

**COMMONWEALTH OF KENTUCKY**  
**BEFORE THE PUBLIC SERVICE COMMISSION**

**In the Matter of:**

<b>APPLICATION OF LOUISVILLE GAS AND ELECTRIC</b>	)	
<b>COMPANY FOR AN ADJUSTMENT OF ITS</b>	)	
<b>ELECTRIC AND GAS RATES, A CERTIFICATE</b>	)	<b>CASE NO.</b>
<b>OF PUBLIC CONVENIENCE AND NECESSITY,</b>	)	<b>2012-00222</b>
<b>APPROVAL OF OWNERSHIP OF GAS SERVICE LINES</b>	)	
<b>AND RISERS, AND A GAS LINE SURCHARGE</b>	)	

**RESPONSE OF**  
**LOUISVILLE GAS AND ELECTRIC COMPANY**  
**TO THE**  
**SUPPLEMENTAL DATA REQUESTS OF**  
**KENTUCKY SCHOOL BOARD ASSOCIATION**  
**DATED AUGUST 28, 2012**

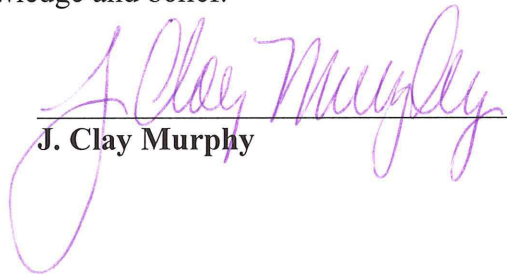
**FILED: SEPTEMBER 12, 2012**



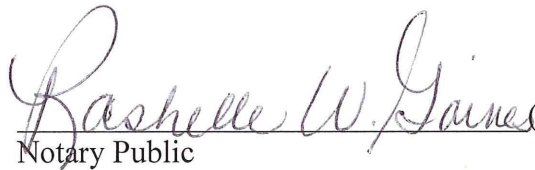
VERIFICATION

COMMONWEALTH OF KENTUCKY )  
 ) SS:  
COUNTY OF JEFFERSON )

The undersigned, **J. Clay Murphy**, being duly sworn, deposes and says that he is Director – Gas Management, Planning, and Supply for Louisville Gas and Electric 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.

  
\_\_\_\_\_  
**J. Clay Murphy**

Subscribed and sworn to before me, a Notary Public in and before said County and State, this 12<sup>th</sup> day of September 2012.

  
\_\_\_\_\_  
Notary Public (SEAL)

My Commission Expires:

February 28, 2014

**LOUISVILLE GAS AND ELECTRIC COMPANY**

**CASE NO. 2012-00222**

**Response to Supplemental Data Requests of  
Kentucky School Board Association  
Dated August 28, 2012**

**Question No. 1**

**Responding Witness: Robert M. Conroy**

Q-1. Please explain how LG&E works to create different rate schedules that accurately reflect the costs to serve groups of customers with similar service characteristic if LG&E as stated has not performed such studies comparing the usage characteristics of various types of customers.

A-1. LG&E has sound data on the cost to serve its customers, which forms the rates LG&E proposes. Among LG&E's data are customers' demand and usage patterns and the facilities required to serve such demands. This data allows LG&E to group customers based on similar service characteristics, and to craft rates that recover the costs to serve such similar customers.

**LOUISVILLE GAS AND ELECTRIC COMPANY**

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**Question No. 2**

**Responding Witness: Robert M. Conroy**

- Q-2. Please provide both the installed cost and the embedded revenue requirement in the companies TODS and TODP rate schedules for the time-based metering referenced in Conroy Response to KSBA No. 5.
- A-2. The installed costs associated with time-based metering for a Time-of-Day Secondary customer is an average of \$303. Similarly, for a Time-of-Day Primary customer the average installed cost would be \$470.

The requested embedded revenue requirement analysis is not readily available and requires substantial original work. However, there is sufficient information in the Company's cost of service study and other documents submitted in this proceeding for the KSBA to perform its own revenue requirement analysis for these facilities.

**LOUISVILLE GAS AND ELECTRIC COMPANY**

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**Question No. 3**

**Responding Witness: J. Clay Murphy**

- Q-3. Given the Commission's Final Order dated December 28, 2010, in Case No. 2010-00146, "An Investigation Of Natural Gas Retail Competition Programs", and the Commission direction that, "...existing transportation thresholds bear further examination and the Commission will evaluate each LDC's tariffs and rate design in each LDC's next rate proceeding" (see p. 23), please explain why LG&E is not proposing small volume gas transportation and aggregation service rate schedules?
- A-3. LG&E disagrees with the characterization of the Order set forth in the request for information. LG&E has explained the rationale for its proposals regarding transportation thresholds in its Application and supporting materials herein, and believes that those proposals fully comply with the Commission's directives in Case No. 2010-00146.