

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 STERLING VENTURES, LLC

Sterling Ventures, LLC, ("Sterling Ventures"), pursuant to 807 KAR 5:001, Section 8, is 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.

Sterling Ventures shall make timely amendment to any prior response if it obtains 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 Sterling Ventures fails or refuses to furnish all or part of the requested information, it shall provide a written explanation of the specific grounds for its 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, Sterling Ventures shall, in accordance with 807 KAR 5:001, Section 4(10), encrypt or redact the document so that personal information cannot be read.

1. Provide an estimate of the cost of insurance to cover the liability of coal combustion residual (“CCR”) storage at the Sterling Ventures mine.

2. At what point of the CCR transfer to the Sterling Ventures mine will Sterling Ventures assume 100 percent of the liability for the CCR?

3. Refer to Sterling Ventures’ response to Commission Staff’s Initial Request for Information (“Staff’s First Request”), Item 2.a., related to Sterling Ventures’ efforts to obtain a permit modification.

a. State whether the amendment referred to in the response was filed the week of July 20, 2015.

b. State whether Sterling Ventures has received any indication of when it can expect to obtain the permit modification.

4. Refer to Sterling Venture's response to the requests for information ("Requests") of Kentucky Utilities Company and Louisville Gas and Electric Company ("Companies"), Item 35. Describe with specificity the steps Sterling Ventures intends to take and any initial steps Sterling Ventures has taken to address the Companies' concerns regarding mitigation of operational risks from an interruption or reduction to the Companies' ability to store CCR at the Sterling Ventures mine.

5. Refer to Sterling Ventures' response to the Companies' Request, Item 38. Explain whether Sterling Ventures would extend the timeline to ship any net CCR that cannot be beneficially used in Sterling Ventures mine to an alternate site if the Companies provide evidence that three years is not an adequate timeframe to complete the construction of an on-site landfill.

6. Provide an estimated timeline illustrating the completion of the barge loading-and-unloading transport area, truck transport, pipe/conveyor and any other major components and when Sterling Ventures will be able to take delivery of the product.

7. Refer to the Direct Testimony of John N. Voyles, Jr. ("Voyles Testimony") page 13, line 17. Confirm that Sterling Ventures did not submit a proposal with respect to CCR disposal at Trimble County after the Environmental Protection Agency ("EPA") inquiry.

8. Given that the CCR is a fine particulate, explain how Sterling Ventures will control for dust during the barge transport, truck transport, pipe transport and during interior mine movement.

9. Refer to the Direct Testimony of J. Steven Gardner (“Gardner Testimony”), page 3. State whether Mr. Gardner is aware of any mines being used to store CCR as proposed by Sterling Ventures in this proceeding. If so, identify the mines, mine owners, mine locations, and the entity storing CCR in the mines.

10. Refer to the Gardner Testimony, page 4, lines 10-14. Identify the virgin material for which the CCR is substituting.

11. Refer to the Gardner Testimony, page 5, lines 10-17.

a. Provide documentation to support the minimal environmental impacts referred to in this paragraph.

b. Explain what is meant by “certain support facilities” as used on line 15.

12. Refer to the Gardner Testimony, page 6, lines 3-4. Explain why Sterling Ventures believes only a modification of the current permit from gypsum to CCR is necessary.

13. Refer to the Gardner Testimony, page 6, lines 5-6 regarding the need to amend the Kentucky Department of Natural Resource mining permit to reflect material handling facilities. Explain why Sterling Ventures would need to amend this permit and provide the status of the amendment process.

14. Refer to the Gardner Testimony, page 10, lines 19-23. Provide the production rate of the mine for each year since the start of mining operations.

15. Refer to page 11 of the Gardner Testimony.

a. Refer to line 7. Explain the use of 90 percent for available mine space.

b. Refer to lines 14-16. Explain the consequences if the 1 percent limestone sales and production increase does not occur in this scenario.

16. Refer to the Gardner Testimony, page 12, lines 1-3. Explain how the CCR would be transported from the CCR Treatment facility to the barges and whether the cost of this transportation is included in Sterling Ventures analysis.

17. Refer to the Gardner Testimony, page 14, line 18, which is the table of trucking logistics. State whether the figure for trips/day/truck represents a round trip or one-way trip.

