



Mr. Jeff DeRouen
Executive Director
Kentucky Public Service Commission
211 Sower Boulevard
Frankfort, Kentucky 40601

RECEIVED

JUN 15 2011

PUBLIC SERVICE
COMMISSION

LG&E and KU Energy LLC
State Regulation and Rates
220 West Main Street
P.O. Box 32010
Louisville, Kentucky 40232
www.lge-ku.com

Rick E. Lovekamp
Manager Regulatory Affairs
T 502-627-3780
F 502-627-3213
rick.lovekamp@lge-ku.com

June 15, 2011

RE: *Joint Application of Louisville Gas and Electric Company and Kentucky Utilities Company for Review, Modification, and Continuation of Existing, and Addition of New, Demand-Side Management and Energy-Efficiency Programs - Case No. 2011-00134*

Dear Mr. DeRouen:

Please find enclosed and accept for filing the original and ten (10) copies of the response of Louisville Gas and Electric Company and Kentucky Utilities Company to the First Set of Data Requests of the Kroger Company dated June 1, 2011, in the above-referenced matter.

Should you have any questions regarding the enclosed, please contact me at your convenience.

Sincerely,

Rick E. Lovekamp

cc: Parties of Record

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

JOINT APPLICATION OF LOUISVILLE GAS AND)
ELECTRIC COMPANY AND KENTUCKY UTILITIES) CASE NO.
COMPANY FOR REVIEW, MODIFICATION, AND) 2011-00134
CONTINUATION OF EXISTING, AND ADDITION OF NEW)
DEMAND-SIDE MANAGEMENT AND ENERGY-)
EFFICIENCY PROGRAMS)

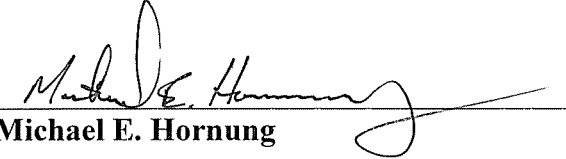
RESPONSE OF
LOUISVILLE GAS AND ELECTRIC COMPANY
AND
KENTUCKY UTILITIES COMPANY
TO THE FIRST SET OF DATA REQUESTS OF THE KROGER COMPANY
DATED JUNE 1, 2011

FILED: June 15, 2011

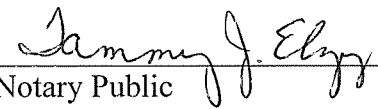
VERIFICATION

COMMONWEALTH OF KENTUCKY)
) SS:
COUNTY OF JEFFERSON)

The undersigned, **Michael E. Hornung**, being duly sworn, deposes and says that he is Manager of Energy Efficiency Planning & Development for LG&E and KU Services Company, and that he has personal knowledge of the matters set forth in the responses for which he is identified as the witness, and the answers contained therein are true and correct to the best of his information, knowledge and belief.


Michael E. Hornung

Subscribed and sworn to before me, a Notary Public in and before said County and State, this 15th day of June 2011.

 (SEAL)
Notary Public

My Commission Expires:

November 9, 2014

LOUISVILLE GAS AND ELECTRIC COMPANY
KENTUCKY UTILITIES COMPANY

Response to the First Set of Data Requests
Of the Kroger Company
Dated June 1, 2011

Case No. 2011-00134

Question No. 1

Witness: Michael E. Hornung

Q-1. Section 5.11 of the Stipulation and Recommendation provides that the Companies in this Application will propose to modify their existing Commercial Conservation and Rebates Program to broaden the financial incentives for qualifying commercial customers to replace relatively inefficient equipment. Part (1) of the modifications, as described in the Stipulation and Recommendation, will be to add refrigeration to the kinds of equipment for which incentives are available. Please identify by section or page number and describe the modifications that reflect the foregoing commitment contained in each of the following programs:

- a) Smart Energy Profile (new).
- b) Demand Conservation (enhanced).
- c) Commercial Incentive (enhanced).
- d) Program and Development (enhanced).

In your response, please explain how each proposed modification applies to large multisite commercial customers with load characteristics similar to Kroger.

