

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF KENTUCKY)	
UTILITIES COMPANY FOR AN ADJUSTMENT)	
OF ITS ELECTRIC RATES, A CERTIFICATE)	
OF PUBLIC CONVENIENCE AND NECESSITY)	CASE NO.
TO DEPLOY ADVANCED METERING)	2020-00349
INFRASTRUCTURE, APPROVAL OF)	
CERTAIN REGULATORY AND ACCOUNTING)	
TREATMENTS, AND ESTABLISHMENT OF A)	
ONE-YEAR SURCREDIT)	

COMMISSION STAFF'S THIRD REQUEST FOR INFORMATION
TO KENTUCKY UTILITIES COMPANY

Kentucky Utilities Company (KU), pursuant to 807 KAR 5:001, is to file with the Commission an electronic version of the following information. The information requested herein is due February 19, 2021. The Commission directs KU to the Commission's March 16, 2020 and March 24, 2020 Orders in Case No. 2020-00085¹ regarding filings with the Commission. The Commission expects the original documents to be filed with the Commission within 30 days of the lifting of the current state of emergency. Responses to requests for information in paper medium shall be appropriately bound, tabbed, and indexed. Electronic documents shall be in portable document format (PDF), shall be searchable, and shall be appropriately bookmarked.

¹ Case No. 2020-00085, *Electronic Emergency Docket Related to the Novel Coronavirus COVID-19* (Ky. PSC Mar. 16, 2020), Order at 5–6. Case No. 2020-00085, *Electronic Emergency Docket Related to the Novel Coronavirus COVID-19* (Ky. PSC Mar. 24, 2020), Order at 1–3.

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 the 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.

KU shall make timely amendment to any prior response if KU obtains information that indicates the response was incorrect when made or, though correct when made, is now incorrect in any material respect. For any request to which KU fails or refuses to furnish all or part of the requested information, KU shall provide a written explanation of the specific grounds for its failure to completely and precisely respond.

Careful attention shall 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 paper containing personal information, KU 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 Tab 4 of the Application, the Availability requirements on P.S.C. No. 20, Original Sheet No. 10, General Service (Rate GS), and the Availability requirements on P.S.C. No. 20, Original Sheet No. 15, Power Service (Rate PS).

a. Explain the rationale for basing eligibility for these rate schedules on 12-month average monthly loads.

b. Explain why a customer whose 12-month average monthly load is 49 kW should not be able to choose to be on Rate PS but a customer with a 12-month average monthly load of 51 kW can be on Rate PS, keeping in mind that there would be no material cost of service difference between the two customers.

2. Refer to Tab 4 of the Application, P.S.C. No. 20, Original Sheet No. 101.3, Resale of Electric Energy. Regarding the language allowing a customer to allocate KU's billing to customer to any other person, firm, or corporation provided the sum of such allocations does not exceed KU's billing, explain under what circumstances this provision is used and whether KU monitors the allocations. If KU does not monitor the allocations, given the Commission's recent denial of similar language in Case No. 2018-00261,² explain why this language should remain in the tariff.

3. Refer to the Direct Testimony of Lonnie E. Bellar (Bellar Testimony), page 56.

a. State whether KU anticipates a need for additional data storage capability for data gathered as a part of the implementation of AMI metering.

b. If so, state whether KU has included any additional costs for external or in-house expanded data storage in the cost of AMI implementation and provide a detailed breakdown of anticipated data storage costs.

² Case No. 2018-00261, *Electronic Application of Duke Energy Kentucky, Inc. for Authority to 1) Adjust Natural Gas Rates 2) Approval of a Decoupling Mechanism 3) Approval of New Tariffs 4) and for All Other Required Approvals, Waivers, and Relief* (Ky. PSC Mar. 27, 2019), Order at 16–17.

4. Refer to the Bellar Testimony, Exhibit LEB-2, page 9. Explain whether the reserve margin of 17.7–18.5 percent for 2018-2035 is within KU’s target reserve margin range.

5. Refer to the Bellar Testimony, Exhibit LEB-2, page 16. Explain why KU evaluated only one generation resource type for replacement capacity. Provide any analysis or workpapers that support this decision.

