ADIT repair allowance to be "protected" or otherwise subject to the normalization requirements under §167 or §168 of the IRC.

**Response:**

a. Kentucky-American cannot confirm the assumption that the Consent Agreement "addresses only the ADIT due to the repair allowance deduction without consideration of excess ADIT resulting from subsequent tax law changes, such as the TCJA," as it does not believe the Consent Agreement makes this distinction. To the contrary, the language of the Consent Agreement is that a normalization method "within the meaning of §168(i)(9)" must be used. The TCJA states precisely what does not qualify as such a normalization method: "[a] normalization method of accounting shall not be treated as being used with respect to any public utility property for purposes of section 167 or 168 of the Internal Revenue Code of 1986 if the taxpayer, in computing its cost of service for ratemaking purposes and reflecting operating results in its regulated books of accounts, reduces the excess tax reserve more rapidly or to a greater extent than such reserve would be reduced under the average rate assumption method." TCJA, §13001(d)(1). Identical language is found in §203(e)(1) of the Tax Reform Act of 1986, and so it was the law when the IRS included this condition in the Consent Agreement. The language from the Consent Agreement thus brings within it these provisions of the TCJA and the Tax Reform Act of 1986.

b. Kentucky-American cannot confirm the assumption that the Consent Agreement "does not address excess ADIT resulting from subsequent tax law changes, such as the TCJA," as it does not believe the Consent Agreement makes this distinction. See response to (a) above.

c. The Consent Agreement is a writing that speaks for itself. Please see the contents of the Consent Agreement for confirmation of what it states.

d. While the TCJA standing alone may not require normalization accounting for the excess ADIT repair allowance, the Consent Agreement, together with the TCJA, does.

e. All 16 utility affiliates of American Water Works are subject to the terms of the Consent Agreement, including the requirement that a normalization method "within the meaning of §168(i)(9)" must be used with respect to excess repairs ADIT.

**EXHIBIT ____ (LK-17)**

**KENTUCKY-AMERICAN WATER COMPANY**
**CASE NO. 2018-00358**
**ATTORNEY GENERAL'S FIRST REQUEST FOR INFORMATION**

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**Witness: John R. Wilde**

**31.** Reference the Direct Testimony of Mr. John R. Wilde ("Wilde Direct"), in regards to the Company's reflection of the excess ADIT and the amortization thereof in the filing related to both the tax rate reduction associated with the Tax Cuts and Jobs Act and the reduction in the state income tax rate from 6% to 5%. Do the cited amounts reflected on page 8 for the estimated protected and unprotected excess ADIT match the amounts that were recorded as a regulatory liability on the books at December 31, 2017? If not explain why not.

**Response:**

The amount quoted in Mr. Wilde's Direct Testimony related to the federal rate change does not tie to the amount recorded as a regulatory liability on the books at December 31, 2017 for two reasons:

First, during discovery in proceeding 2018-00042, a formula error was discovered and lowered the amount. Second, the amount provided in the testimony is the actual re-measurement of deferred taxes without gross up to the deferred tax equivalent. The amount recorded on the books as a regulatory liability is with the gross up and includes the adjustment for the formula error.

Regarding the amount quoted for the state rate change, the announcement of the state rate change was made in April 2018. Therefore, nothing was booked at December 31, 2017.

**EXHIBIT ____ (LK-18)**

**KENTUCKY-AMERICAN WATER COMPANY**
**CASE NO. 2018-00358**
**COMMISSION STAFF'S SECOND REQUEST FOR INFORMATION**

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**Witness: John R. Wilde**

**66.** Refer to Wilde Testimony, page 8 lines 6–7. Provide the estimated ADIT regulatory liability associated with the tax deduction for repairs in excess of book repairs.

**Response:**

This is an amount that we as of yet have not isolated out of the overall plant related ADIT or EADIT balance.

