

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In The Matter of:

THE APPLICATION OF LOUISVILLE GAS AND)	
ELECTRIC COMPANY FOR AN ADJUSTMENT)	
OF ITS ELECTRIC AND GAS RATES; A)	
CERTIFICATE OF PUBLIC CONVEIENCE AND)	CASE NO. 2012-00222
NECESSITY; APPROVAL OF OWNERSHIP OF)	
GAS SERVICE LINES AND RISERS;)	
AND A GAS LINE SURCHARGE.)	

**STAND ENERGY CORPORATION'S
REQUESTS FOR INFORMATION
TO LOUISVILLE GAS & ELECTRIC, INC.**

Intervenor, Stand Energy Corporation ("Stand Energy"), by and through counsel, submits the following requests for information, pursuant to 807 KAR 5:001 for response from Louisville Gas & Electric, Inc. ("LG&E") in accordance with the following definitions and instructions:

DEFINITIONS

1. "Affiliate" means, in relation to any Person, any entity controlled, directly or indirectly, by such Person, any entity that controls, directly or indirectly, such Person, or any entity directly or indirectly under common control with such Person. For this purpose, "control" of any entity or Person includes, but is not limited to, ownership of a majority of the voting power of the entity or Person or by contractual means or otherwise.

2. "Any" means each, every, and all Persons, Documents, Documentation, and Correspondence, places or things to which the term refers to or concerns.
3. "Communication(s)" means, but is not limited to, all forms of interaction or communication whether written, printed, oral, pictorial, electronic or by any other medium.
4. "PSC" or "Commission" refers to the Kentucky Public Service Commission, including its Members, Directors, personnel, employees and consultants.
5. "Staff" refers to the Staff of the Kentucky Public Service Commission.
6. "Consumer(s)" means all customers, end-users, and consumers, without limit, that receive at least natural gas distribution services from Atmos.
7. "Concerning" or "concerning" is used in its broadest sense when used with reference to a stated subject; "concerning" shall mean and include both of the following: (i) containing, comprising, constituting, stating, setting forth, recording, relating to, recording, including, negating or manifesting in any way, whether in whole or in part, that subject; and (ii) alluding to, describing, discussing, reflecting, interpreting, identifying, regarding, contradicting, referring to, or in any way pertaining to, whether in whole or in part, that subject.
8. "Correspondence(s)" means, without limiting its general meaning, all letters, telegrams, faxes, emails, notices, messages, memoranda and other written or electronic Communications.
9. "Document(s)" or "Documentation(s)" when used herein, means all originals of any nature whatsoever, identical copies, and all non-identical copies thereof, pertaining to any medium upon which intelligence or information is recorded in your possession, custody, or control regardless of where located; including without limiting the generality of the following: punchcards, printout sheets, movie film, slides, phonograph records, photographs, microfilm,

video media, notes, memoranda, ledgers, work sheets, books, magazines, notebooks, diaries, calendars, appointment books, registers, charts, tables, papers, agreements, contracts, purchase orders, checks and drafts, acknowledgments, invoices, authorizations, budgets, analyses, projections, transcripts, minutes of meetings of any kind, correspondence, telegrams, drafts, discs or tapes, and computer produced interpretations thereof, instructions, announcements, schedules, price lists, electronic copies, and mechanical or electric sound recordings and transcripts thereof. In all cases, "Document(s)" or "Documentation(s)" shall also mean all written, printed, reproduced, recorded, typed, graphic, photographic, or electronic matter in your possession, custody, or control, including without limitation books, manuals, pamphlets, periodicals, correspondence, letters, memoranda, faxes, telegrams, electronic mail ("email") messages and attachments, reports, records, studies, transcripts, work papers, working papers, notes, charts, graphs, indices, data sheets, and all drafts thereof, and every copy of a document which contains handwritten or other notations not otherwise duplicated in the original or any other copy. In all cases, where originals and/or non-identical copies are not available, "Document(s)" or "Documentation(s)" shall also mean identical copies of original documents and copies of non-identical copies.

