

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC JOINT APPLICATION OF	)	
KENTUCKY UTILITIES COMPANY AND	)	
LOUISVILLE GAS AND ELECTRIC	)	CASE NO.
COMPANY FOR AN ORDER APPROVING	)	2018-00304
THE ESTABLISHMENT OF REGULATORY	)	
LIABILITIES AND REGULATORY ASSETS	)	

COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION TO  
KENTUCKY UTILITIES COMPANY AND  
LOUISVILLE GAS AND ELECTRIC COMPANY

Kentucky Utilities Company (KU) and Louisville Gas and Electric Company (LG&E) (jointly, "KU/LG&E"), pursuant to 807 KAR 5:001, are to file with the Commission the original in paper medium and an electronic version of the following information. The information requested herein is due on or before October 15, 2018. Responses to requests for information in paper medium shall be appropriately bound, tabbed, and indexed. Electronic documents shall be in portable document format (PDF), shall be searchable, and shall be appropriately bookmarked. Each response shall include the name of the witness responsible for responding to the questions related to the information provided.

Each response shall be answered under oath or, for representatives of a public or private corporation or a partnership or association or a governmental agency, be accompanied by a signed certification of the preparer or the person supervising the preparation of the response on behalf of the entity that the response is true and accurate

to the best of that person's knowledge, information, and belief formed after a reasonable inquiry.

KU/LG&E shall make timely amendment to any prior response if they obtain information that indicates that the response was incorrect when made or, though correct when made, is now incorrect in any material respect. For any request to which KU/LG&E fail or refuse to furnish all or part of the requested information, they shall provide a written explanation of the specific grounds for their failure to respond completely and precisely.

Careful attention shall be given to copied material to ensure that it is legible. When the requested information has been previously provided in this proceeding in the requested format, reference may be made to the specific location of that information in responding to this request. When filing a paper containing personal information, KU/LG&E shall, in accordance with 807 KAR 5:001, Section 4(10), encrypt or redact the paper so that personal information cannot be read.

1. Refer to the application, paragraph 11. Explain any impact to KU/LG&E resulting from the adoption of a single sales apportionment factor for multistate companies.

2. Refer to the application, paragraph 18, which states that 1,200 wires were downed and 200 poles were damaged.

- a. Provide the capital costs incurred by KU/LG&E as a result of restoration efforts due to the July 2018 Storm, as defined in the application.

- b. Provide a list of the number of damaged poles by size.

3. Refer to the application, paragraph 18, regarding the statement that the July 2018 Storm ranks among the top five most damaging storms to hit the KU/LG&E system.

Provide further details on the other four storms that caused as much or more damage to the KU/LG&E system, including but not limited to a description of each of those storms, the number of customers impacted, the cost of each of those storm damages, the operations and maintenance (O&M) expense budgets for storm damage that were then embedded in base rates for KU and LG&E, whether KU or LG&E sought authority to defer those expenses, the docket number of the case, and whether the Commission approved such request.

4. Refer to the application, paragraph 20, which states, “At their peak, the Companies’ restoration efforts were carried out by nearly 1,200 employees and contractors.” Provide a breakdown of the 1,200 employees and contractors by LG&E, KU, mutual assistance employees, and contractors. Provide a list of contractors and mutual assistance crews that were involved in the restoration process.

5. Refer to the application, paragraphs 22–24.

a. Confirm that KU/LG&E’s storm damage O&M expense for 2018 to date are \$6.9 (KU \$1.9 and LG&E \$5.0) million exclusive of the July 2018 Storm. If this cannot be confirmed, provide the year to date storm damage O&M expense exclusive of the July 2018 Storm.

b. Provide a schedule listing the monthly storm damage incurred by KU to date exclusive of the July 2018 Storm. Identify in each month any major storms and the cost incurred by KU to repair the damage for each major storm.

c. Provide a schedule listing the monthly storm damage incurred by LG&E to date exclusive of the July 2018 Storm. Identify in each month any major storms and the cost incurred by LG&E to repair the damage for each major storm.

6. Refer to the application, paragraph 24. KU/LG&E state that the combined calendar year 2018 operations and expense budgets for storm damage was \$9.3 million. For the calendar years 2014 through 2017, provide a schedule that compares the O&M expense budgeted for storm damage and the actual amounts incurred. Identify in each calendar year any major storms and the cost incurred by KU/LG&E to repair the damage for each major storm.

7. Refer to the application, paragraph 23. KU/LG&E state that property and casualty insurance for distribution and transmission storm damage is prohibitively expensive.

a. Provide the most recent quotes for the insurance referenced in this paragraph for each of KU and LG&E.

b. Explain whether KU/LG&E discussed the issue of carrying storm insurance in the two years prior to incurring the additional costs related to the July 2018 Storm and provide KU/LG&E's analysis of this issue.

c. Explain whether KU/LG&E have revisited the issue of carrying storm insurance in light of the July 2018 Storm and provide KU/LG&E's analysis of this issue.

8. Refer to the application, Exhibit 4.

a. For "Estimated Amount Considered Normal Operations," provide the period on which the amounts are based and a detailed description of how these costs were determined and calculated.

b. Provide a detailed breakdown of miscellaneous costs, showing the actual amounts and estimated amounts separately.

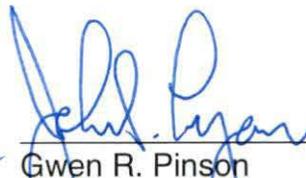
c. Provide a detailed breakdown of any contingency costs, showing the actual amounts and estimated amounts separately.

d. State when KU/LG&E expect to know the amount of the final actual costs.

e. Provide an updated Exhibit 4 based on the most recent information available for estimated and actual costs. Show the date on which the updated costs are based.

9. State whether any transmission lines were damaged as a result of the July 2018 Storm. If there were transmission line restoration costs due to the July 2018 Storm, provide the amount of those costs and whether or not they are included as part of the proposed regulatory asset.

10. Provide any estimates for anticipated storm costs for the remainder of the year.

*For*   
\_\_\_\_\_  
Gwen R. Pinson  
Executive Director  
Public Service Commission  
P.O. Box 615  
Frankfort, KY 40602

DATED SEP 27 2018

cc: Parties of Record

\*Honorable Allyson K Sturgeon  
Senior Corporate Attorney  
LG&E and KU Energy LLC  
220 West Main Street  
Louisville, KENTUCKY 40202

\*Honorable Kendrick R Riggs  
Attorney at Law  
Stoll Keenon Ogden, PLLC  
2000 PNC Plaza  
500 W Jefferson Street  
Louisville, KENTUCKY 40202-2828

\*Rick E Lovekamp  
Manager - Regulatory Affairs  
LG&E and KU Energy LLC  
220 West Main Street  
Louisville, KENTUCKY 40202

\*Robert Conroy  
LG&E and KU Energy LLC  
220 West Main Street  
Louisville, KENTUCKY 40202

\*Kentucky Utilities Company  
220 W. Main Street  
P. O. Box 32010  
Louisville, KY 40232-2010

\*Louisville Gas and Electric Company  
220 W. Main Street  
P. O. Box 32010  
Louisville, KY 40232-2010