ADIT and EADIT are the product of the underlying cumulative book to tax difference, and care is needed to isolate out any plant related ADIT or EADIT balance insuring that you also correctly align it to the associated book to tax difference.

In converting a tax method of accounting for repairs that was different from books, a cumulative adjustment is made known as a "481a" adjustment to essentially bring your book to tax differences and ADIT balances in line with what would have been the result had you been following that method for all vintages it was applied to. That 481a adjustment includes accelerated tax depreciation and bonus deductions claimed prior to the change in method offset by the repair adjustment that would then be applied. For ARAM you have to separate out the accelerated tax depreciation component of that adjustment from the gross tax repair deduction the company would have been entitled to. Because our tax repairs method originally adopted in 2008 was subsequently refined based on additional IRS guidance, more than one instance of a 481a adjustment occurred, impacting vintages dating back to 2001. The 481a as calculated by the consultant doing the tax repair analysis and work-papers did split the 481a adjustment up between its components, so we have the data. However, Kentucky-American was not using ARAM or the PowerTax Deferred Tax Module, and it did not need or have the capability to load the 481a adjustment at the level of precision now needed to address the requirements of the TCJA. The workpapers provided by the consultant to execute our tax repairs method changes in preparing tax returns for the applicable year are one source of the information we are using to build out the ARAM record in PowerTax.

In addition, the ADIT and book to tax difference that is created in claiming the gross repairs deduction on a tax return reverses based on book depreciation deductions. So to appropriately isolate the ADIT related to tax repairs you need to know the cumulative repair deduction including the relevant portion of the 481a adjustment (described above) and the cumulative book depreciation that has occurred over time. In order to calculate the book depreciation associated with a tax repair deduction, the cumulative repair deduction and accumulated book depreciation must be in a record that is unique to the vintage of plant it relates to and the book depreciation group that will define the life over which it will reverse. The level of detail for ADIT and EADIT that is required to use ARAM is inherent in how data is populated and structured in the PowerTax Deferred Tax Module. The straight line on tax basis functionality in the PowerTax Deferred Tax Module is what allows the correct amount of ADIT, EADIT, or underlying cumulative book to tax difference to be isolated out my adjustment identifier and be carried, and normalized as a discrete record.

When the TCJA was enacted, Kentucky-American, having used the Reverse South Georgia Method (RSGM) of accounting for prior changes in law, did not have the need for all the granularity afforded by the PowerTax Deferred Tax Module. RSGM as a method normalizes the entire balance of plant related EADIT over the composite average life of all plant the EADIT relates to. Therefore, the Company could execute those calculations in One Source Tax Provision with the supporting schedules in Excel spreadsheets without having to incur the cost or complexity of maintaining the PowerTax Deferred Tax Module.

Kentucky-American will have a precise method of isolating out the ADIT and EADIT related to tax repairs in mid-April 2019; if we are able to do so earlier we will update our answer to this request.

**EXHIBIT ____ (LK-19)**

**KENTUCKY-AMERICAN WATER COMPANY**
**CASE NO. 2018-00358**
**COMMISSION STAFF'S SECOND REQUEST FOR INFORMATION**

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**Witness: John R. Wilde**

**68.** Provide the revenue requirement impact of amortizing the excess state ADIT using amortization periods of five, ten, and fifteen years.

**Response:**

Estimate of the state regulatory liability (ADIT excess grossed up to its deferred tax equivalent) is $1,410,549. Please see attached revenue requirement impact.

