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AUG 06 2010

PUBLIC SERVICE  
COMMISSION

**Via Overnight Mail**

August 5, 2010

Mr. Jeff Derouen, Executive Director  
Kentucky Public Service Commission  
211 Sower Boulevard  
Frankfort, Kentucky 40602

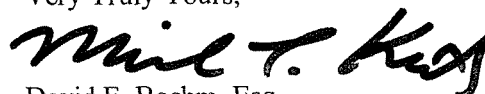
**Re: Case No. 2010-00204**

Dear Mr. Derouen:

Please find enclosed the original and twelve (12) copies of the **DIRECT TESTIMONY AND EXHIBITS OF LANE KOLLEN on behalf of KENTUCKY INDUSTRIAL UTILITY CUSTOMERS, INC.** filed in the above-referenced matter. By copy of this letter, all parties listed on the Certificate of Service have been served.

Please place this document of file.

Very Truly Yours,



David F. Boehm, Esq.

Michael L. Kurtz, Esq.

**BOEHM, KURTZ & LOWRY**

MLKkew  
Attachment  
cc: Certificate of Service

## CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing was served by mailing a true and correct copy via electronic mail (when available) and by first-class postage prepaid mail, to all parties on the 5<sup>th</sup> day of August, 2010.

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COMMONWEALTH OF KENTUCKY

RECEIVED

BEFORE THE PUBLIC SERVICE COMMISSION

AUG 06 2010

PUBLIC SERVICE  
COMMISSION

IN THE MATTER OF:

JOINT APPLICATION OF PPL CORPORATION, E.ON AG, )  
E.ON US INVESTMENTS CORP., E.ON U.S. LLC, )  
LOUISVILLE GAS AND ELECTRIC COMPANY, AND )  
KENTUCKY UTILITIES COMPANY FOR APPROVAL OF )  
AN ACQUISITION OF OWNERSHIP AND CONTROL OF )  
UTILITIES )

CASE NO.  
2010-00204

DIRECT TESTIMONY  
AND EXHIBITS  
OF  
LANE KOLLEN

ON BEHALF OF THE  
KENTUCKY INDUSTRIAL UTILITY CUSTOMERS, INC.

J. KENNEDY AND ASSOCIATES, INC.  
ROSWELL, GEORGIA

AUGUST 2010

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

IN THE MATTER OF:

JOINT APPLICATION OF PPL CORPORATION, E.ON AG, )  
E.ON US INVESTMENTS CORP., E.ON U.S. LLC, )  
LOUISVILLE GAS AND ELECTRIC COMPANY, AND ) CASE NO.  
KENTUCKY UTILITIES COMPANY FOR APPROVAL OF ) 2010-00204  
AN ACQUISITION OF OWNERSHIP AND CONTROL OF )  
UTILITIES )

DIRECT TESTIMONY OF LANE KOLLEN

1 Q. Please state your name and business address.

2 A. My name is Lane Kollen. My business address is J. Kennedy and Associates, Inc.  
3 ("Kennedy and Associates"), 570 Colonial Park Drive, Suite 305, Roswell, Georgia  
4 30075.

5

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

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

9

10 Q. Please describe your education and professional experience.

11 A. I earned a Bachelor of Business Administration in Accounting degree and a Master of  
12 Business Administration degree from the University of Toledo. I also earned a Master

1 of Arts degree from Luther Rice University. I am a Certified Public Accountant  
2 (“CPA”), with a practice license, and a Certified Management Accountant (“CMA”).

3 I have been an active participant in the utility industry for more than thirty years,  
4 initially as an employee of The Toledo Edison Company from 1976 to 1983 and  
5 thereafter as a consultant in the industry. I have testified as an expert witness on  
6 planning, ratemaking, accounting, finance, and tax issues in proceedings before  
7 regulatory commissions and courts at the federal and state levels on nearly two hundred  
8 occasions.

9 I have testified before the Kentucky Public Service Commission on numerous  
10 occasions, including the most recent Kentucky Utilities Company (“KU”) and Louisville  
11 Gas and Electric Company (“LG&E”) base rate proceedings in Case Nos. 2009-00548  
12 and 2009-00549, prior KU and LG&E base rate proceedings, and various KU and  
13 LG&E Environmental Cost Recovery (“ECR”) and fuel adjustment clause (“FAC”) proceedings.  
14 I also testified before the Commission in Case No. 1997-300, the  
15 proceeding in which LG&E Energy Corp. acquired KU Energy Corp. In addition, I have  
16 testified before the Commission in numerous base rate, ECR and FAC proceedings  
17 involving Kentucky Power Company, Big Rivers Electric Corporation and East  
18 Kentucky Power Cooperative, Inc. My qualifications and regulatory appearances are  
19 further detailed in my Exhibit\_\_\_\_(LK-1).

20

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

2 A. I am testifying on behalf of the Kentucky Industrial Utility Customers, Inc. (“KIUC”), a  
3 group of large customers taking electric service from Kentucky Utilities Company and  
4 Louisville Gas and Electric Company. The members of KIUC participating in this  
5 matter are: Arch Chemicals, Inc., Clopay Plastics Products Co., Inc., Carbide Industries  
6 LLC, Cemex, Dow Corning Corporation, E.I. DuPont de Nemours and Company, Ford  
7 Motor Company, General Electric – Appliance Park, Golden Foods, MeadWestvaco,  
8 NewPage Corp, Schneider Electric USA, North American Stainless, TI Group  
9 Automotive Systems, and Toyota Motor Engineering and Manufacturing, Kentucky, Inc.

10

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

12 A. The purpose of my testimony is to make recommendations regarding the Applicants’  
13 proposal for PPL Corporation (“PPL”) to acquire E.ON U.S. from E.ON U.S.  
14 Investments. E.ON U.S. owns Kentucky Utilities Company and Louisville Gas and  
15 Electric Company (“utilities” or “Companies”).

16

17 **Q. Please summarize your testimony.**

18 A. KIUC does not oppose the acquisition if it is appropriately conditioned to ensure that  
19 there is no harm to ratepayers and to reflect an appropriate sharing of savings with  
20 ratepayers, both of which are necessary to ensure that the acquisition is in the public

1 interest. The acquisition imposes risks and potential costs on the Companies and their  
2 ratepayers; however, the Applicants have offered no savings or other benefits to  
3 ratepayers to offset these risks and potential costs.

4 The Commission should address the appropriate sharing of savings before it  
5 approves the transaction, not after. The Commission should reject the Applicants'  
6 proposal to file a "formal analysis" of potential savings and a plan for sharing any such  
7 savings 60 days after the transaction is completed. If the savings are not addressed in  
8 this proceeding, then there is little incentive for the Applicants to offer a reasonable  
9 sharing of such savings in subsequent proceedings and the Commission may have  
10 limited authority to impose conditions or sharing after it has approved the transaction.  
11 The Commission determined in Case Nos. 2000-00095 (PowerGen plc acquisition of  
12 LG&E Energy) and in Case No. 2001-00104 (E.ON US acquisition of PowerGen plc)  
13 that cost savings actually achieved should be flowed through to ratepayers through the  
14 operation of the LG&E and KU Earnings Sharing Mechanisms ("ESMs") then in  
15 existence. Unlike in the prior proceedings, the utilities no longer have ESMs in place  
16 and there are no other ratemaking mechanisms that will operate "automatically" to share  
17 achieved cost savings if the Commission does not act to preserve the benefit of those  
18 savings in this proceeding.

19 If the Commission approves the acquisition, it should impose certain conditions  
20 in addition to adopting the Applicants' "regulatory commitments" as well as clarify the

1 circumstances or scope of certain of the Applicants' regulatory commitments. These  
2 conditions and clarifications are necessary to ensure that ratepayers are held harmless  
3 from the negative effects of the transaction and to ensure that actual achieved savings  
4 are shared with ratepayers in an objective and timely manner. KIUC recommends that  
5 the Commission adopt the following conditions and clarifications:

- 6  
7 1. The Applicants shall hold harmless ratepayers from any and all risks  
8 resulting from and costs incurred in or caused by the acquisition and  
9 change in ownership and control. This includes the effects of conditions  
10 imposed by the Federal Energy Regulatory Commission, U.S.  
11 Department of Justice, Federal Trade Commission, Tennessee  
12 Regulatory Authority, Virginia State Corporation Commission or any  
13 other regulatory entities that must approve the transaction.  
14
- 15 2. The Applicants shall not defer, shall not seek authority to defer and shall  
16 not seek ratemaking recovery of the Kentucky retail portion of any  
17 transaction costs, other costs resulting from the transaction, or costs  
18 incurred to achieve savings, unless specifically authorized in this  
19 proceeding.  
20
- 21 3. The Applicants shall separately account for transaction costs, other costs  
22 caused by the acquisition, and costs incurred to achieve savings.  
23
- 24 4. The Applicants shall hold harmless ratepayers from the effects of push  
25 down accounting for the acquisition premium and all transaction costs.  
26 This hold harmless includes all effects of these costs on revenue,  
27 expenses and capitalization.  
28

29 In addition, KIUC recommends that the Commission establish a ratemaking  
30 mechanism for ratepayers and shareholders to share in actual achieved savings as a  
31 condition to its approval of the transaction. An initial report prepared for PPL by Booz



1 Allen indicated that there could be significant savings after initial costs to achieve in the  
2 first three years subsequent to the transaction. However, the Applicants intentionally  
3 avoided further study of potential savings prior to completing the transaction and claim  
4 that potential savings will be mitigated by their numerous regulatory commitments.

5 KIUC proposes that the Commission adopt a five-year Acquisition Savings  
6 Sharing Deferral for KU and LG&E that will capture actual achieved savings in the form  
7 of a regulatory liability. The Acquisition Savings Sharing Deferral will operate  
8 conceptually in the same manner that the ESMs previously operated to share savings  
9 after the PowerGen and E.ON US acquisitions, except that there will be a deferral in lieu  
10 of an immediate base rate reduction if earnings exceed the threshold return on equity.  
11 The regulatory liability will accumulate and be used to lower rates in the utilities' future  
12 base rate cases. Consistent with the Commission's reasoning in the two prior merger  
13 proceedings, the premise for the deferral is that earnings in excess of a threshold return  
14 on equity represent a reasonable proxy for actual achieved savings in excess of the costs  
15 incurred to achieve those savings. KIUC proposes that the deferral be equal to 60% of  
16 the revenue equivalent of the actual earned return on equity in excess of 10.75%, the  
17 upper end of the return on equity set forth in the Commission's order in Case Nos. 2009-  
18 00548 and 2009-00549, the utilities' most recent base rate proceedings. This will allow  
19 shareholders to retain 40% of excess earnings above the 10.75% threshold for the next  
20 five years.

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**Q. Why are additional conditions and/or clarifications necessary?**

A. Additional conditions and/or clarifications are necessary because of the risks imposed by the transaction, the potential costs of those risks, and the need to address a timely reduction in rates for actual achieved savings.

The Applicants’ have repeatedly declined to agree to the general principle that they will hold ratepayers harmless for the risks and potential costs of the transaction. If the Commission is to find the acquisition in the public interest, it should ensure that ratepayers are held harmless for these risks and costs. In KIUC 1-14, the Applicants were asked to “confirm that the Companies agree as a matter of principle that ratepayers should not be harmed from the transaction through increases in rates due to the acquisition.” In their response, the Applicants did not provide a yes or no answer and instead referred to their Regulatory Commitments 5 and 8. In KIUC 2-7, the Applicants again were asked to provide a yes or no response to the question of whether ratepayers should be held harmless. The Applicants again failed to provide a yes or no response on the basis that “assertions of adherence to generic, abstract principles are not helpful to the Commission because they can be interpreted to mean whatever a particular party wants in subsequent litigation or disputes.” Such a response instills no confidence that the Applicants indeed intend to hold ratepayers harmless from any potential costs of the transaction or resulting from the transaction. I have attached a copy of the Applicants’

1 response to KIUC 1-14 as my Exhibit\_\_\_\_(LK-2) and their response to KIUC 2-7 as my  
2 Exhibit\_\_\_\_(LK-3).

