

**COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION**

In the Matter of:

**ELECTRONIC APPLICATION OF LOUISVILLE)
GAS AND ELECTRIC COMPANY FOR AN)
ADJUSTMENT OF ITS ELECTRIC AND GAS) CASE NO. 2016-00371
RATES AND FOR CERTIFICATES OF PUBLIC)
CONVENIENCE AND NECESSITY)**

**RESPONSE OF JBS SWIFT & CO TO COMMISSION STAFF'S FIRST REQUEST
FOR INFORMATION DATED MARCH 17, 2017**

FILED: MARCH 31, 2017

Louisville Gas and Electric Company

Case No. 2016-00371

Response of JBS Swift & Co to Commission Staff's First Request for Information Dated
March 17, 2017

Q-1. State under what electric and gas rate schedules JBS Swift is currently served by Louisville Gas and Electric Company ("LG&E").

A-1. JBS is currently served electricity under LG&E's Time of Day Primary - Industrial (TODP) rate schedule. JBS is currently served natural gas under LG&E's Firm Transportation (FT) rate schedule. Natural gas supply is provided by a third party supplier.

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- Q-2. Refer to the Direct Testimony of Eric Wallin ("Wallin Testimony") at page 3, lines 16-22.
- a. State whether JBS Swift currently owns generation facilities. If so, provide details concerning the facilities.
 - b. State whether the referenced local disturbances are caused by LG&E system outages or if they are outages on JBS Swift-owned equipment.
 - c. Explain the statement beginning on line 20 regarding the credits offered under the Curtailable Service Rider ("CSR") to partially offset the cost of generators to protect against unexpected local outages.
 - d. Explain whether JBS Swift is aware that LG&E's CSR is designed to provide credits to customers who are able to curtail a portion of their load when called upon by LG&E, after being given notice, and that credits would not necessarily apply to the temporary outages described in the Wallin Testimony.
- A-2. a. JBS does not currently own generation at its Louisville, KY facility. However, in the interest of full disclosure and not related to JBS' Louisville facilities, JBS does own approximately 10.5 MW of diesel fired generation at its plant in Marshalltown, Iowa facility for back-up, for emergency, and the Alliant Energy demand response program, 14,500 kW of natural gas fired cogeneration at its Brooks, Canada facility, and 1.5 MW of cogeneration from digester gas which it sells to Duke Energy in Sumter, South Carolina. While Mr. Wallin is aware that the Greely, Colorado facility has cogeneration infrastructure in place, he is not familiar with the details of same except that it has never been run.

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- b. Following are the tables that LG&E provided to JBS which indicate duration and cause of disturbances.

Date	Outage Duration (Hours)
6/6/2016	0.34
5/27/2016	0.59
11/16/2015	0.31
10/19/2015	< 0.01
10/17/2015	0.10
7/5/2014	< 0.01
4/6/2014	< 0.01
3/29/2014	4.30

Date	Cause
6/6/2016	Capacitor Bank
5/27/2016	Capacitor Bank
11/16/2015	Line / Switch Fault
10/19/2015	Circuit Relay
10/17/2015	Substation Transformer
7/5/2014	Circuit Relay
4/6/2014	Circuit Relay
3/29/2014	JBS Equipment Issue

- c. By utilizing the demand response program, JBS would lower its electricity bill and thus will have a subsequent cash flow to direct toward payment of generators. JBS could invest in local generation which it will operate when called upon by LG&E and when LG&E is not able to provide continuous electric service. Note that future investments are contingent on further engineering and financial studies. However, without the credits in electricity cost in the current CSR program, JBS would almost certainly not be able to justify investing in on-site back-up generation.
- d. JBS is aware that CSR credits do not get applied directly against temporary unscheduled outages from LG&E. Rather JBS is concerned with reinvesting the savings from use of the CSR in generation.

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Q-3. Refer to the Wallin Testimony at page 4, lines 9–16. Provide JBS Swift's current daily and annual natural gas usage, and the expected incremental daily and annual natural gas usage resulting from the installation of natural gas-fired generation.

A-3. Below is a summary of JBS natural gas usage for the meter at Bickel Street in Louisville for calendar year 2016. While JBS has another meter, this account/install feeds the boiler operation and is likely the account to be utilized in a cogeneration manner pending further engineering reviews. The daily consumption on this meter was summarized from scanned images of the LG&E invoices and may vary by < 10 Mcf for the year. JBS does not have an anticipated volume of incremental gas used for cogeneration or peak shaving.