6. Refer to the Direct Testimony of Eileen L. Saunders, page 41, lines 13–15, which discusses that four total direct current fast charging (DCFC) stations would be installed if matching funds from the Environment Mitigation Trust were not received. Also refer to Louisville Gas and Electric’s (LG&E) response to Commission Staff’s Second Request for Information (Staff’s Second Request), Item 59, in Case No. 2020-00350,³ which indicates that all four DCFC stations would be located in LG&E’s service territory if matching funding from the Environment Mitigation Trust was not received. Finally, refer to KU’s response to Staff’s Second Request, Item 53, which indicates that all four DCFC stations would be located in KU’s service territory, if matching funding from the Environment Mitigation Trust was not received. Indicate the number of DCFC stations that will be installed in each company’s territory if matching funding is received and if matching funding is not received.

7. Refer to the Direct Testimony of Robert M. Conroy, page 23, lines 7–10, which states that Rider NMS-1 will serve eligible electric generating facilities for which customers have submitted an application for net metering service before the effective

³ Case No. 2020-00350, *Electronic Application of Louisville Gas and Electric Company for an Adjustment of its Electric and Rates, a Certificate of Public Convenience and Necessity to Deploy Advanced Metering Infrastructure, Approval of Certain Regulatory and Accounting Treatments, and Establishment of a One-Year Surcredit* (Application filed Nov. 25, 2020).

date of rates established in this proceeding. Also refer to KU's response to Kentucky Solar Industries Association, Inc.'s First Request for Information, Item 4(c), which indicates that a net metering customer's eligible generating facilities must be in service before the Commission approves Rider NMS-2 in order to take service under Rider NMS-1. Explain whether a potential net metering customer must have submitted its application for net metering before the effective date of rates approved in this proceeding to take service under Rider NMS-1 or whether their eligible generating facility must be in service before the effective date of rates approved in this proceeding to take service under Rider NMS-1.

8. Refer to the Direct Testimony of Robert M. Conroy, page 30, line 11 through page 34, line 7, regarding Rate GS and Rate PS legacy customers.

a. Explain the advantages and disadvantages to a Rate PS legacy customer of staying on Rate PS if they no longer meet the eligibility requirements of Rate PS.

b. Explain the advantages and disadvantages to a Rate GS legacy customer of staying on Rate GS if they no longer meet the eligibility requirements of Rate GS.

9. Refer to the Direct Testimony of William Steven Seelye, Exhibit WSS-19, Cost Support for Miscellaneous Charges. Explain whether any of the services included in Exhibit WSS-19 are performed after hours. If so, explain how those services are billed.

10. Refer to KU's response to Commission Staff's First Request for Information (Staff's First Request), Item 54. Also refer to KU's response to Staff's Second Request, Item 133(b). Provide a breakdown of each charge included in the other service charge

column of the Summary of Nonrecurring Charges, including the type of charge, amount billed, amount recovered, and number of times the charge was assessed.

11. Refer to the Attachment to KU's response to Staff's First Request, Item 55.

a. For each amount in the Summary of Non-Recurring Charges, explain in detail how they were determined.

b. For the other service charge column, provide a breakdown of these amounts by type of charge.

c. Indicate whether the Electric Meter Pulse Charge is included in this table. If so, indicate in which column. If not, explain why not.

12. Refer to KU's response to Staff's First Request, Items 55(c) and 56, Attachment 19, 2020_Att_KU_LGE_PSC_1-56_Exhibit_WSS20_Increase_Decrease_in_Miscellaneous_Charges.xlsx.

a. Explain why Exhibit WSS-20 calculates the revenue impact of changes in non-recurring charges using the number of charges if the "basis for the non-recurring charge forecast is the general ledger, which does not include the number of charges..."

b. Given that the basis for the non-recurring charge forecast is the general ledger, explain how KU included the proposed changes in the non-recurring charges in the forecasted period.

13. Refer to KU's response to Staff's Second Request, Item 1(b), which indicates that Rate EVC-Fast will be updated annually. Explain the process to update Rate EVC-Fast annually, including how the update will be filed with the Commission.

14. Refer to KU's response to Staff's Second Request, Item 20. Provide the estimated date of KU's filing for accounting deviation with FERC.

15. Refer to KU's response to Staff's Second Request, Item 30. Explain whether KU considered including SEEM costs as part of the OSS tariff. Explain why or why not.