3 In addition, the Applicants were asked in KIUC 1-13 if they would oppose the  
4 Commission conditioning its approval of the acquisition on the avoidance of  
5 requirements that might be imposed “by the FERC, US DOJ or FTC . . . to join an RTO,  
6 divest utility operating assets, or require KU and LG&E to decline to use their  
7 generating facilities to serve native load customers.” Initially, the Applicants responded  
8 that they “do not believe such a requirement is necessary.” When asked again for a yes  
9 or no answer to that question in KIUC 2-6(a), the Applicants responded “yes,” they  
10 would oppose such a condition. When asked whether the Applicants would hold  
11 ratepayers harmless from any increased costs or reductions in revenues resulting from  
12 the imposition of such requirements in KIUC 2-6(b), the Applicants responded “no.” I  
13 have attached a copy of the Applicants’ response to KIUC 1-13 as my Exhibit\_\_\_\_(LK-4)  
14 and their response to KIUC 2-6 as my Exhibit\_\_\_\_(LK-5).

15 Further, the Applicants were asked in KIUC 1-11 to confirm that they would not  
16 seek an accounting order from the Commission to defer and subsequently recover the  
17 costs to achieve savings in the absence of a comprehensive plan to ensure that savings  
18 exceed the costs to achieve. Initially, the Applicants did not respond yes or no to the  
19 question, instead stating that they did not expect significant savings or costs to achieve  
20 savings. When asked again to agree to such a commitment in KIUC 2-5, the Applicants

1 stated that they “decline to make the commitment requested in KIUC 1-11” and  
2 specifically stated that they “could and/or would seek to obtain such an accounting order  
3 depending on the results of the formal analysis” that they propose to provide 60 days  
4 after the transaction is completed. I have attached a copy of the Applicants’ response to  
5 KIUC 1-11 as my Exhibit\_\_(LK-6) and their response to KIUC 2-5 as my  
6 Exhibit\_\_(LK-7).

7 Finally, the Applicants have offered no plan to share achieved savings with  
8 ratepayers and there is no ratemaking mechanism in place to capture and share those  
9 savings. Despite retaining Booz Allen to perform an initial study that quantified  
10 significant savings from the transaction, the Applicants intentionally decided not to  
11 further study opportunities to achieve savings prior to the completion of the transaction.

12  
13 **Q. Please explain why the Commission should ensure that the Applicants hold**  
14 **harmless ratepayers from any and all risks resulting from and costs incurred in or**  
15 **caused by the acquisition and change in ownership and control, including the**  
16 **effects of conditions imposed by the Federal Energy Regulatory Commission, U.S.**  
17 **Department of Justice, Federal Trade Commission, Tennessee Regulatory**  
18 **Authority, Virginia State Corporation Commission or any other regulatory entities**  
19 **that must approve the transaction.**

20 **A.** The Applicants have not offered any tangible benefits from this transaction. Yet the

1 ratepayers are exposed to harm from conditions imposed by other regulators, harm that  
2 would not be visited upon them but for the transaction. Thus, the Commission should  
3 endeavor to protect ratepayers from the lost revenues or costs through a hold harmless  
4 on the ratemaking effects of such conditions or, alternatively, through a condition that  
5 requires the Applicants to demonstrate that any conditions imposed by other regulators  
6 do not or will not harm Kentucky retail ratepayers.

7 In addition, the ratepayers are exposed to harm from additional costs resulting  
8 from the transaction. The transaction requires the utilities to repay and refinance all  
9 their outstanding debt with E.ON US affiliate, Fidelia, to enter into a new credit facility,  
10 and to register and to make filings with the U.S. Securities and Exchange Commission  
11 as well as comply with the Sarbanes-Oxley requirements applicable to SEC registrants.  
12 The Applicants would not agree to hold harmless ratepayers from the increased costs of  
13 complying with Sarbanes-Oxley, according to its response to AG 2-63. In their  
14 response, the Applicants stated: “Cost of compliance with SOX [Sarbanes-Oxley]  
15 requirements are appropriately recovered by a utility as a part of its on-going operating  
16 expense.” The transaction also will subject PPL and the Companies to regulation by the  
17 Federal Energy Regulatory Commission pursuant to the requirements of PUHCA 2005,  
18 although the Applicants have “not undertaken any review of the incremental cost,”  
19 according to their response to AG 2-62. The transaction also will subject the utilities to  
20 the allocation of overhead and other costs from PPL Service Corporation and may result

1 in increased interest rates if the utilities' bond ratings are downgraded.

2 Further, in their Application to the FERC for approval of the transaction, the  
3 Applicants have agreed to "hold harmless all transmission and current wholesale  
4 customers from any costs associated with the transaction (e.g. transaction costs) for a  
5 period of five years to the extent that such costs exceed savings related to the  
6 transaction," according to their response to AG 1-67. In other words, the Applicants  
7 have agreed to a form of hold harmless for FERC-regulated wholesale customers, but  
8 have refused to make a similar hold harmless commitment for Kentucky retail ratepayers  
9

10 **Q. Please explain why the Commission should ensure that the Applicants do not defer,**  
11 **seek authority to defer or seek ratemaking recovery of the Kentucky retail portion**  
12 **of any transaction costs or costs incurred to achieve savings.**

13 A. Kentucky ratepayers should not be worse off than if the transaction did not occur.  
14 Applicants have not proposed any savings or any sharing of achieved savings. Yet the  
15 Applicants have exposed the ratepayers to risks and potential costs. The Applicants  
16 have committed in general not to seek recovery of transaction costs incurred to achieve  
17 the transaction, but have refused to commit that they will not seek recovery of ongoing  
18 costs resulting from or caused by the transaction, such as directors' and officers' tail  
19 insurance coverage, FERC regulation and reporting requirements pursuant to PUHCA  
20 2005, costs to comply with Sarbanes-Oxley, and PPL overhead and other costs.

21 In addition, costs incurred to achieve savings may be greater than the actual  
22 savings. The Commission cannot determine this in advance because actual costs to

1 achieve savings necessarily must be incurred before the savings can be achieved, even  
2 assuming that they are or will be achieved. Thus, the Commission would be confronted  
3 with the certainty of the actual costs to achieve accumulated and deferred as a regulatory  
4 asset, but the uncertainty of ratepayer savings, which will not be accumulated or  
5 deferred in any account, cannot be measured with certainty on an actually achieved  
6 basis, and until rates are reset in the next base rate case, any net savings will not be  
7 preserved or flowed through to ratepayers unless there is some ratemaking mechanism to  
8 do so.

9  
10 **Q. Please explain why the Commission should ensure that the Applicants separately**  
11 **account for transaction costs, other costs resulting from or caused by the**  
12 **transaction, and costs incurred to achieve savings.**

13 A. This is necessary to ensure that ratepayers are no worse off than if the transaction did not  
14 occur when the utilities file for base rate increases after the transaction is completed.  
15 The Commission and parties will have the information necessary to determine the  
16 amounts of such costs included in the test year in those cases and to determine the  
17 appropriate recovery of those costs, if any.

18  
19 **Q. Please explain why the Commission should ensure that the Applicants hold**  
20 **ratepayers harmless from the effects of push down accounting for the acquisition**

1           **premium and all transaction costs, including all effects of these costs on revenues,**  
2           **expenses and capitalization.**

3    A.    The ratepayers should not be worse off than if the transaction did not occur. Reductions  
4           in revenues and increases in costs that are caused by the transaction represent harm to  
5           ratepayers, all else equal. The Commission should clarify that the Applicants’  
6           Regulatory Commitments extend to all effects of push-down accounting. The  
7           Applicants agreed to this clarification in response to KIUC 2-2, in which they stated:  
8           “LG&E and KU also commit to exclude expenses, such as depreciation or amortization,  
9           if any, associated with other push-down accounting adjustments when determining  
10          amounts to be recovered from ratepayers.” I have attached a copy of the response to  
11          KIUC 2-2 as my Exhibit\_\_\_(LK-8).

12  
13    **Q.    In Case No. 1997-300 (LG&E Energy Corp. acquisition of KU Energy Corp.), the**  
14           **Applicants proposed and the Commission adopted a savings sharing surcredit**  
15           **rider for each utility. Do you recommend that the Commission do so in this**  
16           **proceeding?**

17    A.    No. First, the Applicants have not quantified estimated costs to achieve or savings and  
18           have not proposed savings sharing surcredit riders. Thus, there is no quantifiable basis  
19           to establish such riders. Second, the Applicants have not proposed such riders and the  
20           Commission may not have the authority to order such riders without the Applicants’



1 agreement. Third, the savings sharing surcredit riders adopted by the Commission in  
2 Case No. 1997-00300 resulted in proforma adjustments in the subsequent KU and  
3 LG&E base rate proceedings that increased the utilities' actual expenses for their share  
4 of the savings estimated in Case No. 1997-00300, despite the fact that there never was a  
5 quantification of actual savings and despite the fact that actual costs continued to  
6 increase rather than decline after the original merger as well as the subsequent two  
7 mergers. In those base rate proceedings, the entirety of the net savings estimated in Case  
8 No. 1997-300 were added to the utilities' base revenue requirements through a  
9 combination of reflecting the surcredit rider revenues in the revenue requirement  
10 computations (negative revenues increased the revenue requirement) and the proforma  
11 expense increases. In other words, the utilities' revenue requirements in the subsequent  
12 base ratemaking proceedings assumed that the utilities had achieved the entirety of their  
13 estimated savings with no evidence that they had done so. If the savings were not  
14 achieved, then the ratepayers effectively paid the utilities' actual expenses plus 50% of  
15 the savings estimated in Case No. 1997-00300. That ratemaking protocol was flawed,  
16 as it may have resulted in the recovery of "phantom expenses" for savings not actually  
17 achieved. Even if the Commission determines that it has the authority to do so, it should  
18 not re-establish this flawed methodology.

19  
20 **Q. Is there another approach that would avoid the recovery of "phantom expenses"?**

1           **and ensure that ratepayers share in actual achieved savings?**

2    A.     Yes. The approach that I recommend is similar to the Commission's approach in the  
3           PowerGen and E.ON US merger proceedings and is patterned after the ESMs that were  
4           in place at that time. The Acquisition Savings Sharing Deferral will operate  
5           conceptually in the same manner that the ESMs operated to share savings actually  
6           achieved after the PowerGen and E.ON US acquisitions, except that earnings in excess  
7           of the 10.75% return on equity threshold will be deferred rather than reflected in annual  
8           base rate reductions.

9

10   **Q.     Please describe how the Acquisition Savings Sharing Deferral would operate.**

11   A.     The Commission would require the Companies to compute their earned return on equity  
12           for each twelve months ended period subsequent to completion of the acquisition. The  
13           Commission then would direct the Companies to defer 60% of the revenue equivalent of  
14           the earned return on equity in excess of 10.75%, the upper threshold of the return on  
15           equity range set forth in the utilities' most recent base rate proceedings. The excess  
16           earnings represent a reasonable proxy for the net savings actually achieved because the  
17           return on equity computation encompasses all revenue, expense, and capital costs,  
18           presumably some of which will increase and some of which will decline. The  
19           Acquisition Savings Sharing Deferral would operate for the shorter of five years or the  
20           effective date of new rates resulting from the next base rate case. In the latter situation,

1 the 60%/40% sharing would end on the effective date of new base rates because at that  
2 point 100% of actual synergy savings will be flowed through to ratepayers through the  
3 actual cost of service.

