

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC JOINT APPLICATION OF)	
LOUISVILLE GAS AND ELECTRIC)	
COMPANY, MEADE COUNTY RURAL)	
ELECTRIC COOPERATIVE CORPORATION,)	
AND BIG RIVERS ELECTRIC)	
CORPORATION FOR (1) APPROVAL OF AN)	
AGREEMENT MODIFYING AN EXISTING)	
TERRITORIAL BOUNDARY MAP AND (2))	CASE NO. 2019-00370
ESTABLISHING MEADE COUNTY RURAL)	
ELECTRIC COOPERATIVE CORPORATION)	
AS THE RETAIL ELECTRIC SUPPLIER FOR)	
NUCOR CORPORATION'S PROPOSED STEEL)	
PLATE MILL IN BUTTERMILK FALLS)	
INDUSTRIAL PARK IN MEADE COUNTY,)	
KENTUCKY)	

RESPONSE OF
LOUISVILLE GAS AND ELECTRIC COMPANY
TO COMMISSION STAFF'S SECOND REQUEST FOR INFORMATION
DATED DECEMBER 19, 2019

FILED: DECEMBER 30, 2019

Louisville Gas and Electric Company, Meade County Rural Electric Cooperative Corporation, and Big Rivers Electric Corporation
Response to Commission Staff's Second Request for Information
Dated December 19, 2019

Case No. 2019-00370

Question No. 3

Witness: Robert M. Conroy

- Q-3. Refer to the Settlement Agreement and Contract (Settlement Agreement), which is attached as Exhibit 1 to the Joint Application.
- a. Provide the accounting entries to be made on the books of BREC to reflect the payment to be made to LG&E pursuant to Section 1.2(A) and explain how BREC will treat that payment for ratemaking purposes.
 - b. Provide the accounting entries to be made on the books of Big Rivers to reflect the payments to be made to LG&E pursuant to Section 1.2(8) and explain how BREC will treat those payments for ratemaking purposes.
 - c. Provide the accounting entries to be made on the books of LG&E to reflect the payment to be received from BREC to pursuant to Section 1.2(A) and explain how LG&E will treat that payment for ratemaking purposes. If LG&E does not intend to record this payment as a deferred liability, explain in detail the reasons why.
 - d. Provide the accounting entries to be made on the books of LG&E to reflect the payments to be received from BREC to pursuant to Section 1.2(8) and explain how LG&E will treat those payments for ratemaking purposes.
 - e. State whether any accounting entries will be recorded on the books of Meade RECC to reflect the payments to LG&E.

A-3.

- c. Below is the accounting entry that will be made by LG&E to reflect the payment pursuant to Section 1.2(A). The payment will be treated as a regulatory liability and the ratemaking treatment will be addressed in a future rate proceeding. LG&E requests the Commission grant LG&E authority to establish this regulatory liability in connection with any approval by the Commission of the tendered Settlement Agreement.

Account Description	Debit Account	Credit Account
Cash	131	
Other Regulatory Liabilities		254

- d. Below is the accounting entry that will be made by LG&E to reflect the payments pursuant to Section 1.2(8). The payments will be treated as a regulatory liability and the ratemaking treatment will be addressed in a future rate proceeding. LG&E requests the Commission grant LG&E authority to establish this regulatory liability in connection with any approval by the Commission of the tendered Settlement Agreement.

Account Description	Debit Account	Credit Account
Cash	131	
Other Regulatory Liabilities		254