

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF LOUISVILLE GAS)	
AND ELECTRIC COMPANY FOR AN)	CASE NO. 2014-00372
ADJUSTMENT OF ITS ELECTRIC)	
AND GAS RATES)	

**DATA REQUESTS OF
LOUISVILLE GAS AND ELECTRIC COMPANY
PROPOUNDED TO KENTUCKY INDUSTRIAL UTILITY CUSTOMERS, INC.**

Louisville Gas and Electric Company (“LG&E”) respectfully submits the following data requests to Kentucky Industrial Utility Customers, Inc. (“KIUC”), to be answered by the date specified in the procedural schedule established by the Kentucky Public Service Commission (“Commission”) in this matter on December 12, 2014.

Instructions

1. As used herein, “Documents” include all correspondence, memoranda, notes, e-mail, maps, drawings, surveys or other written or recorded materials, whether external or internal, of every kind or description in the possession of, or accessible to, KIUC, its witnesses, or its counsel.
2. Please identify by name, title, position, and responsibility the person or persons answering each of these data requests.
3. These requests shall be deemed continuing so as to require further and supplemental responses if KIUC receives or generates additional information within the scope of these requests between the time of the response and the time of any hearing conducted herein.

4. To the extent that the specific document, work paper, or information as requested does not exist, but a similar document, work paper, or information does exist, provide the similar document, work paper, or information.

5. To the extent that any request may be answered by a computer printout, spreadsheet, or other form of electronic media, please identify each variable contained in the document or file that would not be self-evident to a person not familiar with the document or file.

6. If KIUC objects to any request on the ground that the requested information is proprietary in nature, or for any other reason, please notify the undersigned counsel as soon as possible.

7. For any document withheld on the ground of privilege, state the following: date; author; addressee; indicated or blind copies; all persons to whom distributed, shown or explained; and the nature and legal basis for the privilege asserted.

8. In the event any document requested has been destroyed or transferred beyond the control of KIUC, its counsel, or its witnesses, state: the identity of the person by whom it was destroyed or transferred and the person authorizing the destruction or transfer; the time, place and method of destruction or transfer; and the reason(s) for its destruction or transfer. If such a document was destroyed or transferred by reason of a document retention policy, describe in detail the document retention policy.

9. If a document responsive to a request is a matter of public record, please produce a copy of the document rather than a reference to the record where the document is located.

Data Requests

Mr. Baron

1. Please provide all schedules in electronic format with cells intact and all work-papers, source documents, and electronic spreadsheets used in the development of Mr. Baron's Direct Testimony. Please provide all spreadsheets in Microsoft Excel with formulas intact.

2. Beginning on page 22, line 18 of his Testimony, Mr. Baron states that "The credit is designed to compensate the customer for taking non-firm service and generally reflects the avoided cost of generating capacity that the Companies would otherwise have to procure (buy, build, etc.) without the customer's agreement to interrupt its CSR load during emergency events on the KU and LG&E systems." (emphasis added)
 - a. Define "during emergency events" as Mr. Baron uses this term in his testimony.
 - b. Does the language "during emergency events" allow KU/LG&E to call on CSR interruptions before emergency power is purchased in the dispatch stack? Explain your response.
 - c. Would the language "during emergency events" require KU/LG&E to call on CSR interruptions after emergency power is purchased in the dispatch stack? Explain your response.
 - d. Does it matter whether CSR interruptions are called on either before or after emergency power is purchased by KU/LG&E in the dispatch stack in calculating CSR credits? Explain why this would or would not make a difference.
 - e. Is it Mr. Baron's interpretation of the language in the current CSR tariff that he recommends retaining in the tariff that CSR interruptions would be made before emergency power is purchased by KU/LG&E in the dispatch stack or after emergency power is purchased by KU/LG&E?
 - f. Are the calculations of the CSR credits that Mr. Baron recommends based on dispatching CSR interruptible load before emergency power is purchased by KU/LG&E in the dispatch stack or after emergency power is purchased by KU/LG&E in the dispatch stack?

3. On page 23, lines 6-9 of his Testimony, Mr. Baron states that "Of that amount, 275 hours can be interrupted at the sole discretion of the Companies, but the CSR customer has the option to buy-through the curtailment and pay an energy price pursuant to a formula tied to market natural gas prices."

- a. Does the formula for pricing buy-through in the CSR tariff accurately reflect the price of purchased power in the market during emergency events? Explain your response.
 - b. Has Mr. Baron performed any analysis that demonstrates that the formula for buy-through in the CSR tariff accurately reflects the cost of purchased power in the market during emergency events. If yes, please provide, in electronic format if available, copies of this analysis.
 - c. Under what conditions could the price of purchased power in the market during emergency events be less than the formula for purchasing buy through in the CSR tariff?
4. If the current tariff language restricts KU/LGE to calling on CSR interruptions after emergency power is purchased in the dispatch stack, explain the benefit to other customers that Mr. Baron claims.
5. On page 26, lines 5-6 of his Testimony, Mr. Baron states that “CSR customers are not being compensated for this ‘energy value’.”
 - a. Is the capacity value for which CSR customers are compensated greater than the energy value to which Mr. Baron refers in his testimony? Explain your response.
 - b. Has Mr. Baron quantified the “energy value” to which he refers in his Testimony? If yes, please provide a copy of this analysis.
 - c. Confirm or deny that 100 hours of interruption is about 1% of the hours in a given year.
 - d. Is taking service under the CSR tariff voluntary on the part of customers?
 - e. Explain the value to KU/LGE if it used the 100 hours of interruptions for which it compensates CSR customers to interrupt CSR customers to achieve fuel savings rather than capacity savings. Also explain why it would be in the Company’s interest to do this.
6. On page 27, line 13 of his Testimony, Mr. Baron states that “the Companies treat CSR load as a peaking capacity resource.” On pages 30 and 31 of his Testimony, he calculates a CSR credit based on the levelized cost of a combustion turbine as reported by EIA.
 - a. Can the Company use CSR interruptions as flexibly as it can use a new combustion turbine? Explain your response.
 - b. Identify any limitations on the use of a new combustion turbine that are comparable to the limitations on the use of CSR interruptions.