4  
5 **Q. Why is this approach reasonable?**

6 A. First, it is essential that there be a reasonable sharing of savings and that the  
7 methodology to accomplish this objective be determined prior to approval of the  
8 transaction. Approval of the transaction without all conditions established upfront may  
9 diminish the Commission's ability or discretion to fashion a reasonable sharing of  
10 savings in a subsequent proceeding. In addition, the Applicants may reiterate their  
11 position in this proceeding that they do not estimate significant savings regardless of the  
12 results of their "formal analysis," and as a result, may simply propose no sharing of  
13 savings whatsoever. The Commission should resolve this issue in this proceeding as a  
14 condition of approval.

15 Second, an approach that relies on the utilities' actual earned return on equity as  
16 a measure of successfully achieving savings is superior to merely guessing at the  
17 estimated savings in a proceeding commencing 60 days after the transaction is approved.  
18 The KIUC proposal is the best way to capture savings actually achieved compared to  
19 some hypothetical computation that may harm ratepayers through the utilization of a  
20 surcredit rider and the treatment of the rider revenue reduction and the estimated savings

1 (“phantom expenses”) as increases in the revenue requirements in base rate proceedings.  
2 In addition, the KIUC proposal (which is patterned on prior Commission precedent) is  
3 the best way to capture all the effects of the transaction, including revenues, expenses,  
4 and capital costs.

5 Third, similar to the protections afforded the ratepayers, the utilities will not be  
6 harmed. The utilities will not be required to implement surcredit riders for estimated  
7 savings prior to actually achieving those savings. The utilities also will retain the right  
8 to file for base rate increases if their earned returns on equity are less than their  
9 authorized returns. In addition, the utilities will have certainty regarding the ratemaking  
10 treatment of savings actually achieved before the transaction is completed.

11 Fourth, the KIUC proposal is balanced. If there are no excess profits, then there  
12 will be no sharing of synergy savings.

13 Fifth, the KIUC proposal is administratively efficient. It requires no action by  
14 the Commission during the post-transaction period until the utilities file for base rate  
15 increases. At the same time, it preserves the ratepayers’ share of savings actually  
16 achieved for their benefit in subsequent base rate proceedings. The Commission will be  
17 able to review the deferral amounts in the subsequent base rate proceedings and  
18 determine the appropriate period over which to amortize these deferred liabilities.

19  
20 **Q. Please describe the mechanics of the Acquisition Savings Sharing Deferral.**

1 A. The computation of the earned return on equity and the quantification of actual achieved  
2 savings measured on this basis will be performed every twelve months starting with the  
3 twelve months ended one year after the month immediately after the transaction is  
4 completed. If the earned return on equity using average capitalization is in excess of  
5 10.75%, then each utility will compute the revenue requirement equivalent of the excess  
6 return and defer that amount as a regulatory liability. If the utility earns less than the  
7 10.75% return on equity in any twelve months ended period, then there will be no  
8 deferral for that period. In other words, the utilities will not be authorized to defer a  
9 regulatory asset (or a reduction in the prior period regulatory liability). This is  
10 consistent with the need to condition the approval of the transaction to preclude deferral  
11 and recovery of the costs to achieve savings so that the utilities are not allowed to  
12 accomplish indirectly what the Commission determines that are not allowed to do  
13 directly. This also is consistent with the discrete annual operation of the ESMs that  
14 were in effect when the Commission approved the last two acquisitions.

15 The computations of the earned return on equity computations will use the  
16 format of the utilities' computations of their revenue requirements as detailed in Rives  
17 Exhibits 1 and 2 in Case Nos. 2009-00548 and 2009-00549, as adjusted for the  
18 Commission's Orders on specific issues those cases. This is the same approach the  
19 Commission used and the Companies followed to compute their earnings and adjust  
20 their rates annually when their ESMs were in effect. The benefits of this approach are

1           that it is administratively simple, minimizes potential disagreements over the  
2           computations, and reflects the Commission's most recent ratemaking decisions on  
3           various issues. The parties will be precluded from proposing new ratemaking  
4           adjustments, although the parties will reserve their rights to review and propose  
5           corrections to the deferral amounts in the next base rate proceedings. For this purpose  
6           only, the utilities will be allowed to include their actual costs incurred to achieve savings  
7           so that only the net savings actually achieved will be factored into the earned return on  
8           equity computations.

9

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

11   **A.     Yes.**

**COMMONWEALTH OF KENTUCKY**

**BEFORE THE PUBLIC SERVICE COMMISSION**

**IN THE MATTER OF:**

**JOINT APPLICATION OF PPL CORPORATION, E.ON AG, )  
E.ON US INVESTMENTS CORP., E.ON U.S. LLC, )  
LOUISVILLE GAS AND ELECTRIC COMPANY, AND ) CASE NO.  
KENTUCKY UTILITIES COMPANY FOR APPROVAL OF ) 2010-00204  
AN ACQUISITION OF OWNERSHIP AND CONTROL OF )  
UTILITIES )**

**EXHIBITS  
OF  
LANE KOLLEN**

**ON BEHALF OF THE  
KENTUCKY INDUSTRIAL UTILITY CUSTOMERS, INC.**

**J. KENNEDY AND ASSOCIATES, INC.  
ROSWELL, GEORGIA**

**AUGUST 2010**

**EXHIBIT \_\_\_\_ (LK-1)**



## **RESUME OF LANE KOLLEN, VICE PRESIDENT**

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### **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**

More than thirty years of utility industry experience in the financial, rate, tax, and planning areas. Specialization in revenue requirements analyses, taxes, evaluation of rate and financial impacts of traditional and nontraditional ratemaking, utility mergers/acquisition and diversification. 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.

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**J. KENNEDY AND ASSOCIATES, INC.**

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**RESUME OF LANE KOLLEN, VICE PRESIDENT**

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**CLIENTS SERVED****Industrial Companies and Groups**

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

**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)

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**J. KENNEDY AND ASSOCIATES, INC.**

## RESUME OF LANE KOLLEN, VICE PRESIDENT

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### 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 August 2010**

| <b>Date</b> | <b>Case</b>                                | <b>Jurisdiction</b>                 | <b>Party</b>                                       | <b>Utility</b>               | <b>Subject</b>  |
|-------------|--|-------------------------------------|--|------------------------------|---|
| 10/86       | U-17282<br>Interim                         | LA                                  | Louisiana Public<br>Service Commission<br>Staff    | Gulf States<br>Utilities     | Cash revenue requirements<br>financial solvency.                            |
| 11/86       | U-17282<br>Interim<br>Rebuttal             | LA                                  | Louisiana Public<br>Service Commission<br>Staff    | Gulf States<br>Utilities     | Cash revenue requirements<br>financial solvency.                            |
| 12/86       | 9613                                       | KY                                  | Attorney General<br>Div. of Consumer<br>Protection | Big Rivers<br>Electric Corp. | Revenue requirements<br>accounting adjustments<br>financial workout plan.   |
| 1/87        | U-17282<br>Interim                         | LA<br>19th Judicial<br>District Ct. | Louisiana Public<br>Service Commission<br>Staff    | Gulf States<br>Utilities     | Cash revenue requirements,<br>financial solvency.                           |
| 3/87        | General<br>Order 236                       | WV                                  | West Virginia Energy<br>Users' Group               | Monongahela Power<br>Co.     | Tax Reform Act of 1986.   |
| 4/87        | U-17282<br>Prudence                        | LA                                  | Louisiana Public<br>Service Commission<br>Staff    | Gulf States<br>Utilities     | Prudence of River Bend 1,<br>economic analyses,<br>cancellation studies.    |
| 4/87        | M-100<br>Sub 113                           | NC                                  | North Carolina<br>Industrial Energy<br>Consumers   | Duke Power Co.               | Tax Reform Act of 1986.   |
| 5/87        | 86-524-E-<br>SC                            | WV                                  | West Virginia<br>Energy Users'<br>Group            | Monongahela Power<br>Co.     | Revenue requirements.<br>Tax Reform Act of 1986.                            |
| 5/87        | U-17282<br>Case<br>In Chief                | LA                                  | Louisiana Public<br>Service Commission<br>Staff    | Gulf States<br>Utilities     | Revenue requirements,<br>River Bend 1 phase-in plan,<br>financial solvency. |
| 7/87        | U-17282<br>Case<br>In Chief<br>Surrebuttal | LA                                  | Louisiana Public<br>Service Commission<br>Staff    | Gulf States<br>Utilities     | Revenue requirements<br>River Bend 1 phase-in plan,<br>financial solvency.  |
| 7/87        | U-17282<br>Prudence<br>Surrebuttal         | LA                                  | Louisiana Public<br>Service Commission<br>Staff    | Gulf States<br>Utilities     | Prudence of River Bend 1,<br>economic analyses,<br>cancellation studies.    |
| 7/87        | 86-524<br>E-SC<br>Rebuttal                 | WV                                  | West Virginia<br>Energy Users'<br>Group            | Monongahela Power<br>Co.     | Revenue requirements,<br>Tax Reform Act of 1986.                            |

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**J. KENNEDY AND ASSOCIATES, INC.**

**Expert Testimony Appearances  
of  
Lane Kollen  
As of August 2010**

| <b>Date</b> | <b>Case</b>                    | <b>Jurisdct.</b>                    | <b>Party</b>                                       | <b>Utility</b>                   | <b>Subject</b>   |
|-------------|--------------------------------|-------------------------------------|--|----------------------------------|--|
| 8/87        | 9885                           | KY                                  | Attorney General<br>Div. of Consumer<br>Protection | Big Rivers Electric<br>Corp.     | Financial workout plan.  |
| 8/87        | E-015/GR-<br>87-223            | MN                                  | Taconite<br>Intervenors                            | Minnesota Power &<br>Light Co.   | Revenue requirements, O&M<br>expense, Tax Reform Act<br>of 1986.                               |
| 10/87       | 870220-EI                      | FL                                  | Occidental<br>Chemical Corp.                       | Florida Power<br>Corp.           | Revenue requirements, O&M<br>expense, Tax Reform Act<br>of 1986.                               |
| 11/87       | 87-07-01                       | CT                                  | Connecticut Industrial<br>Energy Consumers         | Connecticut Light<br>& Power Co. | Tax Reform Act of 1986.  |
| 1/88        | U-17282                        | LA<br>19th Judicial<br>District Ct. | Louisiana Public<br>Service Commission             | Gulf States<br>Utilities         | Revenue requirements,<br>River Bend 1 phase-in plan,<br>rate of return.                        |
| 2/88        | 9934                           | KY                                  | Kentucky Industrial<br>Utility Customers           | Louisville Gas<br>& Electric Co. | Economics of Trimble County<br>completion.   |
| 2/88        | 10064                          | KY                                  | Kentucky Industrial<br>Utility Customers           | Louisville Gas<br>& Electric Co. | Revenue requirements, O&M<br>expense, capital structure,<br>excess deferred income taxes       |
| 5/88        | 10217                          | KY                                  | Alcan Aluminum<br>National Southwire               | Big Rivers Electric<br>Corp.     | Financial workout plan.<br>Corp.   |
| 5/88        | M-87017<br>-1C001              | PA                                  | GPU Industrial<br>Intervenors                      | Metropolitan<br>Edison Co.       | Nonutility generator deferred<br>cost recovery.  |
| 5/88        | M-87017<br>-2C005              | PA                                  | GPU Industrial<br>Intervenors                      | Pennsylvania<br>Electric Co.     | Nonutility generator deferred<br>cost recovery.  |
| 6/88        | U-17282                        | LA<br>19th Judicial<br>District Ct. | Louisiana Public<br>Service Commission             | Gulf States<br>Utilities         | Prudence of River Bend 1<br>economic analyses,<br>cancellation studies,<br>financial modeling. |
| 7/88        | M-87017-<br>-1C001<br>Rebuttal | PA                                  | GPU Industrial<br>Intervenors                      | Metropolitan<br>Edison Co.       | Nonutility generator deferred<br>cost recovery, SFAS No. 92                                    |

