

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

IN THE MATTER OF: ELECTRONIC APPLICATION OF KENTUCKY UTILITIES COMPANY FOR AN ADJUSTMENT OF ITS ELECTRIC RATES, A CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY TO DEPLOY ADVANCED METERING INFRASTRUCTURE, APPROVAL OF CERTAIN REGULATORY AND ACCOUNTING TREATMENTS, AND ESTABLISHMENT OF A ONE-YEAR SURCREDIT

**Case No. 2020-00349**

**SECOND REQUEST FOR INFORMATION  
OF THE UNITED STATES DEPARTMENT OF DEFENSE AND ALL OTHER  
FEDERAL EXECUTIVE AGENCIES TO KENTUCKY UTILITIES COMPANY**

The United States Department of Defense and all other Federal Executive Agencies submits the following Second Request for Information to Kentucky Utilities Company (“KU”).

**DEFINITIONS**

1. “Identify” or “identity,” when referring to a natural person, shall mean to provide without limitation his or her full name, present or last-known address, telephone number, present or last-known business affiliation and location, and job titles and responsibilities during the applicable time covered by any response referring to such person.

2. “Identify” or “identity,” when referring to a document or writing, shall mean to give sufficient characterization of the document or writing so as to have identified it with reasonable particularity and shall include, without limitation, the following information with respect to such document or writing:

- a. The author and the sender of the document or writing;
- b. The date appearing on the document or writing, and if it has no date, the answer shall so state but shall give the date or approximate date the document or writing was prepared;
- c. The general nature or description of the document;
- d. The name of the person or persons, if any, to whom such document or writing was addressed and the names of other persons to whom the document or copies thereof were given or sent, if any;
- e. The name and address of the person having present possession, custody, or control of the document or writing.

3. "Document" and "workpaper" shall have the broadest possible meaning and include, without limitation, the original and any non-identical copy (whether different from the original because of handwritten notes, underlining, or other marks,) regardless of origin or location, of written, typed, printed, or graphic matter (however produced or reproduced), and electrical or magnetic sound or video recordings, or transcriptions thereof, file or photographic prints, and all other writings or recordings of every kind and description, including, but not limited to, papers, letters, correspondence, agreements, contracts, telegrams, notes, notations, computer printouts, digital or e-mail communications, text messaging, data sheets, data processing cards or tapes, memoranda (including memoranda or memorials of conversations or meetings), intra-office communications, notebooks, reports, articles, books, pamphlets, periodicals, tables, charts, graphs, blueprints, drawings, studies, worksheets, estimating sheets, bids, bills, time cards, indices, lists, surveys, diaries, diary entries, facsimiles, specimens, models, schedules, accounts, invoices, purchase orders, estimates, ledgers, audits, and indices, and drafts, revisions or amendments of any

of the above, and generally, any kind of tangible, permanent records that are now, or formerly were, in your possession, custody or control, or that were known by you to exist, and that can be located or discovered by reasonably diligent efforts.

4. “Study” means any written, recorded, transcribed, taped, filmed, or graphic matter, however produced or reproduced, either formally or informally, on a particular issue or situation, in whatever detail, whether or not the consideration of the issue or situation is in a preliminary stage, and whether or not the consideration was discontinued prior to completion.

### INSTRUCTIONS

1. Responses to these request shall be in compliance with 807 KAR 5:0001 and Public Service Commission’s Orders.

2. These Requests are continuing in nature and require supplemental answers within a reasonable time if additional documents or information would be responsive to these Requests.

3. If any of the responses do not contain complete information, so state this and identify each person who may have the additional information.

4. Identify the witness who will be prepared to answer questions concerning each Request.

### SECOND REQUESTS FOR INFORMATION

DOD 2-1. Please refer to Schedule M-2.3, pages 2 through 26:

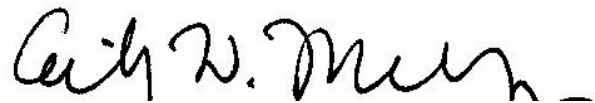
- a. Please identify the impact on revenue at current rates for the retail system and each tariff rate class caused by the ECR mechanism rate.
- b. Please identify the impact on revenue at proposed rates for the retail system and each tariff rate class caused by the ECR mechanism rate.