**Kentucky-American Water Company**
**Revenue Requirement Impact of Excess State ADIT Amortization**

| | |
|---|---|
| Net Liability | ($1,058,617) |
| Gross Liabiity | ($1,410,549) |
| Pretax return | 10.01% |
| Expense Gross Up | 101.13% |

| | | Years | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 |
| **5 Year** | | | | | | | | | | | |
| a | Amortization | ($282,110) | ($282,110) | ($282,110) | ($282,110) | ($282,110) | | | | | |
| b | Change to Rate Base | $105,862 | $317,585 | $529,309 | $741,032 | $952,755 | | | | | |
| c = b x pretax return | Pretax Rate of Return | $10,597 | $31,790 | $52,984 | $74,177 | $95,371 | | | | | |
| d = a+c | Revenue Requirement Before Uncollectibles and PSC fees | ($271,513) | ($250,320) | ($229,126) | ($207,933) | ($186,739) | | | | | |
| e = d*expense gross up | Revenue Requirement After Uncollectibles and PSC fees | ($274,572) | ($253,140) | ($231,707) | ($210,275) | ($188,843) | | | | | |
| **10 Year** | | | | | | | | | | | |
| a | Amortization | ($141,055) | ($141,055) | ($141,055) | ($141,055) | ($141,055) | ($141,055) | ($141,055) | ($141,055) | ($141,055) | ($141,055) |
| b | Change to Rate Base | $52,931 | $158,793 | $264,654 | $370,516 | $476,378 | $582,239 | $688,101 | $793,963 | $899,824 | $1,005,686 |
| c = b x pretax return | Pretax Rate of Return | $5,298 | $15,895 | $26,492 | $37,089 | $47,685 | $58,282 | $68,879 | $79,476 | $90,072 | $100,669 |
| d = a+c | Revenue Requirement Before Uncollectibles and PSC fees | ($135,757) | ($125,160) | ($114,563) | ($103,966) | ($93,369) | ($82,773) | ($72,176) | ($61,579) | ($50,982) | ($40,386) |
| e = d*expense gross up | Revenue Requirement After Uncollectibles and PSC fees | ($137,286) | ($126,570) | ($115,854) | ($105,138) | ($94,421) | ($83,705) | ($72,989) | ($62,273) | ($51,557) | ($40,841) |
| **15 Year** | | | | | | | | | | | |
| a | Amortization | ($94,037) | ($94,037) | ($94,037) | ($94,037) | ($94,037) | ($94,037) | ($94,037) | ($94,037) | ($94,037) | ($94,037) |
| b | Change to Rate Base | $35,287 | $105,862 | $176,436 | $247,011 | $317,585 | $388,160 | $458,734 | $529,309 | $599,883 | $670,457 |
| c = b x pretax return | Pretax Rate of Return | $3,532 | $10,597 | $17,661 | $24,726 | $31,790 | $38,855 | $45,919 | $52,984 | $60,048 | $67,113 |
| d = a+c | Revenue Requirement Before Uncollectibles and PSC fees | ($90,504) | ($83,440) | ($76,375) | ($69,311) | ($62,246) | ($55,182) | ($48,117) | ($41,053) | ($33,988) | ($26,924) |
| e = d*expense gross up | Revenue Requirement After Uncollectibles and PSC fees | ($91,524) | ($84,380) | ($77,236) | ($70,092) | ($62,948) | ($55,804) | ($48,659) | ($41,515) | ($34,371) | ($27,227) |

**Kentucky-American Water Company**
**Revenue Requirement Impact of Excess State ADIT Amortization**

| | |
|---|---|
| Net Liability | ($1,058,617) |
| Gross Liability | ($1,410,549) |
| Pretax return | 10.01% |
| Expense Gross Up | 101.13% |

