

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

In the Matter of:

JOINT APPLICATION OF LOUISVILLE GAS)	
AND ELECTRIC COMPANY AND KENTUCKY)	
UTILITIES COMPANY FOR REVIEW,)	
MODIFICATION, AND CONTINUATION OF)	CASE NO. 2014-00003
EXISTING, AND ADDITION OF NEW,)	
DEMAND-SIDE MANAGEMENT AND ENERGY)	
EFFICIENCY PROGRAMS)	

**WALLACE MCMULLEN AND SIERRA CLUB’S INITIAL REQUESTS FOR
INFORMATION TO LOUISVILLE GAS & ELECTRIC COMPANY
AND KENTUCKY UTILITIES COMPANY**

Proposed Intervenor Wallace McMullen and Sierra Club (collectively “Sierra Club”) pursuant to the Kentucky Public Service Commission’s (“Commission”) January 30, 2014 Order (“January 30 Order”), propound the following requests for information on Louisville Gas & Electric Company and Kentucky Utilities Company’s (collectively the “Companies”) application for approval of their 2015-2018 Demand-Side Management and Energy Efficiency Program Plan (“Proposed DSM/EE Program Plan”) filed in the above captioned proceeding.

The Companies shall answer these requests for information in the manner set forth in the January 30 Order and by no later than the March 3, 2014 deadline set forth in the Appendix of the January 30 Order. In addition to the undersigned counsel, please produce the requested documents in electronic format to:

Jill Tauber
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1625 Massachusetts Avenue, NW, Suite 702
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Matthew Gerhart
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Seattle, WA 98104

Wherever the response to a request consists of a statement that the requested information is already available to the Sierra Club, provide a detailed citation to the document that contains the information. This citation shall include the title of the document, relevant page number(s), and to the extent possible paragraph number(s) and/or chart/table/figure number(s).

In the event that any document referred to in response to any request for information has been destroyed, specify the date and the manner of such destruction, the reason for such destruction, the person authorizing the destruction and the custodian of the document at the time of its destruction.

Sierra Club reserves the right to serve supplemental, revised, or additional discovery requests as permitted in this proceeding.

DEFINITIONS

Unless otherwise specified in each individual interrogatory or request, “you,” “your,” or “Companies” refers to Louisville Gas & Electric Company and Kentucky Utilities Company, and their affiliates, employees, and authorized agents.

“And” and “or” shall be construed either conjunctively or disjunctively as required by the context to bring within the scope of these interrogatories and requests for production of documents any information which might be deemed outside their scope by another construction.

“Any” means all or each and every example of the requested information.

“CFLs” means compact fluorescent light bulbs

“Communication” means any transmission or exchange of information between two or more persons, whether orally or in writing, and includes, without limitation, any conversation or discussion by means of letter, telephone, note, memorandum, telegraph, telex, telecopy, cable, email, or any other electronic or other medium.

“Document” refers to written matter of any kind, regardless of its form, and to information recorded on any storage medium, whether in electrical, optical or electromagnetic form, and capable of reduction to writing by the use of computer hardware and software, and includes all copies, drafts, proofs, both originals and copies either (1) in the possession, custody or control of the Companies regardless of where located, or (2) produced or generated by, known to or seen by the Companies, but now in their possession, custody or control, regardless of where located whether or still in existence.

Such “documents” shall include, but are not limited to, applications, permits, monitoring reports, computer printouts, contracts, leases, agreements, papers, photographs, tape recordings, transcripts, letters or other forms of correspondence, folders or similar containers, programs, telex, TWX and other teletype communications, memoranda, reports, studies, summaries, minutes, minute books, circulars, notes (whether typewritten, handwritten or otherwise), agenda,

bulletins, notices, announcements, instructions, charts, tables, manuals, brochures, magazines, pamphlets, lists, logs, telegrams, drawings, sketches, plans, specifications, diagrams, drafts, books and records, formal records, notebooks, diaries, registers, analyses, projections, email correspondence or communications and other data compilations from which information can be obtained (including matter used in data processing) or translated, and any other printed, written, recorded, stenographic, computer-generated, computer-stored, or electronically stored matter, however and by whomever produced, prepared, reproduced, disseminated or made.