- A-1.
- a) This program was not designed to address Part (1) of the modifications, as described in the Section 5.11 of the Stipulation and Recommendation.
 - b) This program was not designed to address Part (1) of the modifications, as described in the Section 5.11 of the Stipulation and Recommendation.
 - c) This program was designed to address Part (1) of the modifications, as described in the Section 5.11 of the Stipulation and Recommendation. The Commercial Incentive (enhanced) includes the addition of energy efficiency retrofits eligible to include refrigeration. Additional information on the Commercial Incentive program can be located in KPSC Case No. 2011-00134, Volume I, Exhibit MEH-1, pages 27-30.

- d) This program was not designed to address Part (1) of the modifications, as described in the Section 5.11 of the Stipulation and Recommendation.

LOUISVILLE GAS AND ELECTRIC COMPANY
KENTUCKY UTILITIES COMPANY

Response to the First Set of Data Requests
Of the Kroger Company
Dated June 1, 2011

Case No. 2011-00134

Question No. 2

Witness: Michael E. Hornung

Q-2. Part (2) of the modifications, as described in Section 5.11 of the Stipulation and Recommendation, will be to introduce a Commercial Customized Rebates program to provide incentives to commercial customers to increase their energy efficiency by replacing or retrofitting equipment not covered by the existing Commercial/Rebate program. Please identify by section or page number and describe the modifications that reflect the foregoing commitment contained in each of the following programs:

- a) Smart Energy Profile (new).
- b) Demand Conservation (enhanced).
- c) Commercial Incentive (enhanced).
- d) Program and Development (enhanced).

In your response, please explain how each proposed modification applies to large multisite commercial customers with load characteristics similar to Kroger.

- A-2.
- a) This program was not designed to address Part (2) of the modifications, as described in the Section 5.11 of the Stipulation and Recommendation.
 - b) This program was not designed to address Part (2) of the modifications, as described in the Section 5.11 of the Stipulation and Recommendation.
 - c) This program was designed to address Part (2) of the modifications, as described in the Section 5.11 of the Stipulation and Recommendation. The Commercial Incentive (enhanced) includes the addition of a Commercial Customized Rebate program to provide incentives to commercial customers to increase their energy efficiency by replacing or retrofitting equipment not covered by the existing Commercial/Rebate program. Additional information on the Commercial Incentive program can be located in KPSC Case No. 2011-00134, Volume I, Exhibit MEH-1, pages 27-30.

- d) This program was not designed to address Part (2) of the modifications, as described in the Section 5.11 of the Stipulation and Recommendation.

LOUISVILLE GAS AND ELECTRIC COMPANY
KENTUCKY UTILITIES COMPANY

Response to the First Set of Data Requests
Of the Kroger Company
Dated June 1, 2011

Case No. 2011-00134

Question No. 3

Witness: Michael E. Hornung

Q-3. Part (3) of the modifications, as described in Section 5.11 of the Stipulation and Recommendation, will be to increase the rebate cap per meter. Please identify by section or page number and describe the modifications that reflect the foregoing commitment contained in each of the following programs:

- a) Smart Energy Profile (new).
- b) Demand Conservation (enhanced).
- c) Commercial Incentive (enhanced).
- d) Program and Development (enhanced).

In your response, please explain how each proposed modification applies to large multisite commercial customers with load characteristics similar to Kroger.

- A-3. a) This program was not designed to address Part (3) of the modifications, as described in the Section 5.11 of the Stipulation and Recommendation.
- b) This program was not designed to address Part (3) of the modifications, as described in the Section 5.11 of the Stipulation and Recommendation.
- c) The Commercial Incentive (enhanced) addresses KPSC Order 2009-00548 and 2009-00549, Stipulation and Recommendation Section 5.11. The enhancements included an increase to the rebate cap per facility. To ensure equal incentive opportunities for all customers, a maximum annual incentive permitted will be \$50,000 per facility. Moreover, commercial customers can receive multi-year incentives in a single year where such multi-year incentives do not exceed the amount of \$100,000 per facility and no incentive was provided in the proceeding year. Additional information on the Commercial Incentive program can be located in KPSC Case No. 2011-00134, Volume I, Exhibit MEH-1, pages 27-30.

- d) This program was not designed to address Part (3) of the modifications, as described in the Section 5.11 of the Stipulation and Recommendation.

