

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 FIFTH 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 on April 1, 2021. The Commission directs KU to the Commission's March 16, 2020 and March 24, 2020 Orders in Case No. 2020-00085<sup>1</sup> 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. All responses 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.

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<sup>1</sup> 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. Provide the date in which KU officially made its decision to propose, as part of the instant rate application, to shorten the remaining useful lives of KU's coal-fired generation units for depreciation purposes.

2. Refer to the Application, Tab 59, Schedule F-6 Professional Service Expenses, page 8 of 10. Provide a detail analysis of the budgeted legal fees for the forecasted test period.

3. Refer to the Direct Testimony of Adrian M. McKenzie, pages 14–18. There have been recent ROE awards to electric utilities with only transmission and distribution assets that have been below 9.0 percent.

a. Everything else being equal, explain generally whether “wires only” utilities are less risky than vertically integrated electric utilities that own and operate generation facilities. If so, explain the risk factors associated with the ownership and operation of generation facilities that enhances the utilities’ risk.

b. Provide a detailed explanation of how each of the risk factors enumerated above relate specifically to KU. Include in the response an explanation of how the well-established rate recovery mechanisms and regulatory processes fail to alleviate any additional risk such that a higher awarded ROE is warranted.

4. Refer to the Direct Testimony of Lonnie E. Bellar (Bellar Testimony) Exhibit LEB-2, pages 8–9 of 16 and TFS2020–00269.<sup>2</sup> Explain why the document reflecting planned capacity retirements and additions filed with the tariff filing did not reflect the retirements and additions contained in Exhibit LEB-2, Tables 2–5.

5. Refer to the Bellar Testimony, Exhibit LEB-2, page 9 of 16. Confirm that KU plans to add two combustion turbines in 2028 and that this is the only planned generation addition.

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<sup>2</sup> TFS2020-00269, Kentucky Utilities revised tariff to reflect updated purchase rates for Small Capacity Co-generation and Small Power Production Qualifying Facilities (SQF), (filed May 28, 2020).

6. Refer to the Bellar Testimony, Exhibit LEB-2, page 10 of 16. For Mill Creek Unit 2, provide the average environmental compliance costs per MW of capacity.

7. Regarding the proposed AMI project, provide responses to the following items.

a. Explain in detail why KU considers its existing non-AMI meters to be obsolete.

b. State whether KU is willing to guarantee the level of benefits as set forth in the economic analysis will inure to its customers.

c. If approved, state whether KU is willing to implement a floor in connection with the establishment of any regulatory liabilities which floor would equal the amount of the benefits that were projected in KU's economic analysis.

d. If approved, state whether KU is willing to implement a ceiling in connection with the establishment of any regulatory assets which ceiling would equal the amount of the capital cost of the AMI project as estimated in KU's economic analysis.

8. Refer to KU's Response to Commission Staff's Third Request for Information, Item 9, which discusses disconnections and reconnections. For the past two calendar years and for the year to date, provide the following:

a. The percentage of disconnection/reconnections performed by contract labor;

b. The percentage of disconnection/reconnections performed by employees; and

c. The percentage of disconnection/reconnections performed after hours.

9. Refer to KU's Response to Commission Staff's Third Request for Information, Item 10. Explain what the ODL Facility Charge represents, and indicate where it is included in KU's tariff.

10. Refer to KU's Response to Commission Staff's Third Request for Information, Item 22, which explains that increases or decreases in the number of disconnect and reconnects would result in increased or decreased contract labor expense.

a. Explain whether KU experienced a decrease in contract labor expenses during the moratorium on disconnections or whether the contract laborers that would normally perform those services were repurposed to other tasks.

b. Explain whether KU experienced a decrease in employee labor expenses during the moratorium on disconnections or whether the employees that would normally perform those services were repurposed to other tasks.