Without limitation, the term “control” as used in the preceding paragraphs means that a document is deemed to be in your control if you have the right to secure the document or a copy thereof from another person or public or private entity having actual possession thereof. If a document is responsive to a request, but is not in your possession or custody, identify the person with possession or custody. If any document was in your possession or subject to your control, and is no longer, state what disposition was made of it, by whom, the date on which such disposition was made, and why such disposition was made.

For purposes of the production of “documents,” the term shall include copies of all documents being produced, to the extent the copies are not identical to the original, thus requiring the production of copies that contain any markings, additions or deletions that make them different in any way from the original

“DSM” means demand-side management programs including demand-response, interruptible load, and energy efficiency programs.

“EE” means energy efficiency

“Identify” means:

- (a) With respect to a person, to state the person’s name, address and business relationship (e.g., “employee”) to Big Rivers;
- (b) With respect to a document, to state the nature of the document in sufficient detail for identification in a request for production, its date, its author, and to identify its custodian. If the information or document identified is recorded in electrical, optical or electromagnetic form, identification includes a description of the computer hardware or software required to reduce it to readable form.

“NO_x” means nitrogen oxides

“Relating to” or “concerning” means and includes pertaining to, referring to, or having as a subject matter, directly or indirectly, expressly or implied, the subject matter of the specific request.

“SO₂” means sulfur dioxide

“Workpapers” are defined as original, electronic, machine-readable, unlocked, Excel format (where possible) with formulas intact

PRIVILEGE AND CONFIDENTIALITY

If you claim a privilege including, but not limited to, the attorney-client privilege or the work product doctrine, as grounds for not fully and completely responding to any interrogatory or request for production, describe the basis for your claim of privilege in sufficient detail so as to permit Sierra Club or the Commission to evaluate the validity of the claim. With respect to documents for which a privilege is claimed, produce a “privilege log” that identifies the author, recipient, date and subject matter of the documents or interrogatory answers for which you are asserting a claim of privilege and any other information pertinent to the claim that would enable Sierra Club or the Commission to evaluate the validity of such claims.

To the extent that you can legitimately claim that any response or responsive document is entitled to confidentiality, Sierra Club is willing to enter into a confidentiality agreement that would protect such response or document from public disclosure

TIME

Unless otherwise provided, the applicable time period for each of these requests for information is January 1, 2010 to the present.

REQUESTS FOR INFORMATION

1. Produce all discovery responses to any other party in this proceeding.
2. Refer to the Application, page 9, paragraph 18. With regards to the projected cumulative energy and demand savings of 1.6 million MWh and 500 MW, respectively, by 2018 referenced therein:
 - a. Express the 1.6 million MWh in energy savings as a percentage of forecasted 2018 retails sales.
 - b. Explain how the projected amount of cumulative energy and demand savings by 2018 in the Proposed DSM/EE Program Plan compares with the Company’s projections of cumulative energy and demand savings by 2018 as contained in the Program Plan approved by the Commission in Case No. 2011-00134. If this is represented in the tables presented on page 3 of the Direct Testimony of Michael Hornung, stating so is a sufficient response.
 - c. Explain how the projected amount of incremental energy and demand savings in 2015-2018 in the Proposed DSM/EE Program Plan compares with the Company’s projections of incremental energy and demand savings in 2015- 2018 as contained in the Program Plan approved by the Commission in Case No. 2011-00134.

3. Refer to the Direct Testimony of Michael Hornung at page 4 line 22 to page 5 line 3. With regards to the 650 GWh of cumulative energy savings referenced therein:
 - a. Express 650 GWh in cumulative energy savings as a percentage of retail sales (through Nov. 2013).
 - b. Identify over what time period such savings has been achieved.
 - c. For each year of that time period, identify the incremental energy savings achieved in MWh and as a percentage of retail sales.
 - d. For each year of that time period, identify the Companies' spending on energy efficiency.

4. Refer to the Direct Testimony of Michael Hornung at page 4 line 22 to page 5 line 3. With regards to the cumulative demand reduction of 331MW referenced therein:
 - a. Identify the cumulative percent demand reduction that the Companies have achieved through November 2013.
 - b. Identify over what time period the 331 MW in demand reduction has been achieved
 - c. For each year of that time period, identify the percent of incremental demand reduction achieved.
 - d. State whether the 331MW cumulative demand reduction is only from energy efficiency programs, or whether it also includes the impact of demand response programs.
 - e. Identify the level of cumulative demand reduction the Companies have achieved through demand response programs through November 2013.

