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PUBLIC SERVICE
COMMISSION

Commonwealth of Kentucky

Before the Public Service Commission

In the Matter of:)
)
THE APPLICATION OF KENTUCKY)
UTILITIES COMPANY FOR)
CERTIFICATES OF PUBLIC)
CONVIENENCE AND NECESSITY AND)
APPROVAL OF ITS 2011 COMPLIANCE)
PLAN FOR RECOVERY BY)
ENVIRONMETNAL SURCHARGE)

Case No. 2011-00161

In the Matter of:)
)
THE APPLICATION OF)
LOUISVILLE GAS AND ELECTRIC)
COMPANY FOR CERTIFICATES OF)
PUBLIC CONVIENENCE AND NECESSITY)
AND APPROVAL OF ITS 2011)
COMPLIANCE PLAN FOR RECOVERY BY)
ENVIRONMETNAL SURCHARGE.)

Case No. 2011-00162

**Supplemental Direct Testimony of
Rachel S. Wilson**

**On Behalf of
Sierra Club and Natural Resources Defense Council**

PUBLIC

September 23, 2011

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1 **1. INTRODUCTION**

2 **Q Are you the same Rachel Wilson that submitted direct testimony in these dockets on**
3 **September 19, 2011?**

4 **A** I am.

5 **Q What is the purpose of this supplemental testimony?**

6 **A** This supplemental testimony provides a correction to my direct testimony, which was
7 completed on Friday, September 16, 2011, and filed on Monday, September 19, 2011.

8 **Q In your direct testimony, you noted that prior to submitting that testimony you had**
9 **discovered an error in your STRATEGIST analysis. Would you explain that error?**

10 **A** Yes. There were two errors. Upon review of the STRATEGIST input data, I realized that
11 the Companies' gas price inputs to the STRATEGIST model are in \$/MCF, rather than
12 the \$/MMBtu that I had assumed. Secondly, the Companies' gas prices as input into
13 STRATEGIST represent an annual maximum price. The Companies then applied
14 seasonal price adjustment factors to these annual maximum prices which results in gas
15 prices that vary from month-to-month. The revised gas price input that I used in my
16 modeling was intended to represent an average annual price. When the Companies
17 seasonal price adjustment factors were applied to the gas prices that I input into the
18 model, the resulting gas price was incorrect.

19 **Q How did you correct this error?**

20 **A** I performed a new modeling analysis using a new gas price provided to me by Dr. Jeremy
21 Fisher. I executed two sets of new STRATEGIST runs for each of the Companies'
22 scenarios using 1) the revised gas price; and 2) the revised gas price and a carbon dioxide
23 price. I then provided the new output results to Dr. Fisher for his revised analysis.

24 **Q Does this conclude your testimony?**

25 **A** It does.