11. Refer KU's Response to Mountain Association, Kentuckians for the Commonwealth, and Kentucky Solar Energy Society's Second Request for Information, Item 2(d), which explains that, from March 16, 2020, through December 31, 2020, KU tracked the number of customers who would have been assessed a late fee on their bill if not for the moratorium on late payment fees. For the years 2018 through present, provide the percentage of customers, broken down by year, month, and class of customer, who were charged a late payment fee. From March 16, 2020, through December 31, 2020, the percentage included should reflect the percentage of customers who would have been charged a late payment fee if not for the moratorium on late payment fees.

12. The percentage increase to the base demand charge for rate classes TODS, TODP, RTS, and FLS is increased significantly as compared to the percentage increases proposed for the energy charge and intermediate and peak demand components. Provide an explanation for this proposed rate design.

13. Refer to the Direct Testimony of Kent W. Blake in Case No. 2017-00415.<sup>3</sup> Provide an update of Exhibit KWB-1 for each of the years 2018, 2019, and 2020.

14. Refer to the Direct Testimony of William Steven Seelye (Seelye Testimony), page 43, lines 11–12.

a. State when the avoided cost calculation methodology for Rider SQF was most recently approved.

b. Provide a citation to the Order approving the avoided cost methodology.

c. Provide the avoided cost data and workpapers associated with the Rider SQF rate and the testimony explaining and supporting the methodology.

15. Refer to the Seelye Testimony, page 53, line 53, through page 54, line 2. Mr. Seelye refers to a small sample size and in footnote 19 states that the “data is intended to be illustrative.” Confirm that KU/LG&E are not implying that the sample was sampled using a formal statistical sampling approach, such as those used for load research. If a formal statistical sampling approach was used, provide all analysis used in the development of sampling process, including communications from any consultants that were relied upon.

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<sup>3</sup> Case No. 2017-00415, *Electronic Joint Application of PPL Corporation, PPL Subsidiary Holdings, LLC, PPL Energy Holdings, LLC, LG&E and KU Energy LLC, Louisville Gas and Electric Company and Kentucky Utilities Company for Approval of an Indirect Change of Control of Louisville Gas and Electric Company and Kentucky Utilities Company* (filed Mar. 13, 2018).

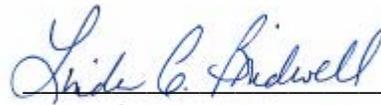
16. Refer to the Seelye Testimony in general. Provide KU/LG&E's distribution system planning guidelines and manuals used for planning, sizing, and replacing distribution system equipment. Include in this response, but do not limit it to, the KU/LG&E's forecasting methodology and how forecasts are relied upon for upgrading distribution equipment, including substations.

17. Refer to the Seelye Testimony in general. Provide KU/LG&E's distribution system planning criteria used for determining whether equipment requires replacement for thermal violations.

18. Refer to the Seelye Testimony in general. For the most recent three years available, provide KU/LG&E's 8,760 hours of load at each distribution substation for each year. Provide the response in Excel format with all formulas, columns, and rows unprotected and fully accessible. If 8,760 load profiles are not available, provide each substation's peak hour for each year.

19. Reference KU/LG&E's response to Strategen question Item 4. State whether either KU or LG&E has conducted any empirical analysis using its own or proxy data to evaluate the distributed energy resource generation, transmission, and distribution avoided capacity values using LOLP, LOLE, LOLH, or EUE. If yes, provide all documents related to the analysis in Excel format with all formulas, columns, and rows unprotected and fully accessible, where applicable.

20. Provide time-differentiated, or marginal, transmission and distribution loss factors and all underlying workpapers for KU/LG&E. Provide workpapers in Excel format with all formulas, columns, and rows unprotected and fully accessible.

A handwritten signature in blue ink that reads "Linda C. Bridwell". The signature is written in a cursive style and is positioned above a horizontal line.

Linda C. Bridwell, PE  
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DATED MAR 19 2021

cc: Parties of Record

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