| | | 11 | 12 | 13 | 14 | 15 |
|---|---|---|---|---|---|---|
| 5 Year | | | | | | |
| a | Amortization | | | | | |
| b | Change to Rate Base | | | | | |
| c = b x pretax return | Pretax Rate of Return | | | | | |
| d = a+c | Revenue Requirement Before Uncollectibles and PSC fees | | | | | |
| e = d*expense gross up | Revenue Requirement After Uncollectibles and PSC fees | | | | | |
| 10 Year | | | | | | |
| a | Amortization | | | | | |
| b | Change to Rate Base | | | | | |
| c = b x pretax return | Pretax Rate of Return | | | | | |
| d = a+c | Revenue Requirement Before Uncollectibles and PSC fees | | | | | |
| e = d*expense gross up | Revenue Requirement After Uncollectibles and PSC fees | | | | | |
| 15 Year | | | | | | |
| a | Amortization | ($94,037) | ($94,037) | ($94,037) | ($94,037) | ($94,037) |
| b | Change to Rate Base | $741,032 | $811,606 | $882,181 | $952,755 | $1,023,330 |
| c = b x pretax return | Pretax Rate of Return | $74,177 | $81,242 | $88,306 | $95,371 | $102,435 |
| d = a+c | Revenue Requirement Before Uncollectibles and PSC fees | ($19,859) | ($12,795) | ($5,730) | $1,334 | $8,399 |
| e = d*expense gross up | Revenue Requirement After Uncollectibles and PSC fees | ($20,083) | ($12,939) | ($5,795) | $1,349 | $8,493 |

**EXHIBIT ____ (LK-20)**

Kentucky Utilities
Case No. 2018-00294
Rate Case Expenses
Base Period: Twelve Months Ended December 31, 2018
Forecasted Test Period: Twelve Months Ended April 30, 2020

KU FR_16(8)(f)

Schedule F-7

| Account No. | Description of Expense | Total Utility |
|---|---|---|
| | **Total Estimated Kentucky Rate Case Expenses** | |
| 182 | Legal | $ 1,034,473 |
| 182 | Consultants | 255,891 |
| 182 | Newspaper Advertising | 1,738,637 |
| | **Total Estimated Kentucky Rate Case Expenses** | $ 3,029,001 |

| | | Base Period | | | Forecasted Test Period | | |
|---|---|---|---|---|---|---|---|
| Account No. | Description of Expenses | Total Utility | Jurisdiction % | Total Jurisdiction | Total Utility | Jurisdiction % | Total Jurisdiction |
| | **Regulatory Commission Expenses** | | | | | | |
| 928 | FERC Annual Charge | 410,966 | 88.026% | 361,759 | 441,708 | 94.101% | 415,651 |
| 928 | Rate Case Amortization | 1,272,256 | 100.000% | 1,272,256 | 1,547,426 | 100.000% | 1,547,426 |
| 928 | Virginia Rate Case | 158,788 | 0.000% | - | 43,333 | 0.000% | - |
| 928 | Miscellaneous | 178,009 | 100.000% | 178,009 | 25,483 | 100.000% | 25,483 |
| | **Totals** | 2,020,019 | | 1,812,024 | 2,057,951 | | 1,988,560 |

Louisville Gas & Electric
Case No. 2018-00295
Rate Case Expenses
Base Period: Twelve Months Ended December 31, 2018
Forecasted Test Period: Twelve Months Ended April 30, 2020

LGE FR_16(8)(f) Schedule F-7

| Account No. | Description of Expense | Utility |
|---|---|---|
| | **Total Estimated Kentucky Rate Case Expenses** | |
| 182 | Legal | $ 926,449 |
| 182 | Consultants | $ 239,023 |
| 182 | Newspaper Advertising | $ 908,617 |
| | **Total Estimated Kentucky Rate Case Expenses** | $ 2,074,089 |
| | **Electric** | |
| 182 | Legal | $ 705,654 |
| 182 | Consultants | 185,234 |
| 182 | Newspaper Advertising | 689,401 |
| | **Total Estimated Kentucky Electric Rate Case Expenses** | $ 1,580,289 |
| | **Gas** | |
| 182 | Legal | $ 220,796 |
| 182 | Consultants | 53,789 |
| 182 | Newspaper Advertising | 219,216 |
| | **Total Estimated Kentucky Gas Rate Case Expenses** | $ 493,800 |

| Account No. | Description of Expenses | Base Period Total Utility | Forecasted Test Period Total Utility |
|---|---|---|---|
| | **Regulatory Commission Expenses** | | |
| 928 | FERC Annual Charge | 418,412 | 441,708 |
| 928 | Rate Case Amortization - Electric | 745,805 | 787,814 |
| 928 | Rate Case Amortization - Gas | 192,268 | 251,882 |
| 928 | Miscellaneous - Electric | 279,977 | 314,893 |
| 928 | Miscellaneous - Gas | | |
| | **Totals** | 1,636,462 | 1,796,296 |