18. Refer to the Gardner Testimony, page 14, which states: "Unloading at the mine site will involve either direct truck dumping into a mineshaft, or truck dumping at a designated surface staging area and subsequent movement of material to the mineshaft by a loader." State if Sterling Ventures believes that a "designated surface staging area" would be required to comply with the EPA's CCR rules requiring a leachate collection system and groundwater monitoring.

19. Refer to the Direct Testimony of John W. Walters, Jr. ("Walters Testimony"), page 4, lines 6-10.

a. Confirm that Sterling Ventures is currently proposing to receive all CCR from Trimble County and not only gypsum.

b. Lines 8-10 state that "Sterling [Venture] was not interested in coal ash going into its mine if the ash would later be classified as hazardous." State whether this statement indicates that Sterling Venture had no interest in storing the Trimble County CCR in its mine prior to the issuance of the final CCR Rule by the EPA on December 19, 2014.

20. Refer to the Walters Testimony, pages 18-19. Provide a copy of the analysis described on these pages in Excel spreadsheet format with the formulas intact and unprotected.

21. Refer to the Walters Testimony, page 21, lines 3-6 and page 22, lines 13-19, regarding Kentucky Division of Waste Management (“KDWM”) staff’s opinions regarding how the new CCR regulations would affect Sterling Ventures’ ability to “beneficially reuse CCR in its limestone mine.”

a. State whether Sterling Ventures asserts that KDWM staff determined that the proposed use of CCR in Sterling Ventures’ limestone mine provides a functional benefit as the term is used in the new CCR regulations. If yes, explain the basis for that assertion and provide written documentation of the KDWM determination.

b. State whether Sterling Venture asserts that KDWM staff determined that the proposed use of CCR in Sterling Ventures’ limestone mine substitutes for the use of a virgin material as the term is used in the new CCR regulations. If so, explain the basis for that assertion and provide written documentation of the KDWM determination.

22. Refer to the Walters Testimony, page 22, lines 1-3. Explain in detail what is meant by the statement “Sterling’s requirement to maintain an active mining operation prevents excess quantities of CCR beyond what is necessary to fill voids in mined out, abandoned areas of the mine.”

23. Refer to the Walters Testimony, page 26, lines 5-10.

a. State when Sterling Ventures first became aware of the Companies' assertion regarding the need for a CCR treatment facility in conjunction with CCR disposal.

b. Explain what steps Sterling Venture has taken to investigate the Companies' assertion that CCR treatment is needed in conjunction with CCR disposal.



---

Jeff Derouen  
Executive Director  
Public Service Commission  
P.O. Box 615  
Frankfort, KY 40602

DATED     **AUG 20 2015**    

cc: Parties of Record

\*Honorable Kurt J Boehm  
Attorney at Law  
Boehm, Kurtz & Lowry  
36 East Seventh Street  
Suite 1510  
Cincinnati, OHIO 45202

\*Honorable Michael L Kurtz  
Attorney at Law  
Boehm, Kurtz & Lowry  
36 East Seventh Street  
Suite 1510  
Cincinnati, OHIO 45202

\*Jody Kyler Cohn  
Boehm, Kurtz & Lowry  
36 East Seventh Street  
Suite 1510  
Cincinnati, OHIO 45202

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

\*Robert Conroy  
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

\*Gregory T Dutton  
Assistant Attorney General  
Office of the Attorney General Utility & Rate  
1024 Capital Center Drive  
Suite 200  
Frankfort, KENTUCKY 40601-8204

\*Ed Staton  
VP - State Regulation and Rates  
Kentucky Utilities Company  
220 W. Main Street  
P. O. Box 32010  
Louisville, KY 40232-2010

\*Joshua D Farley  
Howard & Farley  
455 South Fourth Street, Suite 1250  
Louisville, KENTUCKY 40202

\*Ed Staton  
VP - State Regulation and Rates  
Louisville Gas and Electric Company  
220 W. Main Street  
P. O. Box 32010  
Louisville, KY 40202

\*Dennis G Howard, II  
Howard & Farley  
455 South Fourth Street, Suite 1250  
Louisville, KENTUCKY 40202

\*Honorable Allyson K Sturgeon  
Senior Corporate Attorney  
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

\*John Walters, Jr.  
General Counsel/CFO  
Sterling Ventures, LLC  
376 South Broadway  
Lexington, KENTUCKY 40508