

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF KENTUCKY UTILITIES)
COMPANY FOR A CERTIFICATE OF)
CONVENIENCE AND NECESSITY AND A CER-)
TIFICATE OF ENVIRONMENTAL)
COMPATIBILITY TO CONSTRUCT FOUR 74) CASE NO. 91-115
MEGAWATT COMBUSTION TURBINE PEAKING)
UNITS AND ASSOCIATED FACILITIES)
SCHEDULED FOR COMPLETION IN 1994 AND)
1995, RESPECTIVELY, TO BE LOCATED AT)
THE COMPANY'S E.W. BROWN GENERATING)
STATION IN MERCER COUNTY, KENTUCKY)

O R D E R

IT IS ORDERED that the Attorney General's office, Utility and Rate Intervention Division ("AG"), shall file the original and 12 copies of the following information with the Commission by September 26, 1991, with a copy to all parties of record. Each copy of the data requested should be placed in a bound volume with each item tabbed. When a number of sheets are required for an item, each sheet should be appropriately indexed, for example, Item 1(a), Sheet 2 of 6. Include with each response the name of the witness who will be responsible for responding to questions relating to the information provided. Careful attention should be given to copied material to ensure that it is legible.

1. Describe fully the reservations Mr. Kinloch has about certain parts of Kentucky Utilities Company's ("KU") load forecast as stated on page 5 of his testimony.

2. Explain fully how DSM programs benefit a local economy as stated on page 7 of Mr. Kinloch's testimony.

3. Based on Mr. Kinloch's review of KU's DSM screening study and his knowledge of DSM program costs, if KU used \$477/KW in its screening study instead of \$334/KW, which other DSM programs would have been shown to be feasible?

4. On page 8 of his testimony, Mr. Kinloch states that most progress and information on DSM has been developed in the last two years. Describe some of the major DSM developments that have occurred during this period and explain how KU could have integrated them into its DSM screening analysis.

5. If possible, provide a comparison of the electricity prices of Sacramento Municipal Utility District ("SMUD") and KU. Are differences in electricity prices between SMUD and KU important in determining the economic viability of prospective DSM programs? Explain.

6. Provide copies of all studies or analyses performed by Mr. Kinloch that show KU's total DSM potential and the viability of specific DSM programs.

7. In Mr. Kinloch's opinion, is KU correctly screening available DSM programs? If not, explain how KU could improve its screening process.

8. KU has chosen to pursue or to further analyze several DSM programs. In Mr. Kinloch's opinion, is KU pursuing the most effective DSM strategy? Explain.

9. Explain the statement, "[i]t appears that the Brown site was selected by default after other sites explored fell through," as shown on page 11 of Mr. Kinloch's testimony.

10. Other than the Trapp site which Mr. Kinloch recommends, what are some other feasible sites KU should consider for the construction of its CTs? Provide any studies which support these alternative sites.

11. Are there any siting limitations associated with the construction of CTs? Explain.

12. Discuss the risks associated with relying on natural gas to fuel combustion turbines instead of oil.

13. Discuss potential supply problems associated with natural gas.

14. If KU located its CTs at the Trapp site, would there be any problems or limitations associated with KU interconnecting with all five of the major gas transmission lines crossing the Trapp property, as discussed on page 15 of Mr. Kinloch's testimony?

15. Explain the significance and purpose of the Trapp Savings Factor shown in Exhibit DHK-2 and describe how it is calculated. Provide all workpapers.

16. Provide a full description of how the amounts shown in each column in Exhibit DHK-2, page 1 of 1, were calculated. Include in this an explanation of what the three columnar totals represent. Provide all workpapers.

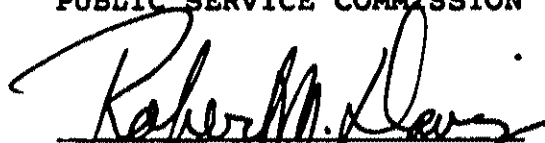
17. Fully describe the methodology and formulas used to calculate additional air emissions using oil instead of gas as shown in Exhibit DHK-3. Provide all workpapers.

18. Is the fabrication of the CT equipment totally unrelated to the nature and specific characteristics of the construction site as discussed on page 18 of Mr. Kinloch's testimony?

19. Explain the statement, "KU could easily buy 75 MW for the year 1994 to fill in the gap until the CTs are available," as shown on page 18 of Mr. Kinloch's testimony. Provide any evidence that would support this statement.

Done at Frankfort, Kentucky, this 4th day of September, 1991.

PUBLIC SERVICE COMMISSION


For the Commission

ATTEST:


Executive Director