10. "Distribution Facilities" refers to equipment owned, operated, and/or controlled by LG&E that is directly or indirectly related to or associated with its provision of natural gas distribution delivery and related services to Consumer(s), from the location of the equipment controlled by the Consumer and up to and including all the facilities, plant, and equipment that serve the Consumer.
11. "Identifications" or "Identify" or "Identity" or "Identified" when used herein shall mean that you are required to provide the requested information as the context requires it, and also, when

used in reference to: (a) a natural individual, require you to state his or her full name, residential and business address, business title(s), and the entity(s) that the Person works for and/or worked for at the time of the transaction or activity inquired into and at the time of the inquiry; (b) a corporation, require you to state its full corporate name and any names under which it does business, its state of incorporation, the address of its principal place of business, and the addresses of all of its offices; (c) a business, require you to state the full name or style under which the business is conducted, its business address or addresses, the type of businesses in which it is engaged, the geographic areas in which it conducts those businesses, and the identity of the person or persons who own, operate, and control the business; (d) a Document or Documentation, require you to state the number of pages and the nature of the document (for example and without limitation, letter or memorandum, its title, its date, the name or names of its authors and recipients, and its present location and custodian, and whether or not it is claimed that such document is privileged and, if so, the type of privilege claimed and a statement of all the circumstances which will be relied on to support such claim of privilege; (e) Correspondence(s), to identify the Document(s) and/or Documentation(s) which refer to or evidence the Correspondence; (f) Communication, if written, to identify the Document(s) or Documentation(s) which refer to or evidence the Communication, and to the extent engaged in orally or otherwise, to provide the date, manner, place, and substance of the Communication.

12. "Load" means the consumption of Consumers that received and/or are currently receiving local distribution service (whether standard-offer or otherwise) from the local distribution company.

13. "Person(s)" includes any natural person, corporate entity, firm, partnership, association, joint venture, cooperative, municipality, city, county, irrigation district, drainage district or other

special district or political subdivision, or federal, state or local governmental body, department, or agency, entity or group of persons, unless the context clearly indicates that only an individual person is referred to.

14. "Pool" means a group of Consumers that take or receive service from a single provider that have been joined together, for Any particular purpose, with other Consumers taking or receiving from that same provider.
15. "Studies" means without limitation reports, analyses, studies, investigations, reviews, summaries, audits, forecasts, opinions, opinion Documents, justification Documents, and all drafts and prior versions of such Documents.
16. "Supplier" means without limitation, a marketer, supplier, alternate commodity supplier, capacity, supply, and/or commodity management provider, Pool operator, aggregator, or governmental aggregator but does not include system supply unless specifically requested.
17. "You" or "Your" or "Yourself" refers to the party to which or whom these discovery requests are directed, including all Affiliates, joint partnerships, corporate parents, subsidiaries, departments, divisions, officers, agents, consultants, employees, contractors, predecessors, successors and assigns, whether present or former.

INSTRUCTIONS FOR ANSWERING

1. Each response, document or objection should be immediately preceded by the corresponding request or sub-request to which it responds.
2. Each response must be supplemented by timely amendments if subsequent information renders any response incorrect in any material respect.

3. For each response, please identify the individual who prepared the response or the person(s) under whose supervision the response was prepared.
4. For these responses, please provide an oath or certification that the responses are true and accurate to the best of the preparer's knowledge, information and belief after reasonable inquiry.
5. Each request shall be deemed continuing in nature and must be updated immediately upon receipt of any new, further or different information that is responsive to the request.
6. With respect to any request consisting of separate parts or subparts, a complete response to each subpart is required as if the subpart were set forth as a separate request.
7. If any request cannot be answered in full after reasonable inquiry, please provide the response to the extent available, state why the request cannot be answered in full, and provide any information within your knowledge concerning the description, existence, availability, and custody of any unanswered portions.
8. In responding to these requests, please provide information from all files in the possession of, owned by, controlled by, or accessible to you, as well as all files maintained or controlled by officers, employees, agents or consultants or other representatives of your organization.
9. If no information or document is responsive to any request, please so state in the response.
10. If any document requested is not in your possession but you know or believe it to exist, please so state and identify to the best of your ability the last known location of the document and its custodian.
11. If any document requested or related to any request has been destroyed or discarded, please state the date the document was destroyed, the person or entity responsible for its destruction, the reason for its destruction, and provide a description of the contents of the document.

