

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF LOUISVILLE)	
GAS AND ELECTRIC COMPANY AND)	
KENTUCKY UTILITIES COMPANY FOR)	
APPROVAL OF A SOLAR POWER)	CASE NO.
CONTRACT AND TWO RENEWABLE POWER)	2020-00016
AGREEMENTS TO SATISFY CUSTOMER)	
REQUESTS FOR A RENEWABLE ENERGY)	
SOURCE UNDER GREEN TARIFF OPTION #3)	

ORDER

A formal conference on the application of Louisville Gas and Electric Company and Kentucky Utilities Company (jointly, LG&E/KU) for approval of a purchase power agreement (PPA), two renewable power agreements (RPA), and a tariff revision was held on February 6, 2019. Prior to the formal conference, the Commission established an initial procedural schedule with subsequent procedural events scheduled at the formal conference. At the start of the formal conference, the Commission advised LG&E/KU that, due to staffing levels and workloads, the Commission would not have the resources to issue a final Order in this proceeding by March 31, 2020, which is one of the conditions precedent in the PPA. The Commission proposed a procedural schedule with two additional rounds of discovery, a hearing, and a final Order to be issued no later than May 15, 2020.

On February 10, 2020, LG&E/KU notified Commission Staff of their counter-proposal for the procedural schedule. LG&E/KU's proposed schedule included two rounds of discovery that were more compressed than the Commission's procedural

schedule and an optional hearing. A comparison of the two procedural schedules is set forth below:

Procedural Event	Commission	LG&E/KU
Second request for information to LG&E/KU	Feb. 21, 2020	Feb. 19, 2020
LG&E/KU response to second request for information	Feb. 26, 2020	Feb. 26, 2020
Third request for information to LG&E/KU	March 17, 2020	March 11, 2020
LG&E/KU response to third request for information	March 23, 2020	March 18, 2020
Attorney General to file notice of hearing or decision on written record		March 25, 2020
Hearing (if requested)	April 14, 2020	April 14, 2020
Final Order	May 15, 2020	TBD

The Commission finds that LG&E/KU's proposed procedural schedule should be denied and the Commission's procedural schedule should be established for the following reasons. First, the Commission has determined that a hearing is necessary to develop a robust record upon which the Commission must base its decision. Therefore, there is no practical benefit if LG&E/KU's proposed compressed discovery schedule with an optional hearing is implemented. Second, the April 14, 2020 hearing date was scheduled after a thorough review of multiple considerations, including the amount of time needed to process this case in light of the Commission's workload and resources, and available dates for a hearing. Third, the Commission is cognizant of the need for a timely decision and has committed to issue a final Order no later than May 15, 2020. Finally, the timeline for obtaining regulatory approvals were negotiated by, and thus in the control of, LG&E/KU. LG&E/KU entered into the PPA on November 21, 2019,¹ but did not finalize the two RPAs until January 10, 2020, and January 13, 2020, respectively.² Filing the

¹ Application (filed Jan. 23, 2020) at paragraph 10.

² *Id.* at Exhibits 2-3.

application on January 23, 2020, resulted in an abbreviated period of Commission review under the contractual timeline negotiated in the PPA. Although we use our best efforts to meet time-sensitive dates requested by utilities, the Commission has a duty to conduct a thorough review of the PPA under the legal standards of KRS 278.300 and KRS 278.020(1). The procedural schedule established by the Commission balances LG&E/KU's need for a timely decision and the Commission's statutory duty to conduct a thorough, robust review of the facts and law.

Finally, KRS 278.300 provides that the Commission must adjudicate an application for the authority to issue evidences of indebtedness, such as the PPA at issue here, within 60 days of the date the application was filed, unless it is necessary for good cause to continue the application. As discussed above, the Commission does not expect to complete its investigation of the PPA within 60 days of the January 23, 2020 filing date. Therefore, the Commission finds that good cause exists to continue the application beyond the 60-day period specific in KRS 278.300(2).

IT IS HEREBY ORDERED that:

1. LG&E/KU's application for approval of the PPA and RPAs is continued beyond the 60-day period specified in KRS 278.300(2).
2. Second requests for information to LG&E/KU shall be filed in the record on or before Friday, February 21, 2020.
3. LG&E/KU's responses to the second requests for information shall be filed in the record on or before Wednesday, February 26, 2020.
4. Third requests for information to LG&E/KU shall be filed in the record on or before Tuesday, March 17, 2020.

5. LG&E/KU's responses to the third requests for information shall be filed in the record on or before Monday, March 23, 2020.

6. A hearing in this matter shall be held on Tuesday, April 14, 2020, at 9 a.m. Eastern Daylight Time, in the Richard Raff Hearing Room (Hearing Room 1) at the offices of the Public Service Commission at 211 Sower Boulevard, Frankfort, Kentucky.

7. Post-hearing briefs, if any, shall be filed on or before April 24, 2020.

8. This case shall stand submitted for a decision by the Commission effective 12:01 a.m., Eastern Daylight Time, on April 25, 2020.

9. LG&E/KU shall give notice of the April 14, 2020 hearing in compliance with 807 KAR 5:001, Section 9(2)(b). In addition, the notice of hearing shall include the following statement: "This hearing will be streamed live and may be viewed on the PSC website, psc.ky.gov." At the time the notice is mailed or publication is requested, LG&E/KU shall forward a duplicate of the notice and request to the Commission.

10. Pursuant to KRS 278.360 and 807 KAR 5:001, Section 9(9), a digital video transcript shall be made of the April 14, 2020 hearing.

By the Commission

ENTERED
FEB 12 2020
KENTUCKY PUBLIC
SERVICE COMMISSION

ATTEST:



Executive Director

for Kent A. Chandler

Case No. 2020-00016

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