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**J. KENNEDY AND ASSOCIATES, INC.**

**Expert Testimony Appearances  
of  
Lane Kollen  
As of August 2010**

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

**Expert Testimony Appearances  
of  
Lane Kollen  
As of August 2010**

| <b>Date</b>    | <b>Case</b>                                 | <b>Jurisdct.</b> | <b>Party</b>  | <b>Utility</b>                                    | <b>Subject</b>  |
|----------------|---|------------------|---|---|---|
| 6/89           | 881602-EU<br>890326-EU                      | FL               | Talquin Electric<br>Cooperative                       | Talquin/City<br>of Tallahassee                    | Economic analyses, incremental<br>cost-of-service, average<br>customer rates.     |
| 7/89           | U-17970                                     | LA               | Louisiana Public<br>Service Commission<br>Staff       | AT&T Communications<br>of South Central<br>States | Pension expense (SFAS No. 87),<br>compensated absences (SFAS No. 43),<br>Part 32. |
| 8/89           | 8555  | TX               | Occidental Chemical<br>Corp.                          | Houston Lighting<br>& Power Co.                   | Cancellation cost recovery, tax<br>expense, revenue requirements.                 |
| 8/89           | 3840-U                                      | GA               | Georgia Public<br>Service Commission<br>Staff         | Georgia Power Co.                                 | Promotional practices,<br>advertising, economic<br>development.                   |
| 9/89           | U-17282<br>Phase II<br>Detailed             | LA               | Louisiana Public<br>Service Commission<br>Staff       | Gulf States<br>Utilities                          | Revenue requirements, detailed<br>investigation.                                  |
| 10/89          | 8880  | TX               | Enron Gas Pipeline                                    | Texas-New Mexico<br>Power Co.                     | Deferred accounting treatment,<br>sale/leaseback.                                 |
| 10/89          | 8928  | TX               | Enron Gas<br>Pipeline                                 | Texas-New Mexico<br>Power Co.                     | Revenue requirements, imputed<br>capital structure, cash<br>working capital.      |
| 10/89          | R-891364                                    | PA               | Philadelphia Area<br>Industrial Energy<br>Users Group | Philadelphia<br>Electric Co.                      | Revenue requirements.   |
| 11/89<br>12/89 | R-891364<br>Surrebuttal<br>(2 Filings)      | PA               | Philadelphia Area<br>Industrial Energy<br>Users Group | Philadelphia<br>Electric Co.                      | Revenue requirements,<br>sale/leaseback.  |
| 1/90           | U-17282<br>Phase II<br>Detailed<br>Rebuttal | LA               | Louisiana Public<br>Service Commission<br>Staff       | Gulf States<br>Utilities                          | Revenue requirements<br>detailed investigation.                                   |
| 1/90           | U-17282<br>Phase III                        | LA               | Louisiana Public<br>Service Commission<br>Staff       | Gulf States<br>Utilities                          | Phase-in of River Bend 1,<br>deregulated asset plan.                              |
| 3/90           | 890319-EI                                   | FL               | Florida Industrial<br>Power Users Group               | Florida Power<br>& Light Co.                      | O&M expenses, Tax Reform<br>Act of 1986.  |

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**J. KENNEDY AND ASSOCIATES, INC.**



**Expert Testimony Appearances  
of  
Lane Kollen  
As of August 2010**

| <b>Date</b> | <b>Case</b>           | <b>Jurisdct.</b>                                | <b>Party</b>  | <b>Utility</b>                   | <b>Subject</b>   |
|-------------|-----------------------|---|---|----------------------------------|--|
| 4/90        | 890319-EI<br>Rebuttal | FL  | Florida Industrial<br>Power Users Group   | Florida Power<br>& Light Co.     | O&M expenses, Tax Reform<br>Act of 1986.                                       |
| 4/90        | U-17282               | LA<br>19 <sup>th</sup> Judicial<br>District Ct. | Louisiana Public<br>Service Commission  | Gulf States<br>Utilities         | Fuel clause, gain on sale<br>of utility assets.                                |
| 9/90        | 90-158                | KY  | Kentucky Industrial<br>Utility Customers  | Louisville Gas &<br>Electric Co. | Revenue requirements, post-test<br>year additions, forecasted test<br>year.    |
| 12/90       | U-17282<br>Phase IV   | LA  | Louisiana Public<br>Service Commission<br>Staff   | Gulf States<br>Utilities         | Revenue requirements.  |
| 3/91        | 29327,<br>et. al.     | NY  | Multiple<br>Intervenors   | Niagara Mohawk<br>Power Corp.    | Incentive regulation.  |
| 5/91        | 9945                  | TX  | Office of Public<br>Utility Counsel<br>of Texas   | El Paso Electric<br>Co.          | Financial modeling, economic<br>analyses, prudence of Palo<br>Verde 3.         |
| 9/91        | P-910511<br>P-910512  | PA  | Allegheny Ludlum Corp.,<br>Armco Advanced Materials<br>Co., The West Penn Power<br>Industrial Users' Group          | West Penn Power Co.              | Recovery of CAAA costs,<br>least cost financing.                               |
| 9/91        | 91-231<br>-E-NC       | WV  | West Virginia Energy<br>Users Group   | Monongahela Power<br>Co.         | Recovery of CAAA costs, least<br>cost financing.                               |
| 11/91       | U-17282               | LA  | Louisiana Public<br>Service Commission<br>Staff   | Gulf States<br>Utilities         | Asset impairment, deregulated<br>asset plan, revenue require-<br>ments.        |
| 12/91       | 91-410-<br>EL-AIR     | OH  | Air Products and<br>Chemicals, Inc.,<br>Armco Steel Co.,<br>General Electric Co.,<br>Industrial Energy<br>Consumers | Cincinnati Gas<br>& Electric Co. | Revenue requirements, phase-in<br>plan.  |
| 12/91       | 10200                 | TX  | Office of Public<br>Utility Counsel<br>of Texas   | Texas-New Mexico<br>Power Co.    | Financial integrity, strategic<br>planning, declined business<br>affiliations. |

**Expert Testimony Appearances  
of  
Lane Kollen  
As of August 2010**

| <b>Date</b> | <b>Case</b>    | <b>Jurisdct.</b> | <b>Party</b>   | <b>Utility</b>                      | <b>Subject</b>   |
|-------------|----------------|------------------|--|-------------------------------------|--|
| 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       | 8649           | 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.                                 |
| 12/92       | U-19949        | LA               | Louisiana Public Service Commission Staff                    | South Central Bell                  | Affiliate transactions, cost allocations, merger.  |

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**J. KENNEDY AND ASSOCIATES, INC.**

**Expert Testimony Appearances  
of  
Lane Kollen  
As of August 2010**

| <b>Date</b> | <b>Case</b>                              | <b>Jurisdic.</b> | <b>Party</b>  | <b>Utility</b>   | <b>Subject</b>   |
|-------------|--|------------------|---|--|--|
| 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.,<br>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<br>(Surrebuttal)                 | LA               | Louisiana Public Service Commission Staff                           | Gulf States Utilities/Energy Corp.                     | Merger.  |
| 3/93        | 93-01<br>EL-EFC                          | OH               | Ohio Industrial Energy Consumers                                    | Ohio Power Co.   | Affiliate transactions, fuel.  |
| 3/93        | EC92-21000<br>ER92-806-000               | FERC             | Louisiana Public Service Commission                                 | Gulf States Utilities/Energy Corp.                     | Merger.  |
| 4/93        | 92-1464-<br>EL-AIR                       | OH               | Air Products Armco Steel Industrial Energy Consumers                | Cincinnati Gas & Electric Co.                          | Revenue requirements, phase-in plan.   |
| 4/93        | EC92-21000<br>ER92-806-000<br>(Rebuttal) | FERC             | Louisiana Public Service Commission                                 | Gulf States Utilities/Energy Corp.                     | Merger.  |
| 9/93        | 93-113                                   | KY               | Kentucky Industrial Utility Customers                               | Kentucky Utilities                                     | Fuel clause and coal contract refund.  |
| 9/93        | 92-490,<br>92-490A,<br>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.  |

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**J. KENNEDY AND ASSOCIATES, INC.**

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**Expert Testimony Appearances  
of  
Lane Kollen  
As of August 2010**

| <b>Date</b> | <b>Case</b>  | <b>Jurisdct.</b> | <b>Party</b>                              | <b>Utility</b>                   | <b>Subject</b>   |
|-------------|--|------------------|---|----------------------------------|--|
| 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            | Nuclear and fossil unit performance, fuel costs, fuel clause principles and guidelines.                |
| 5/94        | U-20178  | LA               | Louisiana Public Service Commission Staff | Louisiana Power & Light Co.      | Planning and quantification issues of least cost integrated resource plan.                             |
| 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 (Rebuttal) | 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.                                     |

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|-------------|--|------------------|--|--|---|
| 6/95        | 3905-U<br>Rebuttal   | GA               | Georgia Public<br>Service Commission                             | Southern Bell<br>Telephone Co.   | Incentive regulation, affiliate<br>transactions, revenue requirements,<br>rate refund.  |
| 6/95        | U-19904<br>(Direct)  | LA               | Louisiana Public<br>Service Commission<br>Staff                  | Gulf States<br>Utilities Co.   | Gas, coal, nuclear fuel costs,<br>contract prudence, base/fuel<br>realignment.  |
| 10/95       | 95-02614   | TN               | Tennessee Office of<br>the Attorney General<br>Consumer Advocate | BellSouth<br>Telecommunications,<br>Inc.   | Affiliate transactions.   |
| 10/95       | U-21485<br>(Direct)  | LA               | Louisiana Public<br>Service Commission<br>Staff                  | Gulf States<br>Utilities Co.   | Nuclear O&M, River Bend phase-in<br>plan, base/fuel realignment, NOL<br>and AltMin asset deferred taxes,<br>other revenue requirement issues. |
| 11/95       | U-19904<br>(Surrebuttal)   | LA               | Louisiana Public<br>Service Commission<br>Staff                  | Gulf States<br>Utilities Co.<br>Division   | Gas, coal, nuclear fuel costs,<br>contract prudence, base/fuel<br>realignment.  |
| 11/95       | U-21485<br>(Supplemental Direct)<br>12/95 U-21485<br>(Surrebuttal) | LA               | Louisiana Public<br>Service Commission<br>Staff                  | Gulf States<br>Utilities Co.   | Nuclear O&M, River Bend phase-in<br>plan, base/fuel realignment, NOL<br>and AltMin asset deferred taxes,<br>other revenue requirement issues  |
| 1/96        | 95-299-<br>EL-AIR<br>95-300-<br>EL-AIR                             | OH               | Industrial Energy<br>Consumers                                   | The Toledo Edison Co.<br>The Cleveland<br>Electric<br>Illuminating Co.                                 | Competition, asset writeoffs and<br>revaluation, O&M expense, other<br>revenue requirement issues.  |
| 2/96        | PUC No.<br>14965   | TX               | Office of Public<br>Utility Counsel                              | Central Power &<br>Light   | Nuclear decommissioning.  |
| 5/96        | 95-485-LCS   | NM               | City of Las Cruces   | El Paso Electric Co.   | Stranded cost recovery,<br>municipalization.  |
| 7/96        | 8725   | MD               | The Maryland<br>Industrial Group<br>and Redland<br>Genstar, Inc. | Baltimore Gas<br>& Electric Co.,<br>Potomac Electric<br>Power Co. and<br>Constellation Energy<br>Corp. | Merger savings, tracking mechanism,<br>earnings sharing plan, revenue<br>requirement issues.  |

