

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

In the Matter of:

APPLICATION OF KENTUCKY)
UTILITIES COMPANY FOR AN)
ADJUSTMENT OF BASE RATES)

CASE NO. 2009-00548

RECEIVED
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COMMISSION

DATA REQUEST

The Kentucky Cable Telecommunications Association (“KCTA”)^{1/} hereby submits the following data request to Kentucky Utilities (“KU”).

A. Pole Data

1. Please provide the embedded costs in KU Accounts 364, 365, and 369 as of Oct. 31, 2009 and year-end 2009. If data is not available for year-end 2009, please provide it as of Oct. 31, 2009 and year-end 2008.
2. Please provide the data in all subaccounts of KU Accounts 364, 365, and 369 as of Oct. 31, 2009 and year-end 2009. If data is not available for year-end 2009, please provide it as of Oct. 31, 2009 and year-end 2008.
3. Please provide continuing property records from Account 364, and all relevant sub-accounts of Account 364, as of Oct. 31, 2009 and year-end 2009. If the requested data is not available for year-end 2009, please provide it as of Oct. 31, 2009 and year-end 2008.
4. Please provide all records from Account 364 that reflect KU’s investment in appurtenances as of Oct. 31, 2009 and year-end 2009. If data is not available for year-end 2009, please provide it as of Oct. 31, 2009 and year-end 2008.

^{1/} KCTA filed its intervention request in this matter on Feb. 22, 2010. That motion was still pending as of the afternoon of March 1.

5. Do any of the “installed costs” shown on page 1 of Seelye Exhibit 8 include the cost of any appurtenances? If so, what is the amount of investment in appurtenances, both overall and for each pole size?

6. With respect to the data requested in Request No. 5, please provide separate totals for (i) investment in major appurtenances and (ii) investment in minor appurtenances if records are kept in such a way as to make this feasible. For purposes of this question, major appurtenances include, but are not limited to, anchors, guys, and cross arms. Minor appurtenances include, but are not limited to, aerial cable clamps, pole top pins, and all other appurtenances and hardware that are not poles or major appurtenances.

7. Are the “installed cost” figures shown on page 1 of Seelye Exhibit 8 based on gross or net investment? In other words, are they embedded cost figures or depreciated figures?

8. What was the total amount of the depreciation reserve for Account 364 as of Oct. 31, 2009 and year-end 2009? If the requested data is not available for year-end 2009, please provide it as of Oct. 31, 2009 and year-end 2008.

a. What is the depreciation reserve related to the gross investment in the 35 foot poles shown in Seelye Exhibit 8? For this question and questions 8(b) and 8(c) below, please provide all figures as of Oct. 31, 2009 as well as year-end 2009. If data is not available for year-end 2009, please provide it as of Oct. 31, 2009 and year-end 2008.

b. What is the depreciation reserve related to the gross investment in the 40 foot poles shown in Seelye Exhibit 8?

c. What is the depreciation reserve related to the gross investment in the 45 foot poles shown in Seelye Exhibit 8?

9. Please explain fully how KU counted the number of two-user and three-user poles listed on page 1 of Seelye Exhibit 8. The explanation should include, but not be limited to: (i) whether the “Quantity” figures are a reflection of continuing property records, (ii) whether they are a reflection of any survey or audit, (iii) the details of any such survey or audit, and (iv) whether poles with more than three attachments are included in the three-user pole category. Please attach all data and supporting documentation used in deriving the “Quantity” figures.

10. Please explain fully how KU counted the relative number of poles of each height listed on page 1 of Seelye Exhibit 8. The explanation should include, but not be limited to: (i) whether the “Quantity” figures are a reflection of continuing property records, (ii) whether they are a reflection of any survey or audit, and (iii) the details of any such survey or audit. Please attach all data and supporting documentation used in deriving the “Quantity” figures.

11. Do the installed cost figures include any amounts from General Ledger 106 that are not yet reflected in General Ledger 101 for Account 364? To the extent that KU’s installed cost figures include any amounts from General Ledger 106, are all of the poles that are represented by the amounts from General Ledger 106 counted in the “quantity” figures? In other words, do the pole counts listed under “Quantity” on page 1 of Seelye Exhibit 8 include all of the poles whose value is included in the “Installed Cost” column? Please provide all data backing up your response.

