

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF KENTUCKY)	
UTILITIES COMPANY AND LOUISVILLE GAS)	
AND ELECTRIC COMPANY FOR AN ORDER)	CASE NO. 2024-00181
APPROVING THE ESTABLISHMENT OF)	
REGULATORY ASSETS)	

RESPONSE OF
KENTUCKY UTILITIES COMPANY
AND
LOUISVILLE GAS AND ELECTRIC COMPANY
TO
THE COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION
DATED JULY 2, 2024

FILED: July 18, 2024

VERIFICATION

COMMONWEALTH OF KENTUCKY)
)
COUNTY OF JEFFERSON)

The undersigned, **Elizabeth J. McFarland**, being duly sworn, deposes and says that she is Vice President, Transmission for Kentucky Utilities Company and Louisville Gas and Electric Company and an employee of LG&E and KU Services Company, and that she has personal knowledge of the matters set forth in the responses for which she is identified as the witness, and the answers contained therein are true and correct to the best of her information, knowledge, and belief.

Elizabeth J. McFarland
Elizabeth J. McFarland

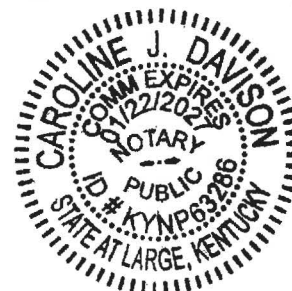
Subscribed and sworn to before me, a Notary Public in and before said County and State, this 17th day of July 2024.

Caroline J. Davison
Notary Public

Notary Public ID No. KYNP63286

My Commission Expires:

January 22, 2027



VERIFICATION

COMMONWEALTH OF KENTUCKY)
)
COUNTY OF JEFFERSON)

The undersigned, **Peter W. Waldrab**, being duly sworn, deposes and says that he is Vice President, Electric Distribution, for Kentucky Utilities Company and Louisville Gas and Electric Company and an employee of LG&E and KU Services Company, 220 West Main Street, Louisville, KY 40202, and that he has personal knowledge of the matters set forth in the responses for which he is identified as the witness, and the answers contained therein are true and correct to the best of his information, knowledge, and belief.



Peter W. Waldrab

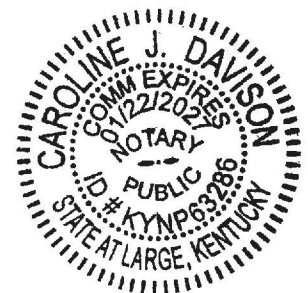
Subscribed and sworn to before me, a Notary Public in and before said County and State, this 17th day of July 2024.


Caroline J. Davison
Notary Public

Notary Public ID No. KYNP63286

My Commission Expires:

January 22, 2027



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

**Response to Commission Staff's First Request for Information
Dated July 2, 2024**

Case No. 2024-00181

Question No. 1

Responding Witness: Elizabeth J. McFarland / Peter W. Waldrab

- Q-1. For KU, provide the year-to-date storm damage operating and maintenance expenses exclusive of the May 2024 Storm.
- A-1. For KU, the June year-to-date storm damage operating and maintenance distribution and transmission expenses exclusive of the May 2024 storm are \$2,636,064.

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

**Response to Commission Staff's First Request for Information
Dated July 2, 2024**

Case No. 2024-00181

Question No. 2

Responding Witness: Elizabeth J. McFarland / Peter W. Waldrab

- Q-2. For LG&E, provide the year-to-date storm damage operating and maintenance expenses exclusive of the May 2024 Storm.
- A-2. For LG&E, the June year-to-date storm damage operating and maintenance distribution and transmission expenses exclusive of the May 2024 storm are \$2,657,798.

**KENTUCKY UTILITIES COMPANY
AND
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**Response to Commission Staff's First Request for Information
Dated July 2, 2024**

Case No. 2024-00181

Question No. 3

Responding Witness: Elizabeth J. McFarland / Peter W. Waldrab

- Q-3. Provide a schedule listing the monthly storm damage incurred by KU to date exclusive of the May 2024 Storm. Identify in each month any major storms and the cost incurred by KU to repair the damage for each major storm.
- A-3. See attached schedule which provides KU June year-to-date total storm damage (capital and O&M) exclusive of the May 2024 storm.

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

**Response to Commission Staff's First Request for Information
Dated July 2, 2024**

Case No. 2024-00181

Question No. 4

Responding Witness: Elizabeth J. McFarland / Peter W. Waldrab

- Q-4. Provide a schedule listing the monthly storm damage incurred by LG&E to date exclusive of the May 2024 Storm. Identify in each month any major storms and the cost incurred by LG&E to repair the damage for each major storm.
- A-4. See attached schedule which provides LG&E June year-to-date total storm damage (capital and O&M) exclusive of the May 2024 storm.

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

**Response to Commission Staff's First Request for Information
Dated July 2, 2024**

Case No. 2024-00181

Question No. 5

Responding Witness: Elizabeth J. McFarland / Peter W. Waldrab

Q-5. Provide a list of contractors and mutual assistance crews that were involved in the restoration process of the May 2024 Storm.

A-5. See below for a list of contractors that were directly involved in restoration efforts during this storm.