5. Refer to the Direct Testimony of Michael Hornung at page 7 lines 19 to 20. Identify each of the recommendations presented in the Program Review that have not been incorporated in the Proposed DSM/EE Program Plan. For each such recommendation, explain why it was not incorporated.

6. Refer to the Direct Testimony of Michael Hornung at page 13. With regards to the projected incremental energy savings identified therein for each of the years 2015 through 2018, express the savings for each year as a percentage of retail sales.

7. Refer to the Direct Testimony of Michael Hornung at page 13. With regards to the projected incremental demand reduction identified therein for each of the years 2015 through 2018, identify the incremental percent demand reduction for each of those years

8. Refer to the Direct Testimony of Michael Hornung at page 14. With regards to the annual portfolio budget identified therein:
 - a. Explain why the budget for 2015 proposed in the present filing is approximately \$3.6 million less than the budget approved for 2015 in case number 2011-00134
 - b. Identify what percent of the Companies' annual revenue for each of the years 2015 through 2018 is the total portfolio budget for each of those years in the proposed 2015-2018 Program Plan.

9. Refer to the Direct Testimony of Michael Hornung at page 19. With regards to the Commercial Conservation/Commercial Incentives Program, for each year since program approval in Case No. 2011-00134, please state how many on-site commercial audits were completed.
10. Refer to the Direct Testimony of Michael Hornung at page 22, line 5 through page 23, line 10. With regards to the addition of a multi-family property incentive tier structure:
 - a. Please quantify the projected energy saving in the multi-family environment in each year, 2015-2018.
 - b. Please provide a breakdown of participation in each year (2015-2018) by single family and multi-family customers.
 - c. Please explain why the proposed program modification will not result in additional energy of demand reductions.
11. Refer to Exhibit MEH-1, at page 8. Explain how the reference therein that “available energy efficiency will be exhausted by 2020 given current technologies” is consistent with the statement at page 6 lines 17-19 of the Direct Testimony of Michael Hornung that the Companies are “on track to exhaust their achievable energy efficiency potential by 2018.”
12. Refer to Exhibit MEH-1 at page 12. With regards to the DSMore modeling carried out for the Proposed DSM/EE Program Plan:
 - a. Produce the DSMore modeling files, include all inputs and outputs, and workpapers (in machine-readable format with formulas intact) for all DSM modeling
 - b. Identify the assumed value for each of following costs used in the DSMore modeling and specify the unit of its measure (e.g., \$/MWh, \$/MW, \$/ton, etc.):
 - i. Marginal energy cost
 - ii. Marginal generation capacity cost
 - iii. Marginal transmission & distribution capacity cost
 - iv. Fossil fuel cost
 - v. Environmental capacity cost
 - vi. Carbon price
 - vii. SO₂ allowance price
 - viii. NO_x allowance price
13. Refer to Exhibit MEH-1 at page 12. For each of the Companies’ existing DSM programs, produce the Companies’ most recent EM&V report or assessment.
14. Refer to Exhibit MEH-1 at page 21. Explain why the small commercial program goals were reduced to allow for increased focus on the large commercial program, rather than increasing the focus on both the small and large commercial programs.
15. Refer to Exhibit MEH-1 at pages 52-3. With regards to the proposal to allow the Residential High Efficiency Lighting program to expire:
 - a. Identify and produce all studies, analyses, or documents regarding whether the Residential High Efficiency Lighting could provide additional cost-effective energy savings beyond 2014