12. Please explain whether there is any lag between the inclusion of investment in General Ledger 106 and the time when such new poles are counted, and if so the length of that lag.

13. Please explain why KU has provided records as of Oct. 31, 2009, rather than the end of the year. Please state whether any figures included in Seelye Exhibit 8 are calculated or

derived using year-end data. If any figures in Exhibit 8 are derived as of any date other than Oct. 31, 2009, please identify and explain why data as of that date was used.

14. Generally, please provide all data required to derive every figure included on page 1 of Seelye Exhibit 8, and provide all back up documentation, to the extent those data have not already been produced pursuant to the requests above.

B. Carrying Charge Data

15. Please explain fully the “Depreciation – Sinking Fund” item included on page 2 of Seelye Exhibit 8. Please provide all data and supporting documentation required to derive the “Depreciation – Sinking Fund” figure.

16. Please explain the derivation of the “Composite Federal and State Income Taxes rate” of 36.93%, included on page 2 of Seelye Exhibit 8. Please state whether this rate is merely the sum of the income tax rates facially applicable to KU, or whether it is reduced in light of deductions, credits, and the like to derive an effective tax rate. If the former, please explain fully why it is appropriate for KU to include in its carrying charge a tax rate higher than the rate KU actually pays.

17. Please provide the effective tax rate for KU for the year 2009, and provide all data – including but not limited to data on deductions, exclusions, and credits – necessary to derive an effective tax rate for KU for 2009.

18. Please explain fully the “Property Tax and Insurance” item on page 2 of Seelye Exhibit 8. Please provide all data and supporting documentation required to derive the “Property Tax and Insurance” figure.

19. Generally, please provide all data required to derive every figure included on page 2 of Seelye Exhibit 8, and provide all backup documentation, to the extent those data have not already been produced pursuant to the requests above.

C. Operation & Maintenance Data

20. Please provide the costs in KU Account 593 as of Oct. 31, 2009 and year-end 2009. If data is not available for year-end 2009, please provide it as of Oct. 31, 2009 and year-end 2008.

21. Please provide the data for all subaccounts of KU Account 593 as of Oct. 31, 2009 and year-end 2009. If data is not available for year-end 2009, please provide it as of Oct. 31, 2009 and year-end 2008.

22. Please provide the underlying data (and explain the provenance of that data) necessary to derive the \$635,116 in “Tree Trimming” expense included under the labor costs listed at the top of page 3 of Seelye Exhibit 8.

23. Please explain fully why the pole-related labor costs used by KU to derive a pole-costs-to-overall-costs ratio should include such tree-trimming costs, given that the tree-trimming costs apparently are not includable in the “Labor Charged to 593001 – Maint of Poles, Towers and Fixtures Subaccount.”

24. Please provide the underlying data necessary to derive the “Total Labor” figure included on page 3 of Seelye Exhibit 8.

25. Please provide the underlying data necessary to derive the “Total Administrative and General Expenses” figure included on page 3 of Seelye Exhibit 8.

26. Is there any overlap between the expense categories “Maintenance of Pole, Towers, and Fixtures Subaccount 593001” and “Tree Trimming of Electric Distribution Routes 593004,” both listed at page 3 of Seelye Exhibit 8? Please explain your answer.

27. Does the expense category “Tree Trimming of Electric Distribution Routes 593004” include tree-trimming expenses incurred in connection with Overhead Conductors and Devices (booked in Account 365) and Services (booked in Account 369)? If so, please explain why this expense category should not be divided by the net book value of Accounts 364, 365, and 369, instead of just Account 364 (as KU has done at page 3 of Seelye Exhibit 8), to derive the appropriate carrying-charge adder.

28. Generally, please provide all data required to derive every figure included on page 3 of Seelye Exhibit 8, and provide all backup documentation, to the extent those data have not already been produced pursuant to the requests above.

Respectfully submitted,

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