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

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|-------------|-----------------------------|------------------|---|-----------------------------------|---|
| 8/97        | R-00973954<br>(Surrebuttal) | PA               | PP&L Industrial<br>Customer Alliance                  | Pennsylvania Power<br>& Light Co. | Restructuring, deregulation,<br>stranded costs, regulatory<br>assets, liabilities, nuclear<br>and fossil decommissioning.   |
| 10/97       | 97-204                      | KY               | Alcan Aluminum Corp.<br>Southwire Co.                 | Big Rivers<br>Electric Corp.      | Restructuring, revenue<br>requirements, reasonableness  |
| 10/97       | R-974008                    | PA               | Metropolitan Edison<br>Industrial Users<br>Group      | Metropolitan<br>Edison Co.        | Restructuring, deregulation,<br>stranded costs, regulatory<br>assets, liabilities, nuclear<br>and fossil decommissioning,<br>revenue requirements.                    |
| 10/97       | R-974009                    | PA               | Penelec Industrial<br>Customer Alliance               | Pennsylvania<br>Electric Co.      | Restructuring, deregulation,<br>stranded costs, regulatory<br>assets, liabilities, nuclear<br>and fossil decommissioning,<br>revenue requirements.                    |
| 11/97       | 97-204<br>(Rebuttal)        | KY               | Alcan Aluminum Corp.<br>Southwire Co.                 | Big Rivers<br>Electric Corp.      | Restructuring, revenue<br>requirements, reasonableness<br>of rates, cost allocation.  |
| 11/97       | U-22491                     | LA               | Louisiana Public<br>Service Commission<br>Staff       | Entergy Gulf<br>States, Inc.      | Allocation of regulated and<br>nonregulated costs, other<br>revenue requirement issues.   |
| 11/97       | R-00973953<br>(Surrebuttal) | PA               | Philadelphia Area<br>Industrial Energy<br>Users Group | PECO Energy Co.                   | Restructuring, deregulation,<br>stranded costs, regulatory<br>assets, liabilities, nuclear<br>and fossil decommissioning.   |
| 11/97       | R-973981                    | PA               | West Penn Power<br>Industrial Intervenors             | West Penn<br>Power Co.            | Restructuring, deregulation,<br>stranded costs, regulatory<br>assets, liabilities, fossil<br>decommissioning, revenue<br>requirements, securitization.                |
| 11/97       | R-974104                    | PA               | Duquesne Industrial<br>Intervenors                    | Duquesne Light Co.                | Restructuring, deregulation,<br>stranded costs, regulatory<br>assets, liabilities, nuclear<br>and fossil decommissioning,<br>revenue requirements,<br>securitization. |

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|-------------|---|------------------|--|-------------------------------------|---|
| 12/97       | R-973981<br>(Surrebuttal)                                       | PA               | West Penn Power<br>Industrial Intervenors                                | West Penn<br>Power Co.              | Restructuring, deregulation,<br>stranded costs, regulatory<br>assets, liabilities, fossil<br>decommissioning, revenue<br>requirements.                                |
| 12/97       | R-974104<br>(Surrebuttal)                                       | PA               | Duquesne Industrial<br>Intervenors                                       | Duquesne Light Co.                  | Restructuring, deregulation,<br>stranded costs, regulatory<br>assets, liabilities, nuclear<br>and fossil decommissioning,<br>revenue requirements,<br>securitization. |
| 1/98        | U-22491<br>(Surrebuttal)  | LA               | Louisiana Public<br>Service Commission<br>Staff                          | Entergy Gulf<br>States, Inc.        | Allocation of regulated and<br>nonregulated costs,<br>other revenue<br>requirement issues.  |
| 2/98        | 8774  | MD               | Westvaco   | Potomac Edison Co.                  | Merger of Duquesne, AE, customer<br>safeguards, savings sharing.  |
| 3/98        | U-22092<br>(Allocated<br>Stranded Cost Issues)                  | LA               | Louisiana Public<br>Service Commission<br>Staff                          | Entergy Gulf<br>States, Inc.        | Restructuring, stranded costs,<br>regulatory assets, securitization,<br>regulatory mitigation.  |
| 3/98        | 8390-U  | GA               | Georgia Natural<br>Gas Group,<br>Georgia Textile<br>Manufacturers Assoc. | Atlanta Gas<br>Light Co.            | Restructuring, unbundling,<br>stranded costs, incentive<br>regulation, revenue<br>requirements.   |
| 3/98        | U-22092<br>(Allocated<br>Stranded Cost Issues)<br>(Surrebuttal) | LA               | Louisiana Public<br>Service Commission<br>Staff                          | Entergy Gulf<br>States, Inc.        | Restructuring, stranded costs,<br>regulatory assets, securitization,<br>regulatory mitigation.  |
| 10/98       | 97-596  | ME               | Maine Office of the<br>Public Advocate                                   | Bangor Hydro-<br>Electric Co.       | Restructuring, unbundling, stranded<br>costs, T&D revenue requirements.   |
| 10/98       | 9355-U  | GA               | Georgia Public Service<br>Commission Adversary Staff                     | Georgia Power Co.                   | Affiliate transactions.   |
| 10/98       | U-17735   | LA               | Louisiana Public<br>Service Commission<br>Staff                          | Cajun Electric<br>Power Cooperative | G&T cooperative ratemaking<br>policy, other revenue requirement<br>issues.  |



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| 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.                                   |

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|-------------|---|------------------|---|---|---|
| 5/99        | 98-426<br>99-082<br>(Additional Direct)                   | KY               | Kentucky Industrial<br>Utility Customers, Inc.    | Louisville Gas<br>and Electric Co.  | Revenue requirements.   |
| 5/99        | 98-474<br>99-083<br>(Additional<br>Direct)                | KY               | Kentucky Industrial<br>Utility Customers, Inc.    | Kentucky Utilities<br>Co.   | Revenue requirements.   |
| 5/99        | 98-426<br>98-474<br>(Response to<br>Amended Applications) | KY               | Kentucky Industrial<br>Utility Customers, Inc.    | Louisville Gas<br>and Electric Co. and<br>Kentucky Utilities Co.  | Alternative regulation.   |
| 6/99        | 97-596  | ME               | Maine Office of<br>Public Advocate                | Bangor Hydro-<br>Electric Co.   | Request for accounting<br>order regarding electric<br>industry restructuring costs. |
| 6/99        | U-23358   | LA               | Louisiana Public<br>Public Service Comm.<br>Staff | Entergy Gulf<br>States, Inc.  | Affiliate transactions,<br>cost allocations.  |
| 7/99        | 99-03-35  | CT               | Connecticut<br>Industrial Energy<br>Consumers     | United Illuminating<br>Co.  | Stranded costs, regulatory<br>assets, tax effects of<br>asset divestiture.          |
| 7/99        | U-23327   | LA               | Louisiana Public<br>Service Commission<br>Staff   | Southwestern Electric<br>Power Co., Central<br>and South West Corp,<br>and American Electric<br>Power Co. | Merger Settlement and<br>Stipulation.   |
| 7/99        | 97-596<br>Surrebuttal                                     | ME               | Maine Office of<br>Public Advocate                | Bangor Hydro-<br>Electric Co.   | Restructuring, unbundling, stranded<br>cost, T&D revenue requirements.              |
| 7/99        | 98-0452-<br>E-GI  | WV               | West Virginia Energy<br>Users Group               | Monongahela Power,<br>Potomac Edison,<br>Appalachian Power,<br>Wheeling Power                             | Regulatory assets and<br>liabilities.   |
| 8/99        | 98-577<br>Surrebuttal                                     | ME               | Maine Office of<br>Public Advocate                | Maine Public<br>Service Co.   | Restructuring, unbundling,<br>stranded costs, T&D revenue<br>requirements.          |
| 8/99        | 98-426<br>99-082<br>Rebuttal                              | KY               | Kentucky Industrial<br>Utility Customers, Inc.    | Louisville Gas and<br>Electric Co.  | Revenue requirements.   |

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| 8/99        | 98-474<br>98-083<br>Rebuttal                               | KY               | Kentucky Industrial<br>Utility Customers, Inc.   | Kentucky Utilities Co.  | Revenue requirements.   |
| 8/99        | 98-0452-<br>E-GI<br>Rebuttal                               | WV               | West Virginia Energy<br>Users Group  | Monongahela Power,<br>Potomac Edison,<br>Appalachian Power,<br>Wheeling Power | Regulatory assets and<br>liabilities.   |
| 10/99       | U-24182<br>Direct  | LA               | Louisiana Public<br>Service Commission<br>Staff  | Entergy Gulf<br>States, Inc.  | Allocation of regulated and<br>nonregulated costs, affiliate<br>transactions, tax issues,<br>and other revenue requirement<br>issues. |
| 11/99       | 21527  | TX               | Dallas-Ft.Worth<br>Hospital Council and<br>Coalition of Independent<br>Colleges and Universities | TXU Electric  | Restructuring, stranded<br>costs, taxes, securitization.  |
| 11/99       | U-23358<br>Surrebuttal<br>Affiliate<br>Transactions Review | LA               | Louisiana Public<br>Service Commission<br>Staff  | Entergy Gulf<br>States, Inc.  | Service company affiliate<br>transaction costs.   |
| 04/00       | 99-1212-EL-ETPOH<br>99-1213-EL-ATA<br>99-1214-EL-AAM       |                  | Greater Cleveland<br>Growth Association  | First Energy (Cleveland<br>Electric Illuminating,<br>Toledo Edison)           | Historical review, stranded costs,<br>regulatory assets, liabilities.   |
| 01/00       | U-24182<br>Surrebuttal                                     | LA               | Louisiana Public<br>Service Commission<br>Staff  | Entergy Gulf<br>States, Inc.  | Allocation of regulated and<br>nonregulated costs, affiliate<br>transactions, tax issues,<br>and other revenue requirement<br>issues. |
| 05/00       | 2000-107   | KY               | Kentucky Industrial<br>Utility Customers, Inc.   | Kentucky Power Co.  | ECR surcharge roll-in to base rates.  |
| 05/00       | U-24182<br>Supplemental Direct                             | LA               | Louisiana Public<br>Service Commission<br>Staff  | Entergy Gulf<br>States, Inc.  | Affiliate expense<br>proforma adjustments.  |
| 05/00       | A-110550F0147 PA   |                  | Philadelphia Area<br>Industrial Energy<br>Users Group  | PECO Energy   | Merger between PECO and Unicom.   |

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|-------------|--|------------------|---|--|---|
| 07/00       | 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.   |
| 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       | 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       | PUC 22350<br>SOAH 473-00-1015                                | TX               | The Dallas-Ft. 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<br>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<br>R-00974008<br>P-00001838<br>R-00974009         | PA               | Metropolitan Edison Industrial Users Group<br>Penelec Industrial Customer Alliance                | Metropolitan Edison Co.<br>Pennsylvania Electric Co. | Final accounting for stranded costs, including treatment of auction proceeds, taxes, regulatory assets and liabilities, transaction costs.        |
| 12/00       | U-21453,<br>U-20925, U-22092<br>(Subdocket C)<br>Surrebuttal | LA               | Louisiana Public Service Commission Staff   | SWEPCO   | Stranded costs, regulatory assets.  |
| 01/01       | U-24993<br>Direct  | LA               | Louisiana Public Service Commission Staff   | Entergy Gulf States, Inc.                            | Allocation of regulated and nonregulated costs, tax issues, and other revenue requirement issues.   |