16. Refer to KU's response to Staff's Second Request, Item 33. Provide the number of customers who called in specifically for an AMI meter.

17. Refer to KU's response to Staff's Second Request, Item 51(b), which states that time spent by KU employees for HomeServe activities will be de minimus and thus included as part of regulated activities. Indicate whether KU expects the revenue from the aggregate total of its nonregulated incidental activities to exceed the lesser of 2 percent of the utility's total revenue or one million dollars (\$1,000,000) annually.

18. Refer to KU's response to Staff's Second Request, Item 55. Provide all wage and salary studies that KU relied upon in establishing its compensation and benefits package.

19. Refer to KU's response to Staff's Second Request, Item 95(b), which explains KU's proposal to revise the definition of hourly avoided energy cost in the Large Capacity Cogeneration and Small Power Production Qualifying Facilities Rider.

a. Provide an itemized list of the fixed and nonvariable fuel related costs that will be excluded under the new definition of hourly avoided energy cost.

b. Explain whether the items listed in response to a. above will also be excluded from the Small Capacity Cogeneration and Small Power Production Qualifying Facilities Rider (Rider SQF) credits the next time KU updates Rider SQF.

c. Identify/describe alternative methods of calculating avoided energy and capacity costs.

d. Explain why KU choose the method described above and not an alternative method.

20. Refer to LG&E's response to Staff's Second Request, Item 105.

a. Provide responses for KU.

b. For the response to Item 105(c), provide a similar table by month for KU.

21. Refer to KU's response to Staff's Second Request, Item 106.

a. Explain why local schools and parks have not opted for the outdoor sports lighting service (Rate OSL).

b. Explain if KU expects an increase of Rate OSL customers based upon the proposed decrease in Rate OSL rates.

22. Refer to KU's response to Staff's Second Request, Item 124, which provides cost justification for the disconnect/reconnect charge. Provide a detailed breakdown of the cost per disconnect or reconnect order of \$18.62 by the following components: labor, transportation, supplies, equipment, and front and back office service order processing expenses.

23. Refer to KUs response to Staff's Second Request, Item 125, which provides support for the Meter Test Fee.

a. Provide a detailed calculation showing how the IBEW Hourly Rate of \$43.05 was calculated.

b. Provide the portion of the IBEW Contract relating to the hourly rate.

- c. Explain how the Burden Rate was calculated.
- d. Explain how the amounts listed for “Light Duty Pickup”, “Medium &

Heavy Duty Truck”, and “Van” under Transportation were calculated.

24. Refer to the Attachment to KU’s response to Staff’s Second Request, Item 126, which provides support for the Meter Pulse Charge. Provide detailed support for the amounts listed as the following items: Pulse Relay, Pulse Initiator Board, Relay Enclosure, 5 Hours Labor (loaded), and Vehicle 2 hours.

25. Refer to KU’s response to Staff’s Second Request, Item 127, which provides support for the Electric Unauthorized Meter Reconnect Charge.

- a. Provide detailed calculations showing how the amounts in the Avg Cost of Meter column were calculated.

- b. For the 1/0 AMR row of the Average Cost of Meter Table, the response states that cell B19 is the most common; however, cell B19 is not listed for that row. It lists cells B8, B20, and B27. Indicate which cell is the most common.

- c. The cell references in the 1/0 AMS and 3/0 Standard rows of the Average Cost of Meter Table are identical. Confirm whether the cell references are correct.

- d. Provide a detailed calculation showing how the Field Services Labor Cost per Hour of \$26.00 was calculated.

- e. Provide a detailed calculation showing how the Hourly Rate for Back Office Admin Labor of \$22.40 was calculated.

- f. Explain how the burden rate for Back Office Admin Labor was calculated.

26. Provide a complete and unredacted copy of KU's vegetative plan.

27. Provide an analysis of income and average usage by census track. This can be accomplished by the following:

a. For each customer, find the 5-year average usage by month.

b. Go to the link below and input the address of each KU customer.

Enter this identifier on a spreadsheet with the information from (a) above. The program will output the census track associated with the customer's address.

<https://geocoding.geo.census.gov/geocoder/geographies/address?form>

c. For each census tract, find the income associated on the census website.

d. For each group of customers in each census track, calculate the 5-year average usage by month.

e. Analyze and determine if there is a correlation between income and usage.