**EXHIBIT ____ (LK-21)**

Kentucky Power Company
Amortization of Rate Case Expense
Test Year Ended 2/28/2017
W19

| Line No. (1) | Description (2) | Amount (3) |
|---|---|---|
| | Estimated Cost: | |
| 1 | Legal Expense | $510,000 |
| 2 | Other Professional Services | $210,000 |
| 3 | Publication Notices and Correspondence | $640,000 |
| 4 | KPCo Overtime and Out of Pocket Costs | $15,000 |
| 5 | Total Estimated Costs (Ln 1 + Ln 2 + Ln 3 + Ln 4) | $1,375,000 |
| 6 | Number of Years of Amortization | 3 |
| 7 | Annual Average Rate Case Costs (Ln 5 / Ln 6) | $458,333 |
| 8 | Less: Rate Case Expense in Test Year | $81,734 |
| 9 | Adjustment to Test Year O&M Expense (Ln 7- Ln 8) | $376,599 |
| 10 | Allocation Factor - SPECIFIC | 1.000 |
| 11 | KPSC Jurisdiction Amount (Ln 9 X Ln 10) | $376,599 |

Witness: John A. Rogness

**EXHIBIT ____ (LK-22)**

DUKE ENERGY KENTUCKY, INC.
CASE NO. 2017-00321
RATE CASE EXPENSE
FOR THE TWELVE MONTHS ENDED MARCH 31, 2019

DATA: BASE PERIOD "X" FORECASTED PERIOD
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED
WORK PAPER REFERENCE NO(S).:

SCHEDULE F-6
PAGE 1 OF 1
WITNESS RESPONSIBLE:
S. E. LAWLER

COMPARISON OF PROJECTED EXPENSES ASSOCIATED WITH THE CURRENT CASE TO PRIOR RATE CASES

| LINE NO. | ITEM OF EXPENSE | CASE NO. 2017-00321 ESTIMATE | CASE NO. 2009-00202 (GAS) ACTUAL | CASE NO. 2009-00202 (GAS) ESTIMATE | CASE NO. 2006-00172 (ELEC) ACTUAL | CASE NO. 2006-00172 (ELEC) ESTIMATE | JUSTIFICATION OF SIGNIFICANT CHANGE |
|---|---|---|---|---|---|---|---|
| 1 | Legal | 186,690 | 7,324 | 15,000 | 11,268 | 35,000 | |
| 2 | Depreciation Study | 75,000 | 35,146 | 50,000 | 55,772 | 40,000 | |
| 3 | Demolition Study | 80,000 | | | 21,366 | | |
| 4 | Consultants | 0 | 19,442 | 25,000 | 78,391 | 25,000 | |
| 5 | Rate of Return Studies | 80,000 | 54,717 | 60,000 | 45,478 | 70,000 | |
| 6 | Cost of Service Studies | 0 | 0 | 0 | 0 | 0 | |
| 7 | Publish Legal Notice | 81,000 | 22,315 | 80,000 | 81,463 | 16,000 | |
| 8 | Transportation, Lodging, Meals | 80,000 | 0 | 20,000 | 7,990 | 40,000 | |
| 9 | Miscellaneous | 20,000 | 17,580 | 10,000 | (99,728) | 9,000 | |
| 10 | Total | 602,690 | 156,524 | 260,000 | 202,000 | 235,000 | |
| 11 | | | | | | | |
| 12 | | | | | | | |
| 13 | | | | | | | |