7. Beginning on page 27 of his Testimony, Mr. Baron calculates CSR credits using the avoided cost the company uses in screening DSM measures and programs.
 - a. Is the use of DSM measures limited to “emergency events”?
 - b. Would the limitations on the use of DSM programs impact the credits provided to DSM program participants? Explain your response.
 - c. Are the limitations on the use of DSM programs more or less restrictive than the limitations on the use of CSR interruptions? Explain your response.
8. On page 30 of his Testimony, Mr. Baron discusses Net CONE for PJM CONE Area 3 and uses this to calculate a CSR credit.
 - a. Identify the geographic areas included in PJM CONE Area 3.
 - b. What are the most recent MISO capacity auction prices for Indiana and Kentucky and for what years would these capacity auction prices apply?
 - c. Net CONE is calculated using the levelized cost of a new simple cycle combustion turbine. Can CSR interruptions be used as flexibly as a new simple cycle combustion turbine? Explain your response.

Mr. Baudino

9. Please provide all schedules in electronic format with cells intact and all workpapers, source documents, and electronic spreadsheets used in the development of Mr. Baudino’s Direct Testimony. Please provide all spreadsheets in Microsoft Excel with formulas intact.
10. Reference Exhibit No.__(RAB-6):
 - a. Please provide a list of each firm relied on by Mr. Baudino to develop the median earnings and book value growth rates and the individual growth rate estimates for each firm.
 - b. Please provide a list of each firm relied on by Mr. Baudino to develop the median dividend yield of 0.76% and the individual dividend yield for each firm.
 - c. Please provide all workpapers and supporting documents for the Value Line median growth rates and dividend yields.
 - d. Please indicate how many of the firms included in arriving at the median earnings and book value growth rates pay common dividends.

Mr. Kollen

11. Please provide all schedules in electronic format with cells intact and all work-papers, source documents, and electronic spreadsheets used in the development of Mr. Kollen's Direct Testimony. Please provide all spreadsheets in Microsoft Excel with formulas intact.
12. Is Mr. Kollen aware that late payment fees were reduced from 5% to 3% for certain rate schedules including residential customers in Case No. 2012-00221?
13. Would Mr. Kollen agree that property taxes should not be capitalized for projects with a construction period of less than one year since property taxes are annually assessed for the current year based on January 1 values?
14. Would Mr. Kollen agree that should property taxes be capitalized, a capitalization adjustment is also warranted in addition to the net operating income adjustment?
15. Would Mr. Kollen agree that he did not adjust the gross revenue conversion factor utilized in his proposed cost of capital adjustment shown in Item VII in Exhibit LK-45?
16. Would Mr. Kollen agree that the forecasted test year gross revenue conversion factor should be increased to reflect the impact of the loss of the Sec. 199 deduction for LG&E as a result of the reduction in LG&E's taxable income attributable to bonus tax depreciation?
17. Why do the Operating Income adjustments shown on Page 5 of Mr. Kollen's testimony for extending the amortization period of deferred costs not agree to the amounts presented on Exhibits LK-34 and LK-35? The amounts on page 5 are \$(1.183) million for KU and \$(0.809) million for LG&E whereas Exhibit LK-34 for KU shows \$(1.177) million and Exhibit LK-35 for LG&E shows \$(0.805) million.
18. What is Mr. Kollen's basis for stating that LG&E's defined benefit pension plan, closed to new employees since the beginning of 2006, will be paying pension payments "up to 60 or more years" and what are the payments he expects over each of those 60 years?
19. Please list all companies Mr. Kollen is aware of that amortize actuary loss on defined benefit pension plans over a period of 30 or more years.
20. On page 15 in the first full paragraph of Mr. Kollen's testimony, he quotes actual employees as 1667. Does Mr. Kollen agree that 1667 is the forecasted number? Does Mr. Kollen agree the actual number of employees is 1592?

Dated: March 23, 2015

Respectfully submitted,



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CERTIFICATE OF COMPLIANCE

This is to certify that Louisville Gas and Electric Company's March 23, 2015 electronic filing of the Data Requests is a true and accurate copy of the same document being filed in paper medium; that the electronic filing has been transmitted to the Commission on March 23, 2015; that there are currently no parties that the Commission has excused from participation by electronic means in this proceeding; and that an original paper medium of the Data Requests is being mailed, by first class United States mail, postage prepaid, to the Commission on March 23, 2015.



Counsel for Louisville Gas and Electric Company