28. Provide any studies KU has conducted regarding usage of low-income customers.

29. Provide the number of net meter applications received by KU since public notice of this application was made.

30. Provide the number of applications for additional net metering facilities received by KU since public notice of this application was made.

31. Provide the percent of customers, by class that paid on time for each month in 2020. Customers paying on time means those customers who were not issued a termination notice.

32. Refer to LG&E's response to Metropolitan Housing Coalition, Kentuckians for the Commonwealth, and Kentucky Solar Energy Society's First Request for Information, Item 36, in Case No. 2020-00350, which provides comparative data on the number of customers who were behind on their bills and were at risk of being shut off between 2019 and 2020. Provide this same information for KU broken down by customer class.

33. Refer to KU's response to Kentucky Solar Industries' Request for Information, Item 7.

a. Explain if KU has considered four part rates in the Solar Share Program.

b. Explain if KU considered altering the rate schedule to remove any subsidies.

34. Refer to KU's response to Kentucky Solar Industries' Request for Information, Item 14.

a. Explain how KU forecasts the number of net metering customers.

b. Explain if the forecast methodology changed under the proposed Net Metering II Tariff.

c. Explain if the forecasted number of solar installations changed under the proposed Net Metering II Tariff.

35. Refer to KU's response to the Department of Defense's Request for Information, Item 29. Explain why the sum of the production and transmission allocation factors differ between each cost of service study method.

36. Refer to KU's response to the Attorney General/KIUC's First Request for Information, Item 184. Explain why Mr. Seelye's LOLP method has not been adopted in any other proceeding except for LG&E and KU.

37. Refer to KU's response to the Attorney General/KIUC's First Request for Information, Item 188. The customer portion is the sum of the customer-related distribution expense and customer service expense. Explain why the distribution expense varies between each cost of service study.

38. For the following tariff sheets, explain in detail the justification and rationale for including language that seeks to limit KU's liability:

- a. Original Sheet No. 30.3 – Fluctuating Load Service.
- b. Original Sheet No. 40.14 – Pole and Structure Attachment Charges, #12 Maintenance of Attachments and Structures & #13 National Joint Utilities Notification System.
- c. Original Sheet No. 40.15, Pole and Structure Attachment Charges, #15 Interference or Hazard.
- d. Original Sheet No. 40.19, Pole and Structure Attachment Charges, #21 Termination.
- e. Original Sheet No. 40.24, Pole and Structure Attachment Charges, #24 Performance Assurance.
- f. Original Sheet No. 40.25, Pole and Structure Attachment Charges, #29, Limitation of Liability.
- g. Original Sheet No. 42, Electric Vehicle Charging Service, Level 2.

- h. Original Sheet No. 42.1, Electric Vehicle Charging Service, Level 2, #3, #4, and #5 of Terms and Conditions.
- i. Original Sheet No. 43 – Electric Vehicle Fast Charging Service.
- j. Original Sheet No. 43.1 – Electric Vehicle Fast Charging Service, #3, #4, and #5 of Terms and Conditions.
- k. Original Sheet No. 97.2 – Customer Responsibilities – Liability.
- l. Original Sheet No. 98.1 – Company Responsibilities – Company Not Liable for Interruptions, Company Not Liable for Damage on Customer’s Property, and Liability.
- m. Original Sheet No. 101.2 – Billing.
- n. Original Sheet No. 107 – Energy Curtailment and Service Restoration Procedures – Purpose.
- o. Original Sheet No. 108.5 – Net Metering Service Interconnection Guideline, #10.



Linda C. Bridwell, PE
Executive Director
Public Service Commission
P.O. Box 615
Frankfort, KY 40602

DATED FEB 05 2021

cc: Parties of Record

Case No. 2020-00349

*Honorable Allyson K Sturgeon
Managing Senior Counsel - Regulatory &
LG&E and KU Energy LLC
220 West Main Street
Louisville, KENTUCKY 40202

*Honorable David Edward Spenard
Strobo Barkley PLLC
239 South 5th Street
Ste 917
Louisville, KENTUCKY 40202

*John Horne
Office of the Attorney General Office of Rate
700 Capitol Avenue
Suite 20
Frankfort, KENTUCKY 40601-8204