12. If any information or Documentation is not available in the exact form requested, please provide any available information or documents that best respond to the request.
13. For any information or Documents maintained by computer or data storage mechanism, please state the name of the file from which the information came, how the data is stored (CD, diskette, tape, etc.), the computer or media program in which it is stored, the name of the Person who collected or entered the information, and how the Document or information can be transmitted and retrieved.
14. The singular form of a word shall be interpreted as plural, and the plural form as singular, to the extent appropriate in order to respond to the scope of these requests and to make the request inclusive rather than exclusive.
15. “And” and “or” shall be construed either disjunctively or conjunctively as appropriate to respond to the scope of these requests.
16. Any objection to a request should provide a list of all information or documents withheld, describe the character and specific subject matter of the information withheld, including a description of the number of documents withheld and a summary of the information contained in such documents, and should clearly state the specific objection asserted and the grounds on which the objection is based.

REQUESTS FOR INFORMATION

With regard to your transportation tariffs and related thresholds required to take service, please answer the following:

Stand – LG&E 1:

Referring to the proposed transportation tariffs, with the customers' receiving the burden of higher sunk/fixed costs to transport natural gas in the free open market, and despite LG&E's lowered costs because LG&E no longer has to procure and finance the natural gas, explain why LG&E should raise customers fixed cost (Administrative) fees by 570%? (Include in your answer statistics from utilities from within Kentucky and neighboring states showing their meter/minimum charges for sales service and the corresponding transportation service for comparison)

Stand – LG&E 2:

Referring to Murphy response to PSC-2 Question No. 22(d), Murphy states that in the test year there were 66 days that customers served under Rate FT over-delivered in excess of the 10% threshold. Murphy further states that there were 52 days that FT customer's under-delivered by more than 10%. What was the total Utilization Charge for Daily Imbalances (UCDI) and Daily Storage Charge dollars collected and what was the actual cost to the sales customers for those imbalances?

Stand – LG&E 3:

Mr. Murphy indicates in response to PSC-2 Question No. 22(d) that LG&E experienced FT customer imbalances every day of the test year - 205 over-deliveries and 161 under-deliveries. How many of those days did the imbalance benefit the sales customers? (As an example, FT customer over-deliveries on a day the Company's planned deliveries for sales customer's was short, thereby decreasing the Company's need for storage withdrawal for sales customers).

Stand – LG&E 4:

The increase in the Transportation Administration Charge effectively increases the threshold for customers to qualify for transportation. Are the labor and expense costs incurred by personnel assigned to administer the Transportation program excluded from costs charged to sales customers in this rate case?

Stand – LG&E 5:

In Mr. Murphy's response to PSC-2, Question No. 22 (f), he states that the Administrative costs do not vary by volume of usage of the customer. However, if the amount of Transportation customers were to double as a result of lower thresholds, would not the Administration Charge decrease proportionately? Please Explain your answer.

Stand – LG&E 6:

In Mr. Murphy's response to PSC-2 Question No.22 (i), he discusses the proposed Minimum Daily Threshold Requirement and related charge. It appears that this becomes an additional source of revenue for the Company, which bears little or none of the expense. As an example, Customer A uses 700 Mcf in one week using 100 each day for 7 days. Customer B also uses 700 Mcf in one week but uses zero on the weekend. Customer A will pay \$301 (700 x \$0.43) while customer B will pay \$344 (700 x \$0.43 + 50 x 2 x \$0.43). Explain why customer B's usage profile is not beneficial to the Company.

Stand – LG&E 7:

In Mr. Murphy's response to PSC-2, Question No. 26 (j), he explains the Minimum Annual Threshold Requirement and Charge proposed for Rider TS-2. Mr. Murphy states that TS-2 Rider customers will pay a penalty charge equal to the Distribution Charge on any volumes that fall below the 25,000 Mcf/yr threshold. Doesn't that "penalty charge" represent a guaranteed financial return to the Company for the Rider TS-2 customers compared to similar usage by similarly-sized customers on the Company's sales rate?

Stand – LG&E 8:

Referring to Mr. Murphy's response to PSC-2, Question No. 26 (k), will the telemetry equipment be included in the Company's rate base even though the customer is paying for the equipment and installation expense when they switch from sales to the TS-2 Rider? In referring to the \$300 monthly telemetry charge, does this charge decrease once the cost of the meter and installation costs have been paid or does the \$300 charge go on for as long as the customer is taking service under the TS-2 Rider?