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

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

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| <b>Date</b> | <b>Case</b>              | <b>Jurisdct.</b> | <b>Party</b>                                  | <b>Utility</b>   | <b>Subject</b>   |
|-------------|--------------------------|------------------|---|--|--|
|             | (Subdocket C)            |                  | Staff   |  | 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.   |
| 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 Utility 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.                                    |

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|-------------|---|------------------|---|--|--|
| 11/03       | ER03-583-000, FERC<br>ER03-583-001, and<br>ER03-583-002<br><br>ER03-681-000,<br>ER03-681-001<br><br>ER03-682-000,<br>ER03-682-001, and<br>ER03-682-002<br><br>ER03-744-000,<br>ER03-744-001<br>(Consolidated) |                  | Louisiana Public<br>Service Commission          | Entergy Services, Inc.,<br>the Entergy Operating<br>Companies, EWO Market-<br>Ing, L.P, and Entergy<br>Power, Inc. | Unit power purchase and sale<br>agreements, contractual provisions,<br>projected costs, levelized rates, and<br>formula rates.                           |
| 12/03       | U-26527<br>Surrebuttal  | LA               | Louisiana Public<br>Service Commission<br>Staff | Entergy Gulf States, Inc.  | Revenue requirements, corporate<br>franchise tax, conversion to LLC,<br>Capital structure, post test year<br>adjustments.                                |
| 12/03       | 2003-0334<br>2003-0335  | KY               | Kentucky Industrial<br>Utility Customers, Inc.  | Kentucky Utilities Co.<br>Louisville Gas & Electric Co.  | Earnings Sharing Mechanism.  |
| 12/03       | U-27136   | LA               | Louisiana Public<br>Service Commission<br>Staff | Entergy Louisiana, Inc.  | Purchased power contracts<br>between affiliates, terms and<br>conditions.  |
| 03/04       | U-26527<br>Supplemental<br>Surrebuttal  | LA               | Louisiana Public<br>Service Commission<br>Staff | Entergy Gulf States, Inc.  | Revenue requirements, corporate<br>franchise tax, conversion to LLC,<br>capital structure, post test year<br>adjustments.                                |
| 03/04       | 2003-00433  | KY               | Kentucky Industrial<br>Utility Customers, Inc.  | Louisville Gas & Electric Co.  | Revenue requirements, depreciation rates,<br>O&M expense, deferrals and amortization,<br>earnings sharing mechanism, merger<br>surcredit, VDT surcredit. |
| 03/04       | 2003-00434  | KY               | Kentucky Industrial<br>Utility Customers, Inc.  | Kentucky Utilities Co.   | Revenue requirements, depreciation rates,<br>O&M expense, deferrals and amortization,<br>earnings sharing mechanism, merger<br>surcredit, VDT surcredit. |
| 03/04       | SOAH Docket<br>473-04-2459,<br>PUC Docket   | TX               | Cities Served by Texas-<br>New Mexico Power Co. | Texas-New Mexico<br>Power Co.  | Stranded costs true-up, including<br>including valuation issues,<br>ITC, ADIT, excess earnings.  |

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|-------------|---|---------------------|---|--|---|
| 05/04       | 29206<br>04-169-<br>EL-UNC  | OH                  | Ohio Energy Group, Inc.                                 | Columbus Southern Power<br>Co. & Ohio Power Co.                    | Rate stabilization plan, deferrals, T&D<br>rate increases, earnings.  |
| 06/04       | SOAH Docket<br>473-04-4555<br>PUC Docket<br>29526                   | TX                  | Houston Council for<br>Health and Education             | CenterPoint<br>Energy Houston Electric                             | Stranded costs true-up, including<br>valuation issues, ITC, EDIT, excess<br>mitigation credits, capacity auction<br>true-up revenues, interest.   |
| 08/04       | SOAH Docket<br>473-04-4556<br>PUC Docket<br>29526<br>(Suppl Direct) | TX                  | Houston Council for<br>Health and Education             | CenterPoint<br>Energy Houston Electric                             | Interest on stranded cost pursuant to<br>Texas Supreme Court remand.  |
| 09/04       | Docket No.<br>U-23327<br>Subdocket B                                | LA                  | Louisiana Public<br>Service Commission<br>Staff         | SWEPCO   | Fuel and purchased power expenses<br>recoverable through fuel adjustment clause,<br>trading activities, compliance with terms of<br>various LPSC Orders.                                      |
| 10/04       | Docket No<br>U-23327<br>Subdocket A                                 | LA                  | Louisiana Public<br>Service Commission<br>Staff         | SWEPCO   | Revenue requirements.   |
| 12/04       | Case No.<br>2004-00321<br>Case No.<br>2004-00372                    | KY                  | Gallatin Steel Co.                                      | East Kentucky Power<br>Cooperative, Inc.,<br>Big Sandy Recc, etal. | Environmental cost recovery, qualified<br>costs, TIER requirements, cost allocation.  |
| 01/05       | 30485   | TX                  | Houston Council for<br>Health and Education             | CenterPoint Energy<br>Houston Electric, LLC                        | Stranded cost true-up including regulatory<br>Central Co. assets and liabilities, ITC, EDIT,<br>capacity auction, proceeds, excess mitigation<br>credits, retrospective and prospective ADIT. |
| 02/05       | 18638-U   | GA                  | Georgia Public<br>Service Commission<br>Adversary Staff | Atlanta Gas Light Co.  | Revenue requirements.   |
| 02/05       | 18638-U<br>Panel with<br>Tony Wackerly                              | GA                  | Georgia Public<br>Service Commission<br>Adversary Staff | Atlanta Gas Light Co.  | Comprehensive rate plan,<br>pipeline replacement program<br>surcharge, performance based rate plan.   |
| 02/05       | 18638-U<br>Panel with<br>Michelle Thebert                           | GA                  | Georgia Public<br>Service Commission<br>Adversary Staff | Atlanta Gas Light Co.  | Energy conservation, economic<br>development, and tariff issues.  |

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|----------------|--|------------------|--|--|--|
| 03/05          | Case No.<br>2004-00426<br>Case No.<br>2004-00421 | KY               | Kentucky Industrial<br>Utility Customers, Inc.           | Kentucky Utilities Co.<br>Louisville Gas & Electric          | Environmental cost recovery, Jobs<br>Creation Act of 2004 and § 199 deduction,<br>excess common equity ratio, deferral and<br>amortization of nonrecurring O&M expense.  |
| 06/05          | 2005-00068                                       | KY               | Kentucky Industrial<br>Utility Customers, Inc.           | Kentucky Power Co.   | Environmental cost recovery, Jobs<br>Creation Act of 2004 and §199 deduction,<br>margins on allowances used for AEP<br>system sales.   |
| 06/05          | 050045-EI  | FL               | South Florida Hospital<br>and Healthcare Assoc.          | Florida Power &<br>Light Co.                                 | Storm damage expense and reserve,<br>RTO costs, O&M expense projections,<br>return on equity performance incentive,<br>capital structure, selective second phase<br>post-test year rate increase.                            |
| 08/05          | 31056  | TX               | Alliance for Valley<br>Healthcare                        | AEP Texas<br>Central Co.                                     | Stranded cost true-up including regulatory<br>assets and liabilities, ITC, EDIT, capacity<br>auction, proceeds, excess mitigation credits,<br>retrospective and prospective ADIT.  |
| 09/05          | 20298-U  | GA               | Georgia Public<br>Service Commission<br>Adversary Staff  | Atmos Energy Corp.   | Revenue requirements, roll-in of<br>surcharges, cost recovery through surcharge,<br>reporting requirements.  |
| 09/05          | 20298-U<br>Panel with<br>Victoria Taylor         | GA               | Georgia Public.<br>Service Commission<br>Adversary Staff | Atmos Energy Corp.   | Affiliate transactions, cost allocations,<br>capitalization, cost of debt.   |
| 10/05          | 04-42  | DE               | Delaware Public Service<br>Commission Staff              | Artesian Water Co.   | Allocation of tax net operating losses<br>between regulated and unregulated.   |
| 11/05          | 2005-00351<br>2005-00352                         | KY               | Kentucky Industrial Utility<br>Customers, Inc.           | Kentucky Utilities Co.<br>Louisville Gas and<br>Electric Co. | Workforce Separation Program cost<br>recovery and shared savings through<br>VDT surcredit.   |
| 01/06          | 2005-00341                                       | KY               | Kentucky Industrial<br>Utility Customers, Inc.           | Kentucky Power Co.   | System Sales Clause Rider, Environmental<br>Cost Recovery Rider. Net Congestion Rider,<br>Storm damage, vegetation management<br>program, depreciation, off-system sales,<br>maintenance normalization, pension and<br>OPEB. |
| 03/06<br>05/06 | 31994<br>31994<br>Supplemental                   | TX               | Cities   | Texas-New Mexico<br>Power Co.                                | Stranded cost recovery through<br>competition transition or change.<br>Retrospective ADFIT, prospective<br>ADFIT.  |

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|-------------|--|------------------|--|--|---|
| 03/06       | U-21453,<br>U-20925,<br>U-22092                    | LA               | Louisiana Public<br>Service Commission<br>Staff                                | Entergy Gulf States, Inc.  | Jurisdictional separation plan.   |
| 3/06        | NOPR Reg<br>104385-OR                              | IRS              | Alliance for Valley<br>Health Care and Houston<br>Council for Health Education | AEP Texas Central<br>Company and CenterPoint<br>Energy Houston<br>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. |
| 4/06        | U-25116  | LA               | Louisiana Public<br>Service Commission<br>Staff                                | Entergy Louisiana, Inc.  | 2002-2004 Audit of Fuel Adjustment Clause Filings. Affiliate transactions.  |
| 07/06       | R-00061366,<br>Et. al                              | PA               | Met-Ed Ind. Users Group<br>Pennsylvania Ind.<br>Customer Alliance              | Metropolitan Edison Co.<br>Pennsylvania Electric Co.                       | Recovery of NUG-related stranded costs, government mandated programs costs, storm damage costs.   |
| 07/06       | U-23327  | LA               | Louisiana Public<br>Service Commission<br>Staff                                | Southwestern<br>Electric Power Co  | Revenue requirements, formula rate plan, banking proposal.  |
| 08/06       | U-21453,<br>U-20925<br>U-22092<br>(Subdocket J)    | LA               | Louisiana Public<br>Service Commission<br>Staff                                | Entergy Gulf<br>States, Inc.   | Jurisdictional separation plan.   |
| 11/06       | 05CVH03-3375<br>Franklin County<br>Court Affidavit | OH               | Various Taxing Authorities<br>(Non-Utility Proceeding)                         | State of Ohio Department<br>of Revenue                                     | Accounting for nuclear fuel assemblies as manufactured equipment and capitalized plant.   |
| 12/06       | U-23327<br>Subdocket A<br>Reply Testimony          | LA               | Louisiana Public<br>Service Commission<br>Staff                                | Southwestern Electric<br>Power Co..  | Revenue requirements, formula rate plan, banking proposal.  |
| 03/07       | U-29764  | LA               | Louisiana Public<br>Service Commission<br>Staff                                | Entergy Gulf States, Inc.,<br>Entergy Louisiana, LLC                       | Jurisdictional allocation of Entergy System Agreement equalization remedy receipts  |
| 03/07       | 33309  | TX               | Cities   | AEP Texas Central Co.  | Revenue requirements, including functionalization of transmission and distribution costs.   |
| 03/07       | 33310  | TX               | Cities   | AEP Texas North Co   | Revenue requirements, including functionalization of transmission and distribution costs.   |