**LOUISVILLE GAS AND ELECTRIC COMPANY
KENTUCKY UTILITIES COMPANY**

**Response to the First Set of Data Requests
Of the Kroger Company
Dated June 1, 2011**

Case No. 2011-00134

Question No. 4

Witness: Michael E. Hornung

- Q-4. If the Companies have proposed modifications not specifically described in Parts (1), (2) or (3), as set forth above, please identify such proposed modifications by section or page number and explain how such proposed modifications apply to large multi-site commercial customers with load characteristics similar to Kroger.
- A-4. The Companies have addressed all Parts (1-3) as set forth Section 5.11 of the Stipulation and Recommendation. Additional information regarding the Commercial Incentive program can be located in KPSC Case No. 2011-00134, Volume I, Exhibit MEH-1, pages 27-30.

**LOUISVILLE GAS AND ELECTRIC COMPANY
KENTUCKY UTILITIES COMPANY**

**Response to the First Set of Data Requests
Of the Kroger Company
Dated June 1, 2011**

Case No. 2011-00134

Question No. 5

Witness: Michael E. Hornung

- Q-5. Section 5.11 of the Stipulation and Recommendation provides that the Companies will seek input from potentially affected customers on possible modifications through a collaborative process. Please provide all documents reflecting or relating to communications with Kroger for this purpose.
- A-5. The Companies have had communications with Kroger Company since June 2010. The communication process began with a conference call with Ms. Linda Viens, Corporate Incentive Manager, regarding a LED glass door lighting project the Kroger Company was undertaking. As a result of the initial conversation with Kroger Company, they were asked to participate in upcoming DSM Advisory Council meetings to discuss and learn how the Companies could address customer needs in the then proposed Case No. 2001-00134. Kroger Company was invited to attend DSM Advisory Council meetings held in July 2010 and December 2010. There was representation from Kroger at the July 2010 meeting.

**LOUISVILLE GAS AND ELECTRIC COMPANY
KENTUCKY UTILITIES COMPANY**

**Response to the First Set of Data Requests
Of the Kroger Company
Dated June 1, 2011**

Case No. 2011-00134

Question No. 6

Witness: Michael E. Hornung

- Q-6. Please provide all documents relating to deliberations or decisions by the Companies as to whether they would propose or would not propose a specific program that would be applicable to large multi-site commercial customers with load characteristics similar to Kroger.
- A-6. As noted in response to Question No. 5, the Companies worked with Kroger Company and other entities to develop commercial programming that best addressed the needs of this customer segment. Understanding that large multi-site commercial customers vary widely in their energy usage, the Companies determined that proposing a customizable rebate opportunity for this segment would cater to the individual needs of the commercial customer to support energy efficiency efforts. Documentation of the DSM Advisory Council meetings can be located in KPSC Case No. 2011-00134, Volume III, Exhibit G.

**LOUISVILLE GAS AND ELECTRIC COMPANY
KENTUCKY UTILITIES COMPANY**

**Response to the First Set of Data Requests
Of the Kroger Company
Dated June 1, 2011**

Case No. 2011-00134

Question No. 7

Witness: Michael E. Hornung

- Q-7. With respect to large multi-site commercial customers with load characteristics similar to Kroger and to the extent not included in your responses to Items 1 through 6 above, please identify and describe each proposed new or enhanced program that that will broaden the financial incentives for qualifying commercial customers to replace relatively inefficient equipment.
- A-7. Commercial customers are eligible to participate in the following programs:
- a) Commercial Load Management/Demand Conservation: Additional information on the Commercial Load Management/Demand Conservation program can be located in KPSC Case No. 2011-00134, Volume I, Exhibit MEH-1, pages 19-24.
 - b) Commercial Conservation / Commercial Rebates: Additional information on the Commercial Incentive program can be located in KPSC Case No. 2011-00134, Volume I, Exhibit MEH-1, pages 27-30.

**LOUISVILLE GAS AND ELECTRIC COMPANY
KENTUCKY UTILITIES COMPANY**

**Response to the First Set of Data Requests
Of the Kroger Company
Dated June 1, 2011**

Case No. 2011-00134

Question No. 8

Witness: Michael E. Hornung

- Q-8. Please identify and describe any other new or enhanced program considered by the Companies, but not proposed in this Application, that would have been applicable to large multi-use customers with load characteristics similar to Kroger. Please state the reasons why such programs were not proposed.
- A-8. As customizable rebates incorporate the varying energy efficiency retro-fit needs of the commercial customer segment, the Companies felt that this program would address all energy efficiency opportunities. As such there were no other new or enhanced programs considered by the Companies that were not included in Case No. 2011-00134.