Stand – LG&E 9:

Referring to Mr. Murphy's response to PSC-2, Question No. 26 (m), he states that telemetry provides the customers under Rider TS-2 and their pool managers served under Rider PS-TS-2 with a tool to manage and help prevent daily and monthly imbalances. Currently, daily usage obtained from telemetry is not available until 10:00 a.m. on the next gas day and current day nominations are also due at 10:00 a.m., making the data for the previous day useless for that day's nomination. Therefore, shouldn't the Company provide telemetry data a reasonable time before the next day's nomination and also more often during the day to the customers or their pool managers?

Stand – LG&E 10:

Excluding the three customers on the TS rate, what percentage, by volume, do the Company's existing Commercial and Industrial sales customers using greater than 25,000 Mcf/yr represent compared to the Company's total Commercial and Industrial sales customers?

Stand – LG&E 11:

In the attachment to Response to LGE AG-2 Question No. 61, concerning customers by Rate Schedule by Zip Code, the spreadsheet indicates that LG&E has 612 “Special Contracts” customers. Please provide the definition of a “Special Contract” and explain how a customer obtains a “**Special Contract.**” Also, please state if any of the Special Contract customers pay a natural gas commodity price that is different than the quarterly posted Gas Supply Cost filed by LG&E with the Commission. Would any of these Special Contract customers qualify for transportation with the change in threshold limits proposed by LG&E? If so, how many?

Stand – LG&E 12:

In Mr. Murphy’s response to PSC-3, Question No. 21 he states that “these new charges reflect the costs that LG&E is currently incurring in order to provide the incremental administrative activities and metering associated with the transportation service.” (Emphasis added). How would the administrative charge change if LG&E were to quadruple the number of customers taking transportation service by lowering the required threshold volume?

Stand – LG&E 13:

LG&E’s attachment to Response to AG-2 Question No. 61 shows that there are only 76 customers taking Firm Transportation Service (Non-Standby). This represents approximately 0.3% of the total LG&E commercial and industrial customers. What volumetric threshold would be required to allow 30% of LG&E’s commercial and industrial customers to qualify for transportation service? What volumetric threshold would be required to allow 50% of LG&E’s commercial and industrial customers to qualify for transportation service?

Stand – LG&E 14:

LG&E has proposed volumetric thresholds to qualify for transportation. Because of a 287% increase in the administrative charge a financial threshold and barrier to competition has been created that must be overcome in order to take transportation service. Would the administration charge for a small commercial or industrial customer that used between 2,000 and 5,000 Mcf/yr change if LG&E lowered its threshold to between 2,000 and 5,000?

Stand – LG&E 15:

In Mr. Murphy’s response to PSC-3 Question No. 23 (b), states that “to include an increasing number of customers which are primarily space heating in character will make it more challenging for LG&E to balance its gas system and maintain system reliability.” This seems contrary to the four other major LDCs in Kentucky who have much lower thresholds and maintain system reliability. Has Mr. Murphy had meetings or discussions with other LDCs in Kentucky or in other states to determine that LG&E cannot maintain system reliability if they establish a threshold lower than 25,000 Mcf/yr? If so, please indicate with which Kentucky LDCs Mr. Murphy had meetings or discussions?

Stand – LG&E 16

Please provide the raw number of LG&E commercial and industrial customers in each of the following categories:

- Customers that use >50 Mcf/day, every day;
- Customers that use >25Mcf/day, every day;
- Customers with an average daily usage >50 Mcf/day;
- Customers with an average daily usage >25 Mcf/day;
- Customers with usage above 1,000 Mcf/month;
- Customers with usage above 50,000 Mcf/yr;
- Customers with usage above 25,000 Mcf/yr;
- Customers with usage above 9,000 Mcf/yr;
- Customers with usage above 5,000 Mcf/yr;
- Customers with usage above 2,000 Mcf/yr.

CERTIFICATE OF COMPLIANCE

In compliance with Ordering paragraph ten (10) of the Commission’s June 22, 2012 Order, I hereby certify that Stand Energy’s September 21, 2012 electronic filing has been transmitted to the Commission on September 21, 2012; that there are currently no parties exempt from participation by electronic means in this proceeding; that an original and one copy of the filing is being mailed to the Commission on September 21, 2012; and that electronic notification of the filing will be provided to the following parties of record and their counsel:

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