

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC JOINT APPLICATION OF	)	
KENTUCKY UTILITIES COMPANY AND	)	
LOUISVILLE GAS AND ELECTRIC COMPANY	)	CASE NO.
FOR APPROVAL OF AN OPTIONAL SOLAR	)	2016-00274
SHARE PROGRAM RIDER	)	

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

Kentucky Utilities Company and Louisville Gas and Electric Company (jointly, "the Companies"), pursuant to 807 KAR 5:001, are to file with the Commission the original and six copies in paper medium and an electronic version of the following information. The information requested herein is due on or before September 26, 2016. 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 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 should 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 applicable, the requested information shall be separately provided for total company operations and jurisdictional operations. When filing a document containing personal information, the Companies shall, in accordance with 807 KAR 5:001, Section 4(10), encrypt or redact the paper so that personal information cannot be read.

1. Refer to the Companies' response to Commission Staff's Initial Request for Information ("Staff's First Request"), Item 2.

a. Confirm that a change to the Solar Capacity Charge could occur only in a base rate case proceeding. If this cannot be confirmed, state the type of proceeding in which the Companies would request a change.

b. Explain how a customer subscribing to less than 50 kW will be made aware that the Solar Capacity Charge can change within the 12-month subscription period.

2. Refer to the Companies' response to Staff's First Request, Item 8.

a. The attachment to the response is redacted; however, the Companies' confidential filing does not include the attachment to this response. Provide the confidential version of the attachment.

b. The last sentence of the response states that the amount of Ongoing Costs in Exhibit 5 of the Application includes additional costs for unplanned maintenance. Explain how the amount of additional unplanned maintenance was determined.

3. Refer to the Companies' response to Staff's First Request, Item 23.a. By month, provide the kWh expected to be provided by a quarter kW capacity subscription.

4. Refer to the Companies' response to Staff's First Request, Item 25, attachment, page 3 of 49, Section 1.2. The section indicates that the Solar Share Facility is to serve only non-residential customers. State whether this was the Companies' intention when the request for proposals was issued.

5. Refer to the Companies' response to Staff's First Request, Item 30. State whether a customer would be refunded the Subscription Fee if the next Solar Share Facility never became fully subscribed.

6. Refer to the Companies' response to Staff's First Request, Item 34.

a. State how frequently the Companies will examine the allocation of the Solar Share Facilities cost.

b. Explain the effect it would have on each of the Companies when the allocation between the Companies changes.

7. Refer to the Companies' response to Staff's First Request, Item 37, and to the Application, the Direct Testimony of Steven S. Seelye and Exhibit WSS-3.

a. The response to Item 37 states that the rate schedules not represented in Exhibit WSS-3 have three-part rates consisting of a customer charge, energy charge, and demand charge, and therefore it was not necessary to calculate the variable cost component for these classes. Notwithstanding that response, provide a revised Exhibit WSS-3 which includes the classes eligible for the Solar Share Program that are not represented in the exhibit.

b. Exhibit WSS-3 states that the source for the exhibit is the cost-of-service studies filed in the Companies' most recent base rate cases, adjusted for the revenue requirement authorized in those cases. Provide the adjusted cost-of-service studies in Excel spreadsheet format with the formulas intact and unprotected.

c. Mr. Seelye's testimony at page 3 states that the Solar Energy Credit is "based on the variable cost of production." Explain in general why there is a difference in the variable costs of production among the rate classes.

8. Refer to the Companies' response to Staff's First Request, Item 38. The response states that approximately \$1 million in unallocated capital will eventually be allocated to subsequent Solar Share Facilities.

a. Confirm that the \$1 million referenced in the response appears in the Application, Exhibit 5, as the subtotal of the third horizontal block of numbers in the exhibit (in the middle of the page) and is titled "Costs Incurred at 1<sup>st</sup> Solar Share Facility." If this cannot be confirmed, state where in Exhibit 5 the costs are located.

b. State whether the allocation of the \$1 million in unallocated capital costs to subsequent Solar Share Facilities will occur in the context of a base rate case filing. If not, state the type of filing in which this allocation will occur.

c. Exhibit WSS-2 shows the Solar Capacity Charge calculation for Solar Share Facility No. 1. State whether it is anticipated that the Solar Capacity Charge will change as each of the eight facilities is completed. If so, provide a revised WSS-2 showing the effect on the Solar Capacity Charge as each of the eight facilities is completed.

d. If the anticipated impact of the future allocation of the \$1 million in unallocated capital costs is not reflected in the response to subpart c. above, provide the effect the future allocation will have on the Solar Capacity Charge.

9. Refer to the Companies' response to Staff's First Request, Item 40. Provide the demographics for the residential customers who completed the Companies' customer survey.

10. Describe what notice was provided, if any, to persons who own property in close proximity to or adjacent to the proposed site location regarding the proposed solar project.

a. If notice was provided, provide a copy of the notice or notices.

b. If any meetings were held with property owners, provide a list of attendees and meeting notes.

c. If no notice was provided, explain why notice was not provided to persons who own property in close proximity to or adjacent to the proposed site location.

11. State whether any transmission and distribution ("T&D") upgrades will be necessary in connection to the Solar Share Facility.

a. If so, provide details of the upgrade and explain if the T&D costs are accounted for in Exhibit 5 of the Application.

b. If not, state whether the Solar Share customers will be responsible for the additional T&D costs through a revised monthly Solar Capacity Charge or if cost will be paid by the Companies' customer base.

12. Provide the calculation for the number of years it will take to pay for each fully subscribed Solar Share Facility at a monthly Solar Capacity Charge of \$6.29. Explain if the Companies will reduce the monthly facility charge once the investment is paid for.



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DATED SEP 16 2016

cc: Parties of Record

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