2016 Gas Usage (Mcf) for Acct: 300010536641 Install: 571390 JB Swift & Co. Bickel St.												
Day	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
1	173.7	1,099.8	1,066.7	852.6	357.4	757.7	755.1	868.5	927.4	677.4	910.9	976.8
2	170.7	1,072.4	1,091.0	274.7	915.5	765.8	0.0	1,022.2	729.1	315.6	971.1	1,018.0
3	349.2	1,112.3	1,107.7	280.2	930.7	754.9	0.0	890.0	0.0	978.0	1,006.8	706.4
4	954.0	1,217.1	978.4	983.9	929.8	0.0	360.6	1,153.4	0.0	904.8	942.5	277.4
5	1,065.9	880.9	135.8	1,035.1	997.0	707.6	947.0	804.0	373.8	983.4	624.7	1,068.7
6	1,111.0	121.0	300.7	929.5	835.6	750.8	799.1	32.6	888.1	781.7	294.9	977.5
7	1,060.8	387.0	973.6	995.7	0.0	826.3	916.2	347.0	895.6	879.6	990.6	916.5
8	812.1	1,107.8	1,072.2	862.8	383.4	890.7	784.6	863.9	954.6	58.0	982.1	977.5
9	181.5	1,108.4	1,132.3	139.5	933.8	770.7	0.0	827.6	828.3	329.9	1,044.3	1,060.6
10	348.5	1,199.2	1,049.3	287.8	508.9	702.8	350.5	833.0	597.6	804.8	898.3	787.7
11	1,127.8	1,072.2	730.3	933.9	722.3	0.0	928.2	955.8	602.0	850.2	1,035.4	504.7
12	1,148.8	953.7	0.0	945.7	721.0	490.2	916.6	665.5	917.7	979.9	692.0	1,116.6
13	1,111.3	219.8	237.4	990.6	660.2	683.9	898.2	0.0	923.9	788.1	345.2	1,053.4
14	1,037.4	469.1	1,074.3	989.1	0.0	706.4	865.5	369.4	533.9	1,072.9	922.4	1,086.4
15	1,119.3	1,080.4	829.1	713.0	507.9	758.4	799.6	861.6	513.0	566.6	966.9	1,015.4
16	781.4	1,040.0	912.4	0.0	742.9	740.6	0.0	888.4	252.9	416.9	995.5	1,025.9
17	457.1	1,094.2	910.7	267.7	759.2	651.5	310.9	907.1	89.7	849.6	918.1	1,029.5
18	1,190.8	1,096.3	1,106.3	904.8	782.0	0.0	862.0	892.8	248.1	1,096.7	923.7	485.5
19	1,163.4	984.9	456.2	942.8	758.8	463.5	870.6	789.0	425.4	937.8	621.7	1,108.6
20	1,154.5	0.0	382.1	976.5	629.5	782.9	943.6	72.7	730.9	913.8	438.0	1,123.8
21	1,188.4	390.3	947.4	888.6	0.0	721.0	930.2	304.0	883.6	819.7	1,050.0	1,131.1
22	884.3	1,058.9	1,069.3	752.2	501.5	794.3	812.6	780.3	738.5	763.7	979.1	1,114.7
23	208.0	1,017.2	1,013.7	0.0	727.2	704.6	140.7	780.4	920.1	329.0	721.1	789.9
24	391.8	1,112.6	1,140.2	289.6	737.1	712.1	272.2	740.8	823.5	957.3	426.1	0.0
25	966.6	1,112.5	892.0	888.2	763.3	0.0	887.5	786.3	399.7	874.9	965.8	0.0
26	1,225.8	813.1	0.0	909.0	759.6	513.8	818.8	626.8	869.4	913.0	787.1	382.9
27	1,034.2	20.1	359.1	985.9	662.9	742.5	925.4	46.3	985.9	889.1	372.3	1,157.8
28	853.7	333.5	887.5	998.1	0.0	739.6	968.7	275.0	868.6	902.6	984.0	1,118.1
29	914.8	1,113.2	953.2	861.2	0.0	717.1	946.8	827.0	991.5	669.5	938.9	1,228.3
30	822.4	N/A	894.5	0.0	522.1	806.6	20.4	815.0	927.4	389.5	1,003.7	1,035.6
31	294.3	N/A	1,072.0	N/A	777.0	N/A	270.2	942.8	N/A	944.9	N/A	882.6
Total	25,303.5	24,287.9	24,775.4	20,878.7	18,526.6	18,656.3	19,301.8	20,969.2	19,840.2	23,638.9	24,753.2	27,157.9
Avg. Day	816.2	837.5	799.2	696.0	597.6	621.9	622.6	676.4	661.3	762.5	825.1	876.1
											Annual	268,089.6

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- Q-4. Refer to the Wallin Testimony at page 5, lines 5-8. State whether JBS Swift anticipates that its natural gas generation needs will meet the threshold volumetric requirements of LG&E's Firm Transportation tariff, which requires usage of at least 50 Mcf per day per delivery point.
- A-4. JBS currently utilizes the Firm Transportation tariff. JBS has not determined whether natural gas or diesel fuel would be the fuel source for generation. This decision will depend on future engineering and cost studies. In the event that natural gas is used as the fuel source, the existing meter in response to question 3 above would be utilized with any incremental volumes adding to the current volumes under rate FT. In the event that diesel fuel is used as a fuel source, the natural gas rate application would not be applicable.

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- Q-5. Refer to the Wallin Testimony, page 5, line 11, through page 6, line 7. Provide a more detailed explanation of the non-firm back-up service JBS Swift is requesting on page 5, and clarify the position of JBS Swift on page 6 with regard to whether it objects to LG&E's proposal to eliminate the Supplemental or Standby Service Rider SS.
- A-5. The non-firm standby service that JBS contemplates is a service in which LG&E is not required to provide generation during an outage of the Customer's generator. Rather, LG&E would provide power on an as-available basis. The Customer would set a firm service level based on normal demand on the LG&E system with any excess demand above the firm level billed at a rate based on traditional interruptible rate structures. JBS is not opposed to the elimination of the Supplemental or Standby Service Rider SS provided that a scheduled maintenance outage coordinated with LG&E is exempted from the "Next 11 month" ratchet mechanisms for peak, intermediate and base demand charges under the TOD rate structure. JBS believes it is sufficient to pay its contribution during the month in question under this scenario.

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