

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

INVESTIGATION OF KENTUCKY UTILITIES)	
COMPANY'S AND LOUISVILLE GAS &)	
ELECTRIC COMPANY'S RESPECTIVE NEED)	CASE NO.
FOR AND COST OF MULTIPHASE LANDFILLS)	2015-00194
AT THE TRIMBLE COUNTY AND GHENT)	
GENERATING STATIONS)	

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

Kentucky Utilities Company and Louisville Gas & Electric Company (collectively "Companies"), pursuant to 807 KAR 5:001, Section 8, 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 September 3, 2015. Responses to requests for information in paper medium shall be appropriately bound, tabbed and indexed. 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.

The Companies shall make timely amendment to any prior response if they obtain information which 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 the Companies 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 completely and precisely respond.

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 document containing personal information, the Companies shall, in accordance with 807 KAR 5:001, Section 4(10), encrypt or redact the document so that personal information cannot be read.

1. With the recent publication of the Environmental Protection Agency's Clean Power Plan ("CPP"), explain the expected impact of this rule on the Companies' Trimble County Generating Station ("Trimble County") and whether the Companies believe that an on-site landfill is still the more economical alternative in light of the CPP.

2. Refer to the Companies' response to Commission Staff's Initial Request for Information to Kentucky Utilities Company and Louisville Gas & Electric Company ("Staff's First Request"), Item 1, at page 1 of 2. The Companies answer that one contingency plan can be to pursue agreements with Valley View's commercial landfill, which is permitted and designed to store coal combustion residuals ("CCR"). If Sterling Ventures, LLC ("Sterling Ventures"), were to successfully modify its existing permit to be

able to store CCR, explain if the Valley View option would be explored and considered by the Companies.

3. Refer to the Companies' response to Staff's First Request, Item 4.c. Regarding Phase I Costs, CCRT, the revised estimate is \$233 million and refers to the response to Item 6.c. of Staff's First Request. Provide a break out of the costs listed in Item 6.c. of Staff's First Request as related to the \$233 million.

4. Refer to the Companies' response to Staff's First Request, Item 4.d. The response states, "Thus, disposal of CCR in the Sterling Ventures mine would be regulated as a new CCR landfill even if it obtained all necessary state permits and some CCR were disposed of there by October 2015." State whether the requirements under the new federal CCR Rule would differ for the Sterling Ventures mine if CCR was disposed of in the mine prior to October 19, 2015, compared to CCR being disposed of in the mine after October 19, 2015. If so, explain the difference in the requirements.

5. Refer to the table provided by the Companies in response to Staff's First Request, Item 6.d. Explain why the total amount for each of the two columns titled "Spend Through 6/30/15 (net \$M)" are not equal to each other.

6. Refer to the Companies' response to Staff's First Request, Item 6.g. Provide the length of the current contracts for beneficial reuse for the Ghent Station.

7. Refer to the Companies' response to Staff's First Request, Item 14. Given that the Companies' respond that they believe that Sterling Ventures does not meet any of the beneficial use requirements based on the definition of beneficial use pursuant to 40 CFR 257.53, explain why the Environmental Protection Agency would

bring into question and request a study into the validity of Sterling Ventures as a viable CCR storage alternative.

8. Refer to page 10 of the Direct Testimony of John N. Voyles, Jr. (“Voyles Testimony”), at lines 10–21. Given that the new CCR regulation is self-implementing, confirm or deny that the Companies have the same risk for citizen suits under the Companies’ on-site alternative.

9. Refer to pages 12-13 of the Voyles Testimony. Provide a copy of the letter sent by the President of Sterling Ventures to W. G. Gilbert, Jr., Senior Fuels and Transportation Administration for the Companies on February 19, 2013.

10. Refer to page 18 of the Voyles Testimony, at lines 14-15. Explain what other practicable grounds, other than cost, led the Companies to conclude that the Sterling Ventures alternative was not practicable.

11. Refer to page 23 of the Voyles Testimony, lines 12-16, which state that the Companies informed Sterling Ventures in December 2011 that its offers may have merit in deferring later phases of the Ghent landfill. State whether the Companies plan to pursue this option. If not, explain.

12. Refer to page 25 of the Voyles Testimony regarding the need for short-term storage facilities.

a. Fully describe the short-term storage facilities that are incorporated into the Companies’ Coal Combustion Residual Treatment (“CCRT”) facilities.

b. Explain why the Companies’ CCRT facilities at Ghent and Trimble County would not be sufficient to accommodate interruption to off-site disposal options, including those offered by Sterling Ventures.

13. Refer to Sterling Ventures' Response to Data Request of Kentucky Utilities Company and Louisville Gas and Electric Company, Item 38. Also refer to page 30 of the Voyles Testimony, at lines 5-6.

a. Explain in detail why the Companies disagree with Sterling Ventures' three-year time period to construct a landfill or to find an alternative disposal site if it was determined that disposal would not be beneficial use at the Sterling Ventures site under the EPA's CCR Rule.

b. Explain what time period the Companies believe would be adequate.

14. Refer to page 29 of the Voyles Testimony, which states "Sterling Ventures seems to presume the requisite permits and authority to construct would still be viable at some future point in time." List the various expirations of the permits and authority the Companies must obtain.

15. Refer to page 6 of the Pre-filed Direct Testimony of John W. Walters, Jr. ("Walters Testimony") filed on behalf of Sterling Ventures lines 10-14. Provide a response to Mr. Walters' criticism that the Companies' did not eliminate the \$53 million of gypsum-specific capital costs in the present value revenue requirement ("PVRR") of the Sterling Ventures proposal when comparing the proposal to the Ghent landfill project.

16. Refer to page 17 of the Walters Testimony.

a. Refer to lines 6-7. Explain why the Companies used 30 years in the PVRR comparative analysis rather than the life of the landfill.

b. Refer to lines 20-22. Explain how the initial level of assumed beneficial reuse tonnage was determined and how its decline in subsequent years was determined.



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