14 SCHEDULE OF RATE CASE EXPENSE AMORTIZATION

| LINE NO. | RATE CASE | TOTAL TO BE AMORTIZED | OPINION / ORDER DATE | AMORTIZATION PERIOD | AMOUNT AMORTIZED TO DATE | AMORT. DURING FORECASTED PERIOD |
|---|---|---|---|---|---|---|
| 15 | | | | | | |
| 16–19 | | | | | | |
| 20 | | | | | | |
| 21 | Current Case | 602,690 | - | 5 YEAR | 0 | 120,538 |
| 22 | | | | | | |
| 23 | 2006-00172 | 235,000 | 12/21/2006 | 3 YEAR | 235,000 | 0 |
| 24 | | | | | | |
| 25 | State Fuel Hearings and Other | | | | | 0 |
| 26 | Total Rate Case Expense Amortization | | | To WPD-2.17a <------------ | | 120,538 (A) |

(A) Represents rate case expense included on Schedule C-2, as adjusted.

DUKE ENERGY KENTUCKY, INC.
CASE NO. 2018-00261
RATE CASE EXPENSE
FOR THE TWELVE MONTHS ENDED MARCH 31, 2020

DATA: BASE PERIOD "X" FORECASTED PERIOD
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED
WORK PAPER REFERENCE NO(S).:

SCHEDULE F-6
PAGE 1 OF 1
WITNESS RESPONSIBLE:
S. E. LAWLER

COMPARISON OF PROJECTED EXPENSES ASSOCIATED WITH THE CURRENT CASE TO PRIOR RATE CASES

| LINE NO. | ITEM OF EXPENSE | CASE NO. 2018-00261 ESTIMATE | CASE NO. 2017-00321 (ELEC) ACTUAL | CASE NO. 2017-00321 (ELEC) ESTIMATE | CASE NO. 2009-00202 (GAS) ACTUAL | CASE NO. 2009-00202 (GAS) ESTIMATE | JUSTIFICATION OF SIGNIFICANT CHANGE |
|---|---|---|---|---|---|---|---|
| 1 | Legal | 266,000 | 232,206 | 186,690 | 7,324 | 15,000 | |
| 2 | Depreciation Study | 75,000 | 56,066 | 75,000 | 35,146 | 50,000 | |
| 3 | Demolition Study | 9,500 | 86,653 | 80,000 | | | |
| 4 | Consultants | 0 | 0 | 0 | 19,442 | 25,000 | |
| 5 | Rate of Return Studies | 80,000 | 66,572 | 80,000 | 54,717 | 60,000 | |
| 6 | Cost of Service Studies | 0 | 0 | 0 | 0 | 0 | |
| 7 | Publish Legal Notice | 100,000 | 211,937 | 81,000 | 22,315 | 80,000 | |
| 8 | Transportation, Lodging, Meals | 35,000 | 39,357 | 80,000 | 0 | 20,000 | |
| 9 | Miscellaneous | 10,000 | 6,548 | 20,000 | 17,580 | 10,000 | |
| 10 | Total | 575,500 | 699,339 | 602,690 | 156,524 | 260,000 | |
| 11 | | | | | | | |
| 12 | | | | | | | |

13
14 SCHEDULE OF RATE CASE EXPENSE AMORTIZATION
15

| LINE NO. | RATE CASE | TOTAL TO BE AMORTIZED | OPINION / ORDER DATE | AMORTIZATION PERIOD | AMOUNT AMORTIZED TO DATE | AMORT. DURING FORECASTED PERIOD | |
|---|---|---|---|---|---|---|---|
| 20 | | | | | | | |
| 21 | CURRENT CASE | 575,500 | - | 5 YEAR | 0 | 115,100 | |
| 22 | | | | | | | |
| 23 | CASE NO. 2009-00202 | 260,000 | 12/29/2009 | 3 YEAR | 260,000 | 0 | |
| 24 | | | | | | | |
| 25 | State Fuel Hearings and Other | | | | | 0 | |
| 26 | Total Rate Case Expense Amortization | | | To WPD-2.16a <------------ | | 115,100 | (A) |

(A) Represents rate case expense included on Schedule C-2, as adjusted.