*Angela M Goad
Assistant Attorney General
Office of the Attorney General Office of Rate
700 Capitol Avenue
Suite 20
Frankfort, KENTUCKY 40601-8204

*Emily W Medlyn
General Attorney
U.S. Army Legal Services Agency Regul
9275 Gunston Road
Fort Belvoir, VIRGINIA 22060

*Honorable Kurt J Boehm
Attorney at Law
Boehm, Kurtz & Lowry
36 East Seventh Street
Suite 1510
Cincinnati, OHIO 45202

*Barry Alan Naum
Spilman Thomas & Battle, PLLC
1100 Brent Creek Blvd., Suite 101
Mechanicsburg, PENNSYLVANIA 17050

*Thomas J FitzGerald
Counsel & Director
Kentucky Resources Council, Inc.
Post Office Box 1070
Frankfort, KENTUCKY 40602

*Honorable Kendrick R Riggs
Attorney at Law
Stoll Keenon Ogden, PLLC
2000 PNC Plaza
500 W Jefferson Street
Louisville, KENTUCKY 40202-2828

*Clay A. Barkley
Strobo Barkley PLLC
239 South 5th Street
Ste 917
Louisville, KENTUCKY 40202

*G. Houston Parrish
Labor Law Attorney
Office of the Staff Judge Advocate, B
50 3rd Avenue
Fort Knox, KENTUCKY 40121

*Larry Cook
Assistant Attorney General
Office of the Attorney General Office of Rate
700 Capitol Avenue
Suite 20
Frankfort, KENTUCKY 40601-8204

*Carrie H Grundmann
Spilman Thomas & Battle, PLLC
110 Oakwood Drive, Suite 500
Winston-Salem, NORTH CAROLINA 27103

*James W Gardner
Sturgill, Turner, Barker & Moloney, PLLC
333 West Vine Street
Suite 1400
Lexington, KENTUCKY 40507

*Matt Partymiller
President
Kentucky Solar Industries Association
1038 Brentwood Court
Suite B
Lexington, KENTUCKY 40511

*Honorable David J. Barberie
Managing Attorney
Lexington-Fayette Urban County Government
Department Of Law
200 East Main Street
Lexington, KENTUCKY 40507

*Jody M Kyler Cohn
Boehm, Kurtz & Lowry
36 East Seventh Street
Suite 1510
Cincinnati, OHIO 45202

*Matthew Miller
Sierra Club
50 F Street, NW, Eighth Floor
Washington, DISTRICT OF COLUMBIA 20001

*Don C Parker
Spilman Thomas & Battle, PLLC
300 Kanawha Blvd, East
Charleston, WEST VIRGINIA 25301

*Joe F. Childers
Childers & Baxter PLLC
300 Lexington Building, 201 West Sho
Lexington, KENTUCKY 40507

*J. Michael West
Office of the Attorney General Office of Rate
700 Capitol Avenue
Suite 20
Frankfort, KENTUCKY 40601-8204

*Honorable Michael L Kurtz
Attorney at Law
Boehm, Kurtz & Lowry
36 East Seventh Street
Suite 1510
Cincinnati, OHIO 45202

*Kentucky Utilities Company
220 W. Main Street
P. O. Box 32010
Louisville, KY 40232-2010

*Rick LoveKamp
Kentucky Utilities Company
220 W. Main Street
P. O. Box 32010
Louisville, KY 40202

*M. Todd Osterloh
Sturgill, Turner, Barker & Moloney, PLLC
333 West Vine Street
Suite 1400
Lexington, KENTUCKY 40507

*Honorable Robert C Moore
Attorney At Law
Stites & Harbison
421 West Main Street
P. O. Box 634
Frankfort, KENTUCKY 40602-0634

*Robert Conroy
Vice President, State Regulation and Rates
LG&E and KU Energy LLC
220 West Main Street
Louisville, KENTUCKY 40202

*Randal A. Strobo
Strobo Barkley PLLC
239 South 5th Street
Ste 917
Louisville, KENTUCKY 40202

*Sara Judd
Senior Corporate Attorney
LG&E and KU Energy LLC
220 West Main Street
Louisville, KENTUCKY 40202

*Susan Speckert
Lexington-Fayette Urban County Government
Department Of Law
200 East Main Street
Lexington, KENTUCKY 40507