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|-------------|-----------------------------------|------------------|---|--|---|
| 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.   |
| 05/07       | 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 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.                                    |

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|-------------|---------------------------------|------------------|---|--|--|
| 10/07       | 05-UR-103<br>Direct             | WI               | Wisconsin Industrial<br>Energy Group                                    | Wisconsin Electric Power<br>Company<br>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<br>Surrebuttal        | WI               | Wisconsin Industrial<br>Energy Group                                    | Wisconsin Electric Power<br>Company<br>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<br>Direct               | GA               | Georgia Public Service<br>Commission Public<br>Interest Adversary Staff | Georgia Power Company  | Affiliate costs, incentive compensation, consolidated income taxes, §199 deduction.  |
| 11/07       | 06-0033-E-CN<br>Direct          | WV               | West Virginia Energy Users<br>Group                                     | Appalachian Power Company  | IGCC surcharge during construction period and post-in-service date.  |
| 11/07       | ER07-682-000<br>Direct          | FERC             | Louisiana Public Service<br>Commission                                  | Entergy Services, Inc.<br>and the Entergy Operating<br>Companies                             | Functionalization and allocation of intangible and general plant and A&G expenses.   |
| 01/08       | ER07-682-000<br>Cross Answering | FERC             | Louisiana Public Service<br>Commission                                  | Entergy Services, Inc.<br>and the Entergy Operating<br>Companies                             | Fuctionalization and allocation of intangible and general plant and A&G expenses.  |
| 01/08       | 07-551-EL-AIR<br>Direct         | OH               | Ohio Energy Group, Inc.   | Ohio Edison Company,<br>Cleveland Electric<br>Illuminating Company,<br>Toledo Edison Company | Revenue Requirements.  |
| 02/08       | ER07-956-000<br>Direct          | FERC             | Louisiana Public Service<br>Commission                                  | Entergy Services, Inc.<br>and the Entergy Operating<br>Companies                             | Functionalization of expenses in account 923; storm damage expense and accounts 924, 228.1, 182.3, 254 and 407.3; tax NOL carrybacks in account 165 and 236; ADIT; nuclear service lives and effect on depreciation and decommissioning. |

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|-------------|--|-----------------------|--|--|---|
| 03/08       | ER07-956-000<br>Cross-Answering  | FERC                  | Louisiana Public Service<br>Commission                                 | Entergy Services, Inc.<br>and the Entergy Operating<br>Companies | Functionalization of expenses in account<br>923; storm damage expense and accounts<br>924, 228.1, 182.3, 254 and 407.3; tax NOL<br>carrybacks in account 165 and 236; ADIT;<br>nuclear service lives and effect on<br>depreciation and decommissioning. |
| 04/08       | 2007-00562<br>2007-00563   | KY<br>Customers, inc. | Kentucky Industrial Utility<br>Louisville Gas and                      | Kentucky Utilities Co.<br><br>Electric Co.                       | Merger surcredit.   |
| 04/08       | 26837<br>Direct<br>Panel with<br>Thomas K. Bond,<br>Cynthia Johnson,<br>Michelle Thebert                   | GA                    | Georgia Public Service<br>Commission Staff                             | SCANA Energy<br>Marketing, Inc.                                  | Rule Nisi complaint.  |
| 05/08       | 26837<br>Rebuttal<br>Panel with<br>Thomas K. Bond,<br>Cynthia Johnson,<br>Michelle Thebert                 | GA                    | Georgia Public Service<br>Commission Staff                             | SCANA Energy<br>Marketing, Inc.                                  | Rule Nisi complaint.  |
| 05/08       | 26837<br>Supplemental<br>Rebuttal<br>Panel with<br>Thomas K. Bond,<br>Cynthia Johnson,<br>Michelle Thebert | GA                    | Georgia Public Service<br>Commission Staff                             | SCANA Energy<br>Marketing, Inc.                                  | Rule Nisi complaint.  |
| 06/08       | 2008-00115   | KY                    | Kentucky Industrial Utility<br>Customers, Inc.                         | East Kentucky Power<br>Cooperative, Inc.                         | Environmental surcharge recoveries,<br>incl costs recovered in existing rates, TIER   |
| 07/08       | 27163<br>Direct  | GA                    | Georgia Public Service<br>Commission Public<br>Interest Advocacy Staff | Atmos Energy Corp.   | Revenue requirements, incl projected test<br>year rate base and expenses.   |
| 07/08       | 27163<br>Panel with<br>Victoria Taylor   | GA                    | Georgia Public Service<br>Commission Public<br>Interest Advocacy Staff | Atmos Energy Corp.   | Affiliate transactions and division cost<br>allocations, capital structure, cost of debt.   |
| 08/08       | 6680-CE-170<br>Direct  | WI                    | Wisconsin Industrial Energy<br>Group, Inc.                             | Wisconsin Power and<br>Light Company                             | Nelson Dewey 3 or Colombia 3 fixed<br>financial parameters.   |

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|-------------|--|------------------|---|---|--|
| 08/08       | 6680-UR-116<br>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<br>Rebuttal                      | WI               | Wisconsin Industrial Energy Group, Inc.     | Wisconsin Power and Light Company                           | Capital structure.   |
| 08/08       | 6690-UR-119<br>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<br>Surrebuttal                   | WI               | Wisconsin Industrial Energy Group, Inc.     | Wisconsin Public Service Corp.                              | Prudence of Weston 3 outage, Section 199 deduction.  |
| 09/08       | 08-935-EL-SSO OH<br>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       | 2007-564<br>2007-565<br>2008-251<br>2008-252 | KY               | Kentucky Industrial Utility Customers, Inc. | Louisville Gas and Electric Co., Kentucky Utilities Company | Revenue forecast, affiliate costs, 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.   |

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|-------------|--|------------------|--|--|--|
| 01/09       | ER08-1056<br>Supplemental<br>Direct                                | FERC             | Louisiana Public Service<br>Commission               | Entergy Services, Inc.                   | Blytheville leased turbines; accumulated<br>depreciation.  |
| 02/09       | EL08-51<br>Rebuttal  | FERC             | Louisiana Public Service<br>Commission               | Entergy Services, Inc.                   | Spindletop gas storage facilities regulatory<br>asset and bandwidth remedy.  |
| 02/09       | 2008-00409<br>Direct   | KY               | Kentucky Industrial<br>Utility Customers, Inc.       | East Kentucky Power<br>Cooperative, Inc. | Revenue requirements.  |
| 03/09       | ER08-1056<br>Answering   | FERC             | Louisiana Public Service<br>Commission               | Entergy Services, Inc.                   | Entergy System Agreement bandwidth<br>remedy calculations, including depreciation<br>expense, ADIT, capital structure.   |
| 03/09       | U-21453,U-20925<br>U-22092 (Subdocket J)                           |                  | Louisiana Public Service<br>Commission Staff         | Entergy Gulf States<br>Louisiana, LLC    | Violation of EGSI separation order,<br>ETI and EGSL separation accounting,<br>Spindletop regulatory asset.   |
| 04/09       | U-21453, U-20925<br>U-22092 (Subdocket J)<br>Rebuttal              |                  | Louisiana Public Service<br>Commission               | Entergy Gulf States<br>Louisiana, LLC    | Violation of EGSI separation order,<br>ETI and EGSL separation accounting,<br>Spindletop regulatory asset.   |
| 04/09       | 2009-00040<br>Direct-Interim<br>(Oral)                             | KY               | Kentucky Industrial<br>Utility Customers, Inc.       | Big Rivers<br>Electric Corp.             | Emergency interim rate increase;<br>cash requirements.   |
| 04/09       | 36530  | TX               | State Office of Administrative<br>Hearings           | Oncor Electric Delivery<br>Company, LLC  | Rate case expenses .   |
| 05/09       | ER08-1056<br>Rebuttal  | FERC             | Louisiana Public Service<br>Commission               | Entergy Services, Inc.                   | Entergy System Agreement bandwidth<br>remedy calculations, including depreciation<br>expense, ADIT, capital structure.   |
| 06/09       | 2009-00040<br>Direct-<br>Permanent                                 | KY               | Kentucky Industrial<br>Utility Customers, Inc.       | Big Rivers<br>Electric Corp.             | Revenue requirements, TIER, cash flow.   |
| 07/09       | 080677-EI  | FL               | South Florida Hospital<br>and Healthcare Association | Florida Power & Light<br>Company         | Multiple test years, GBRA rider, forecast<br>assumptions, revenue requirement, O&M<br>expense, depreciation expense, Economic<br>Stimulus Bill, capital structure. |
| 08/09       | U-21453, U-20925<br>U-22092 (Subdocket J)<br>Supplemental Rebuttal |                  | Louisiana Public Service<br>Commission               | Entergy Gulf States<br>Louisiana, LLC    | Violation of EGSI separation order,<br>ETI and EGSL separation accounting,<br>Spindletop regulatory asset.   |

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**J. KENNEDY AND ASSOCIATES, INC.**



**Expert Testimony Appearances  
of  
Lane Kollen  
As of August 2010**

| <b>Date</b> | <b>Case</b>                        | <b>Jurisdct.</b> | <b>Party</b>   | <b>Utility</b>  | <b>Subject</b>  |
|-------------|------------------------------------|------------------|--|---|---|
| 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                          | 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                           | 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                     | LA               | 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.   |
| 12/09       | ER09-1224 Direct                   | FERC             | Louisiana Public Service Commission                                  | Entergy Services, Inc.  | Hypothetical v. 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 v. actual costs, out of period costs, Spindletop deferred capital costs, Waterford 3 sale/leaseback ADIT.        |
| 01/10       | EL09-50 Rebuttal                   | LA               | 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 v. actual costs, out of period costs, Spindletop deferred capital costs, Waterford 3 sale/leaseback ADIT.        |

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**J. KENNEDY AND ASSOCIATES, INC.**

**Expert Testimony Appearances  
of  
Lane Kollen  
As of August 2010**

| <b>Date</b> | <b>Case</b>                        | <b>Jurisdic.</b> | <b>Party</b>                                   | <b>Utility</b>  | <b>Subject</b>  |
|-------------|------------------------------------|------------------|--|---|---|
| 02/10       | 30442<br>Wackerty-<br>Kollen Panel | GA               | Georgia Public Service<br>Commission Staff     | Atmos Energy Corporation  | Revenue Requirement issues.   |
| 02/10       | 30442<br>McBride-<br>Kollen Panel  | GA               | Georgia Public Service<br>Commission Staff     | Atmos Energy Corporation  | Affiliate/division transactions, cost<br>allocation, capital structure.         |
| 02/10       | 2009-00353                         | KY               | Kentucky Industrial<br>Utility Customers, Inc. | Louisville Gas and Electric<br>Company, Kentucky Utilities<br>Company | Ratemaking recovery of wind power<br>purchased power agreements.                |
| 03/10       | 2009-00545                         | KY               | Kentucky Industrial<br>Utility Customers, Inc. | Kentucky Power Company  | Ratemaking recovery of wind power<br>purchased power agreement.                 |
| 03/10       | E015/GR-<br>09-1151                | MN               | Large Power Interveners                        | Minnesota Power   | Revenue requirement issues, cost overruns<br>on environmental retrofit project. |
| 04/10       | 2009-00459                         | KY               | Kentucky Industrial<br>Utility Customers, Inc. | Kentucky Power Company  | Revenue requirement issues.   |
| 04/10       | 2009-00458<br>2009-00459           | KY               | Kentucky Industrial                            | Kentucky Utilities Company<br>Louisville Gas and Electric<br>Company  | Revenue requirement issues.   |