- Groves Electrical Services
- Davis H. Elliot Company
- 5 Star Electric
- United Electric
- Team Fishel
- Southeast Power
- Asplundh
- Phillips Tree Experts
- Townsend Tree Service
- Wright Tree Service
- Carolina Power and Signalization
- GMB Powerline Services
- Lee Electrical
- Red Rover Electric
- LineCraft LLC
- Premium Utility Contractor
- One Source Restoration
- Corky Wells Electric/CW Services
- Excursion Line Construction
- Delta Services
- Quality Resources LLC
- Legner Energy Group
- Just Engineering
- Bray Electric

**KENTUCKY UTILITIES COMPANY
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**Response to Commission Staff’s First Request for Information
Dated July 2, 2024**

Case No. 2024-00181

Question No. 6

Responding Witness: Elizabeth J. McFarland / Peter W. Waldrab

- Q-6. Refer to the Application, Exhibit 1. Provide an estimate of normal operations costs for KU. Provide the period on which the amounts are based and a detailed description of how these costs were determined and calculated.
- A-6. The table below shows the estimate of normal operations for KU.

<u>KU Estimated Amount Considered Normal Operations - May 26th Storm</u>		
<u>Distribution</u>		
Employee Labor		133,855
Contractor Labor		139,646
Transportation		15,906
Total Electric Distribution		\$ 289,407
<u>Transmission</u>		
Employee Labor		18,909
Contractor Labor		87,568
Transportation		294
Total Transmission		\$ 106,771
Total KU Estimated Normal Operations		\$ 396,178

For Distribution employee labor, the normal operations adjustment was calculated by obtaining data from payroll detailing the days and hours worked on the May 26th storm by employee. For any employee who charged time to the storm, historical data was utilized from January 1, 2024 thru April 30, 2024 to determine how many hours each employee typically charged to O&M expense. For each employee who charged to the May 26th storm on a business day, the average hours typically charged to O&M were included in the normal operations adjustment, and the dollars were based on each employee’s fully burdened labor

rate. For Transmission employee labor, all employee labor was considered normal operations due to the immateriality of the expense.

For contractor labor, the normal operations adjustment was developed by identifying those contractors who normally provide services to KU (“supplemental contractors”). For those supplemental contractors, historical data for the O&M expenses was utilized from January 1, 2024 thru April 30, 2024 to develop an average daily amount of O&M expenses for each contractor. This figure was then multiplied by the number of business days each of those contractors spent working on the May 26th storm. The total of that amount for each of the supplemental contractors was used as the normal operations adjustment for contractor labor.

For Distribution transportation costs, the normal operations adjustment was calculated by using the ratio of transportation costs charged to the May 26th storm to total internal labor charged to the May 26th storm. That rate was then applied to the normal operations labor adjustment to estimate the amount of transportation that would have normally been charged to O&M expense. For Transmission employee transportation costs, all employee transportation was considered normal operations due to the immateriality of the costs.

**KENTUCKY UTILITIES COMPANY
AND
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**Response to Commission Staff’s First Request for Information
Dated July 2, 2024**

Case No. 2024-00181

Question No. 7

Responding Witness: Elizabeth J. McFarland / Peter W. Waldrab

Q-7. Refer to the Application, Exhibit 1. Provide an estimate of normal operations costs for LG&E. Provide the period on which the amounts are based and a detailed description of how these costs were determined and calculated.

A-7. The table below shows the estimate of normal operations for LG&E.

<u>LGE Estimated Amount Considered Normal Operations - May 26th Storm</u>		
Distribution		
Employee Labor		112,471
Contractor Labor		77,038
Transportation		12,157
Total Electric Distribution		\$ 201,666
Transmission		
Employee Labor		621
Contractor Labor		26,148
Transportation		16
Total Transmission		\$ 26,785
Total LGE Estimated Normal Operations		\$ 228,452

For Distribution employee labor, the normal operations adjustment was calculated by obtaining data from payroll detailing the days and hours worked on the May 26th storm by employee. For any employee who charged time to the storm, historical data was utilized from January 1, 2024 thru April 30, 2024 to determine how many hours each employee typically charged to O&M expense. For each employee who charged to the May 26th storm on a business day, the average hours typically charged to O&M were included in the normal operations adjustment, and the dollars were based on each employee’s fully burdened labor

rate. For Transmission employee labor, all employee labor was considered normal operations due to the immateriality of the expense.

For contractor labor, the normal operations adjustment was developed by identifying those contractors who normally provide services to KU ("supplemental contractors"). For those supplemental contractors, historical data for the O&M expenses was utilized from January 1, 2024 thru April 30, 2024 to develop an average daily amount of O&M expenses for each contractor. This figure was then multiplied by the number of business days each of those contractors spent working on the May 26th storm. The total of that amount for each of the supplemental contractors was used as the normal operations adjustment for contractor labor.

For Distribution transportation costs, the normal operations adjustment was calculated by using the ratio of transportation costs charged to the May 26th storm to total internal labor charged to the May 26th storm. That rate was then applied to the normal operations labor adjustment to estimate the amount of transportation that would have normally been charged to O&M expense. For Transmission employee transportation costs, all employee transportation was considered normal operations due to the immateriality of the costs.