**EXHIBIT ____ (LK-23)**

**Atmos Energy Corporation, Kentucky/Mid-States Division**
**Kentucky Jurisdiction Case No. 2018-00281**
**Projected Rate Case Expense**

Data:__X___Base Period__X___Forecasted Period — FR 16(8)(f)
Type of Filing:___X____Original________Updated ________Revised — Schedule F-6
Workpaper Reference No(s). — Witness: Waller

| Line No. | Description | | Amount |
|---|---|---|---|
| 1 | **Consulting** | | |
| 2 | Class Cost Study - P. Raab | $ 13,650 | |
| 3 | Depreciation Study - D. Watson | $ 23,064 | |
| 4 | Cost of Capital - Vander Weide, J. H. | 16,200 | |
| 5 | sub-total | | $ 52,914 |
| 6 | | | |
| 7 | **Legal Fees** | | |
| 8 | (J. Hughes/R. Hutchinson) | | 164,184 |
| 9 | | | |
| 10 | **Employee Expense** | | |
| 11 | (airfare, lodging, meals, etc.) | | 23,813 |
| 12 | | | |
| 13 | **Miscellaneous Expense** | | |
| 14 | (printing, advertising, etc.) | | 96,393 |
| 15 | | | |
| 16 | **Total Projected Rate Case Expense** | | $ 337,304 |
| 17 | | | |
| 18 | **Three (3) Year Amortization of Rate Case Expenses** | | $ 112,434.56 |

**EXHIBIT ____ (LK-24)**

**KENTUCKY-AMERICAN WATER COMPANY**
**CASE NO. 2018-00358**
**ATTORNEY GENERAL'S FIRST REQUEST FOR INFORMATION**

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**Witness: Scott W. Rungren**

**54.** Provide all data and supporting workpapers for KAWC's requested cost of short-term debt. If the cost of short-term debt includes commitment fees or other fees over and above the pure cost of short-term debt, separate out such additional fees.

**Response:**

The Excel file containing the requested work papers was filed in response to PSC 1-1.

The file name is "KAWC_2018_Rate Case_-_Capital Structure.xlsx". Within that file, see tab "Sch J WPs", Excel row 448, in columns S to AF.

The projected monthly short-term rates used to compute the thirteen-month average rate in the above-referenced file are projected one-month LIBOR (London Interbank Offered Rate) rates taken from Bloomberg on October 5, 2018, with the addition of a spread of 0.19.

The spread was calculated by the subtracting the actual spot commercial paper rate on October 5, 2018, which was 2.28 percent, from the average one-month commercial paper rate for American Water on October 5, 2018, which was 2.47 percent. The difference of 0.19 was used as the projected spread to add to the projected one-month LIBOR rates from Bloomberg to arrive at the projected American Water short-term rates.

**EXHIBIT ____ (LK-25)**

**KENTUCKY-AMERICAN WATER COMPANY**
**CASE NO. 2018-00358**
**COMMISSION STAFF'S SECOND REQUEST FOR INFORMATION**

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**Witness: Scott W. Rungren**

**93.** Refer to the application, the Direct Testimony of Scott W. Rungren (Rungren Testimony), page 7, line 19. Provide any updates to the expected interest rate of 4.55 percent for the issuance of the $16 million in long-term debt.

**Response:**

Based on Bloomberg data as of January 11, 2019, the forward curve analysis indicates that the projected rate for a 30-year Treasury at May 15, 2019, the estimated issuance date for KAWC's $16 million debt issuance, is 3.10%. Adding the 1.12 percent spread at which American Water Capital Corp. ("AWCC"), KAWC's financing affiliate, is expected to issue above the 30-year Treasury rate results in an overall updated interest rate of 4.22 percent.