- DOD 2-2. In electronic spreadsheet format with all formulas intact, please show the development of the intermediate and peak demand charges for the Time of Day Primary customer class. Please explain how the split of production costs and transmission costs between these two rating periods was determined
- DOD 2-3. In electronic spreadsheet format with all formulas intact, please show the development of the intermediate and peak demand charges for the Time of Day Primary customer class. Please explain how the split of production costs and transmission costs between these two rating periods was determined.
- DOD 2-4. In electronic spreadsheet format with all formulas intact, please show the development of the base, intermediate, and peak demand charges for the Retail Transmission Service customer class. Please explain how the split of production costs between the intermediate and peak demand periods was determined.
- DOD 2-5. Please provide a copy of Schedule M-2.3 in electronic spreadsheet format with formulas intact.
- DOD 2-6. This request is intentionally blank.
- DOD 2-7. This request is intentionally blank.
- DOD 2-8. This request is intentionally blank.
- DOD 2-9. This request is intentionally blank.
- DOD 2-10. This request is intentionally blank.
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- DOD 2-12. This request is intentionally blank.
- DOD 2-13. This request is intentionally blank.
- DOD 2-14. This request is intentionally blank.
- DOD 2-15. Please provide workpapers in Microsoft Excel, with all formulas intact, that support Filing Requirement Tab 13 - Section 16(6)(f), the reconciliation of the rate base and capital used to determine the revenue requirement.
- DOD 2-16. Please provide the amount of pension expense included in the Company's revenue requirement in this case and state whether returns on the pension trust were used to reduce the included amount of pension expense. If so, please provide workpapers supporting this calculation.

- DOD 2-17. Please provide the amount of pension expense that was approved in the Company's last base rate case and is currently being recovered in rates. If this amount is not available, please provide the most recent Commission approved level of pension expense and the Order where it was approved.
- DOD 2-18. Referring to the \$30,691,840 base period prepaid pension asset included on Schedule B-5.2, page 2, please answer the following questions:
- a. Cite all Commission orders that allow for the inclusion of a prepaid pension asset in rate base.
  - b. Provide workpapers in Microsoft Excel, with all formulas intact, supporting the development of the prepaid pension asset.
  - c. If not already provided in response to part b., please provide workpapers in Microsoft Excel, with all formulas intact, showing the development of the prepaid pension asset, annual pension expense, and pension trust funding, on an annual basis since inception and over the period where the prepaid asset balance was accumulated up through the end of the base period.
  - d. If not already provided in response to part b., please separately identify annual cash contributions by the Company, excess returns earned on the prepaid pension asset, and other factors (explain) that resulted in annual changes to the prepaid pension asset since inception and through the end of the base period.
  - e. Please identify the amount of discretionary contributions the Company has made to the prepaid pension asset since inception and through the end of the base period.
  - f. Please identify the ERISA minimum pension contribution since inception and through the end of the base period.
  - g. Please provide the amount of the prepaid pension asset at the end of the base period if the Company only made the ERISA minimum contribution.
- DOD 2-19. Referring to the \$42,744,320 forecast period prepaid pension asset included on Schedule B-5.2, page 5, please provide workpapers in Microsoft Excel, with all formulas intact, supporting the change from the base period amount to the forecasted period amount. In addition, please explain the large increase in the asset between the base period and the forecast period.
- DOD 2-20. This request is intentionally blank.
- DOD 2-21. This request is intentionally blank.

- DOD 2-22. This request is intentionally blank.
- DOD 2-23. Please provide workpapers in Microsoft Excel, with all formulas intact, that breakdown the \$48.3 million increase in the Company's revenue requirement attributable to the new depreciation rates by the units shown on page 9 of Lonnie Bellar's direct testimony.
- DOD 2-24. For each unit shown on page 9 of Lonnie Bellar's direct testimony, please state whether the Commission has previously reviewed and approved the new retirement year.
- DOD 2-25. Please state whether the Commission approved the new retirement year for Mill Creek Unit 1 in the Company's most recent environmental cost recovery case.
- DOD 2-26. Please provide a copy of Exhibit KWB-1 that includes only KU costs.
- DOD 2-27. Please provide the source of the 4.02% average cost of debt used on Exhibit KWB-1.
- DOD 2-28. Please provide a copy of Exhibit KWB-2 that includes only KU costs.
- DOD 2-29. Referring to Exhibit KWB-1, please provide workpapers in Microsoft Excel, with all formulas intact, that calculate the AFUDC average debt and equity rates used in the exhibit.

Respectfully submitted,

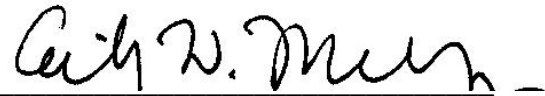


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February 5, 2021

**CERTIFICATE OF SERVICE**

It is hereby certified that the attached First Request for Information is a true and accurate copy of the document being filed with the Commission; that the filing was transmitted to the Commission via electronic filing on February 5, 2021; that there are currently no parties that the Commission has excused from participation by electronic means in this proceeding; and that a copy of the filing was served electronically on all persons listed in the Official Service List for Docket 2020-00349 on this 5<sup>th</sup> day of February 2021.

A handwritten signature in black ink, appearing to read "Emily W. Medlyn", written over a horizontal line.

Emily W. Medlyn