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**J. KENNEDY AND ASSOCIATES, INC.**

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**EXHIBIT \_\_\_\_ (LK-2)**

**PPL CORPORATION, E.ON AG, E.ON US INVESTMENTS CORP.,  
E.ON U.S. LLC, LOUISVILLE GAS AND ELECTRIC COMPANY AND  
KENTUCKY UTILITIES COMPANY**

**CASE NO. 2010-00204**

**Joint Response to First Set of Data Requests of  
Kentucky Industrial Utility Customers, Inc.  
Dated June 23, 2010**

**Question No. 14**

**Responding Witness: Lonnie E. Bellar / William H. Spence**

- Q-14. Refer to pages 24-25 of Mr. Miller's Direct Testimony wherein he concludes that the acquisition is in the "public interest."
- a. Please explain why the Companies neither discussed nor made any commitments that will ensure that ratepayers are not harmed from the transaction through increases in rates due to the acquisition.
  - b. Please confirm that the Companies agrees as a matter of principle that ratepayers should not be harmed from the transaction through increases in rates due to the acquisition. Please explain your response
- A-14. a. PPL, E.ON U.S., LG&E and KU in fact made such commitments in Regulatory Commitment Nos. 5 and 8. In Regulatory Commitment No. 5, they committed that "the Purchase will have no impact on the base rates [. . .] of LG&E or KU." In Regulatory Commitment No. 8, they committed that the "ratepayers, directly or indirectly, shall not incur any additional costs, liabilities, or obligations in conjunction with the Purchase. . ."
- b. Please see the above response to Question No. 14(a).

**EXHIBIT \_\_\_\_ (LK-3)**

**PPL CORPORATION, E.ON AG, E.ON US INVESTMENTS CORP.,  
E.ON U.S. LLC, LOUISVILLE GAS AND ELECTRIC COMPANY AND  
KENTUCKY UTILITIES COMPANY**

**CASE NO. 2010-00204**

**Joint Response to the Second Set of Data Requests of  
Kentucky Industrial Utility Customers, Inc.  
Dated July 16, 2010**

**Question No. 2-7**

**Responding Witness: Lonnie E. Bellar / William H. Spence**

- Q2-7. Refer to the Applicants' response to KIUC 1-14(b). Please respond to the question posed with a "yes" or "no." The question asks for an agreement as a matter of principle. If the Applicants are unable or unwilling to confirm their agreement with this principle, then please explain and provide all reasons for your position.
- A2-7. The Joint Applicants respectfully assert that their response to KIUC 1-14(b) was responsive to the request for information. In response to KIUC 1-14(a), the Joint Applicants stated:

PPL, E.ON U.S., LG&E and KU in fact made such commitments in Regulatory Commitment Nos. 5 and 8. In Regulatory Commitment No. 5, they committed that "the Purchase will have no impact on the base rates ... of LG&E or KU." In Regulatory Commitment No. 8, they committed that the "ratepayers, directly or indirectly, shall not incur any additional costs, liabilities, or obligations in conjunction with the Purchase ...."

The Joint Applicants referred to their response to KIUC 1-14(a) as their response to KIUC 1-14(b). The Joint Applicants did so because assertions of adherence to generic, abstract principles are not helpful to the Commission because they can be interpreted to mean whatever a particular party wants in subsequent litigation or disputes. On the other hand, commitments like those the Joint Applicants have made, which are quoted above in relevant part, are much more useful to the Commission because they are clear and unequivocal, and therefore more easily enforceable.

**EXHIBIT \_\_\_\_ (LK-4)**

**PPL CORPORATION, E.ON AG, E.ON US INVESTMENTS CORP.,  
E.ON U.S. LLC, LOUISVILLE GAS AND ELECTRIC COMPANY AND  
KENTUCKY UTILITIES COMPANY**

**CASE NO. 2010-00204**

**Joint Response to First Set of Data Requests of  
Kentucky Industrial Utility Customers, Inc.  
Dated June 23, 2010**

**Question No. 13**

**Responding Witness: Lonnie E. Bellar / William H. Spence**

Q-13. Refer to page 19 lines 3-9 of Mr. Miller's Direct Testimony regarding PPL's commitment to use its reasonable best efforts to avoid the imposition by the FERC, US DOJ or FTC of requirements to join an RTO, divest utility operating assets, or require KU and LG&E to decline to use their generating facilities to serve native load customers. Would the Applicants oppose the Commission conditioning its approval of the acquisition on the avoidance of such requirements? Please explain your response.

A-13. The Applicants do not believe such a requirement is necessary. The Applicants ran multiple market power screens to support their application to FERC for approval of the proposed transaction, all of which demonstrate that the transaction would not increase horizontal or vertical market power concentrations. The Applicants' FERC application further demonstrates that because access to LG&E's and KU's transmission systems will continue to be independently and impartially administered by a third party (Southwest Power Pool, Inc.), the transaction will not adversely impact transmission customers. Finally, the Applicants' applications to this Commission and the FERC demonstrate that the transaction will not create cross-subsidization issues between the utilities and non-utility affiliates. For all of these reasons, the Applicants believe it is unlikely FERC, the US DOJ, or the FTC will require any of the actions described in the question, and therefore believe a condition concerning such unlikely actions would be unnecessary in an order from this Commission.

Moreover, any such condition could create possible preemption issues that could have to be litigated in the event a federal regulatory agency did require the Applicants to take such an action. The Applicants do not think it is advisable to risk creating such preemption concerns when facing unlikely actions by federal regulators



**EXHIBIT \_\_\_\_ (LK-5)**

**PPL CORPORATION, E.ON AG, E.ON US INVESTMENTS CORP.,  
E.ON U.S. LLC, LOUISVILLE GAS AND ELECTRIC COMPANY AND  
KENTUCKY UTILITIES COMPANY**

**CASE NO. 2010-00204**

**Joint Response to the Second Set of Data Requests of  
Kentucky Industrial Utility Customers, Inc.  
Dated July 16, 2010**

**Question No. 2-6**

**Responding Witness: Lonnie E. Bellar / William H. Spence**

- Q2-6. Refer to the Applicants' response to KIUC 1-13. The request asks if the Applicants would oppose the Commission conditioning its approval of the acquisition on the avoidance of such requirements, not whether the Applicants consider it "unnecessary" or not "advisable."
- a. Please respond "yes" or "no" to the question as it was originally posed.
  - b. Are the Applicants willing to hold ratepayers harmless from any increased costs or reductions in revenues resulting from the imposition by the FERC, US DOJ or the FTC of requirements to join an RTO, divest utility operating assets, or require KU and LG&E to decline to use their generating facilities to serve native load customers? If not, please explain and provide all reasons why the Applicants are unwilling to make this commitment.
- A2-6. a. Yes, the Joint Applicants would oppose such a condition upon the Commission's approval of the proposed acquisition. The Joint Applicants believe any such condition would create significant preemption concerns, and could ultimately prove to be unenforceable. For the reasons the Joint Applicants provided in response to KIUC 1-13, the Joint Applicants believe it is unlikely that FERC will impose any of the conditions described in the request because there is no evidence of market power or other relevant concerns to support imposing any such conditions.
- b. No. Costs resulting from the requirements of federal law are recoverable through rates, and the Joint Applicants will not agree in the hypothetical to forego that recovery; again, for the reasons given in response to KIUC 1-13, it is not likely that FERC will require any of the actions this question contemplates. However, to the extent the imposition of any such requirements could result in higher or lower costs of service that the utilities would recover through base rates, customers would in fact not pay for such changes until the Commission approved new base rates for the utilities. To the extent facilities would not be used to serve native load customers, the utilities could not seek to recover the costs thereof through rates.

**EXHIBIT \_\_\_\_ (LK-6)**

**PPL CORPORATION, E.ON AG, E.ON US INVESTMENTS CORP.,  
E.ON U.S. LLC, LOUISVILLE GAS AND ELECTRIC COMPANY AND  
KENTUCKY UTILITIES COMPANY**

**CASE NO. 2010-00204**

**Joint Response to First Set of Data Requests of  
Kentucky Industrial Utility Customers, Inc.  
Dated June 23, 2010**

**Question No. 11**

**Responding Witness: Lonnie E. Bellar / Paul A. Farr**

- Q-11. Please confirm that the Companies will not seek to obtain an accounting order from the Commission to defer and subsequently recover the costs to achieve savings in the absence of a comprehensive plan to ensure that savings exceed the costs to achieve.
- A-11. KU and LG&E do not expect significant savings or costs to achieve savings based on the regulatory commitments being made.

**EXHIBIT \_\_\_\_ (LK-7)**

**PPL CORPORATION, E.ON AG, E.ON US INVESTMENTS CORP.,  
E.ON U.S. LLC, LOUISVILLE GAS AND ELECTRIC COMPANY AND  
KENTUCKY UTILITIES COMPANY**

**CASE NO. 2010-00204**

**Joint Response to the Second Set of Data Requests of  
Kentucky Industrial Utility Customers, Inc.  
Dated July 16, 2010**

**Question No. 2-5**

**Responding Witness: Lonnie E. Bellar / Paul A. Farr**

- Q2-5. Refer to the Applicants' response to KIUC 1-11. The request seeks a commitment from the Applicants, not a statement as to the whether the Applicants expect to incur savings or costs to achieve. Please respond to the question as it was posed. If the Applicants are unable or unwilling to make this commitment, then please identify all circumstances under which the Applicants could and/or would seek to obtain an accounting order.
- A2-5. In response to KIUC 1-11, KU and LG&E stated that they do not expect significant savings or costs to achieve savings based on the regulatory commitments being made. However, because the formal analysis referenced in Regulatory Commitment No. 39 has not yet been performed, the Joint Applicants decline to make the commitment requested in KIUC 1-11. KU and LG&E could and/or would seek to obtain such an accounting order depending on the results of the formal analysis referenced in Regulatory Commitment No. 39.

**EXHIBIT \_\_\_\_ (LK-8)**

**PPL CORPORATION, E.ON AG, E.ON US INVESTMENTS CORP.,  
E.ON U.S. LLC, LOUISVILLE GAS AND ELECTRIC COMPANY AND  
KENTUCKY UTILITIES COMPANY**

**CASE NO. 2010-00204**

**Joint Response to the Second Set of Data Requests of  
Kentucky Industrial Utility Customers, Inc.  
Dated July 16, 2010**

**Question No. 2-2**

**Responding Witness: S. Bradford Rives / Paul A. Farr**

- Q2-2.** Refer to the Applicants' response to KIUC 1-9(b)-(d). Please confirm that LG&E and KU also will commit to not seek to recover the costs that are reflected in expenses, as opposed to rate base or capitalization, resulting from push-down accounting. Such costs may include, but are not limited to, depreciation or amortization expense resulting from write-ups of assets and deferral of transaction costs.
- A2-2.** The push-down accounting adjustments included in the response to KIUC 1-9 will result in no incremental expenses to be charged to LG&E or KU ratepayers as the adjustments to goodwill and the investment in EEI will not be depreciated or amortized. Interest expense on the intercompany debt with PPL will be the same as the intercompany debt with E.ON AG affiliates since the terms will be the same, and the amortization of any fair value adjustment to debt will be recorded below net operating income. LG&E and KU also commit to exclude expenses, such as depreciation or amortization, if any, associated with other push-down accounting adjustments when determining amounts to be recovered from ratepayers.