

**LOUISVILLE GAS AND ELECTRIC COMPANY
KENTUCKY UTILITIES COMPANY**

**Response to Wallace McMullen and Sierra Club's Supplemental Requests for Information
Dated March 20, 2014**

Case No. 2014-00003

Question No. 25

Witness: Robert M. Conroy

- Q-25. Please provide the Companies' forecasts by year, for the years 2014 through 2023, and by customer class, for the following information:
- a. Number of customers
 - b. Retail electricity sales
 - c. Revenues collected
 - d. Rates, including energy charges, demand charges, customer charges, DSM charges, and any other charges included in customer rates.

A-25.

- c. & d. The Companies object to these subparts of the request as irrelevant. Indeed, this request is essentially the same Sierra Club request to which the Companies objected in the first round of discovery, Sierra Club 1-8(b). The Companies do not set DSM rates based on percentages of revenues they project they will collect or in relation to other utility rates or charges. The Companies do not propose or refrain from proposing DSM programs or modifications on such grounds. And the relationship between the proposed DSM budgets for 2015-18 and the Companies' internal projections of revenue collections or rates bear no relation to any of the statutory criteria the Commission must consider when evaluating DSM proposals. The requested information is therefore completely irrelevant to the matters under consideration in this proceeding.

The Commission has sustained utilities' objections to requests for utility budget information, which includes projections of revenues and rates, when the requested information will have no bearing on relevant matters in a proceeding. *See, e.g., In the Matter of: Adjustment of Gas and Electric Rates of Louisville Gas and Electric Company*, Case No. 90-158, Order at 3 (Sept. 21, 1990) ("Inquiries into LG&E's budgeting process, and the basis for projecting revenues and expenses, are all highly complex areas that bear no relevancy to the task in this rate case – the normalization of an historic test year and the analysis of known and measurable pro forma adjustments."). Although the Companies' DSM rates are annually based in part on projected program expenditures,

those projections simply are not established as percentages of the Companies' internal projections of revenue collections or rates for total utility operations, and are therefore equally as irrelevant to this proceeding as budget information was to evaluating an historic test year in Case No. 90-158.