- b. Identify and produce all studies, analyses, or documents supporting the Companies' proposal to allow the Residential High Efficiency Lighting program to expire.
 - c. Referring to page 52, please identify the date(s) when the evaluation of the direct mail and coupon methods was conducted. Please state whether the Company has explored other marketing approaches for CFLs since that time. If so, please identify such approaches.
 - d. Identify the residential socket saturation rate for CFLs in LG&E and KU's service territories.
16. With regards to the selection of the Cadmus Group as the consultant who performed the Potential Study and the Program Review:
- a. Explain the process used to select the Cadmus Group
 - b. Produce any request for proposals that the Companies issued
 - c. Produce any proposals received in response to such request for proposals
 - d. Produce any contract between Cadmus Group and the Companies for the work leading to the Potential Study and Program Review
 - e. Explain what the role of EHI Consultants was in the Potential Study and Program Review
17. Refer to page 1 of the Potential Study (Exhibit MEH-3).
- a. Explain why the Potential Study did not evaluate the DSM potential for the industrial sector.
 - b. Identify what percentage of each of LG&E and KU's load is from the industrial sector.
 - c. State whether LG&E or KU offer or intend to offer any DSM programs for the industrial sector.
 - i. If so, identify each such program
 - ii. If not, explain why not
 - d. State whether any of LG&E or KU's individual industrial customers with energy intensive processes implement DSM programs.
 - i. If so, identify each such program and their estimated energy savings per year.
 - e. State whether LG&E and/or KU have carried out or reviewed any assessment of the DSM potential for their industrial customers.
 - i. If so, produce such assessment
 - ii. If not, explain why not.
18. Refer to page 1 of the Potential Study (Exhibit MEH-3). With regards to the secondary long-term avoided cost data used in the analysis, identify for each year of the analysis the:
- a. Energy cost
 - b. Capacity cost
 - c. Transmission & distribution capacity cost
 - d. Coal price
 - e. Natural gas price
 - f. Carbon price
 - g. SO₂ allowance price
 - h. NO_x allowance price

- i. Any other value incorporated into the avoided cost calculation
19. Refer to page 1 of the Potential Study (Exhibit MEH-3). With regards to the secondary long-term avoided cost data used in the analysis, please describe the source of such data and how the Company vetted such data.
20. Refer to page 1 of the Potential Study (Exhibit MEH-3). Identify all “budgetary constraints and market barriers” assumed in deriving the portion of economic potential assumed to be reasonably achievable in the course of the planning horizon.
21. Produce any workpaper, source document, and, in machine readable format with formulas intact, modeling files (including modeling input and output files) used in determining the energy efficiency technical potential, economic potential, or achievable potential identified in the Potential Study.
22. Refer to page 4 of the Potential Study. Produce the Frontiers of Efficiency article referenced in footnote 5.
23. Refer to page 8 of the Potential Study.
 - a. With regards to the statement that Cadmus’ analysis “is based solely on proven, commercially available technology and current market costs,” confirm whether:
 - i. Cadmus’ analysis assumed no advancement in commercially available energy efficiency technologies over the next 20 years
 1. If so, explain why and identify any basis for such assumption
 2. If not, explain what the quoted language means
 - ii. Cadmus’ analysis assumed no change in the costs of such technologies over the next 20 years.
 1. If so, explain why and identify any basis for such assumptions
 2. If not, explain what the quoted language means
 - b. Explain why declines in cost of existing energy efficiency technologies and the emergence of new technologies may provide only “small opportunities for additional savings”
24. Refer to page 16 of the Potential Study. Identify how long the Cadmus study assumed it would take to achieve “complete compliance” with the EISA backstop provision, and explain the basis for that assumption.
25. Refer to page 43 of the Potential Study. With regards to the maximum incentive assumed for each measure:
 - a. Explain why the avoided cost of capacity and, therefore, the maximum one-time incentive that the Companies could offer, was capped at \$100/kW-year
 - b. Identify what level, in dollars per kW-year, of incentive would be needed on average to achieve an incentive amount covering 75% of the measures’ incremental cost.

26. Refer to page 44 of the Potential Study. State whether the achievable energy savings levels identified in Table 35 are in addition to the levels of energy savings that the Companies' DSM efforts have already achieved through 2013.
27. Refer to page 44 of the Potential Study. With regards to the achievable demand reductions identified in Table 36:
- a. State whether the demand reduction levels identified therein are in addition to levels of demand reduction that the Companies' DSM efforts have already achieved through 2013.
 - b. State whether the potential for demand response programs, as opposed to only energy efficiency programs, are included in the demand reduction levels identified in Table 36.
 - i. If so, identify what amount of the demand reduction levels identified in Table 36 are due to demand response programs.
 - ii. If not, produce any analysis of the potential for demand response in the LG&E and/or KU service territories.

Respectfully submitted,



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Dated: February 17, 2014

CERTIFICATE OF SERVICE

I certify that the foregoing Initial Requests for Information to Louisville Gas & Electric and Kentucky Utilities Company has been filed with the Commission and served via U.S. Mail on February 17, 2014 to the following:

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