

**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 SUPPLEMENTAL REQUESTS FOR
INFORMATION TO LOUISVILLE GAS & ELECTRIC COMPANY
AND KENTUCKY UTILITIES COMPANY**

Intervenors Wallace McMullen and Sierra Club (collectively “Sierra Club”), pursuant to the Kentucky Public Service Commission’s (“Commission”) March 17, 2014 Order (“March 17 Order”), propound the following supplemental requests for information on Louisville Gas & Electric Company and Kentucky Utilities Company (collectively the “Companies”) in the above-captioned proceeding.

The Companies shall answer these requests for information in the manner set forth in the Commission’s January 30, 2014 Order and by no later than the April 3, 2014 deadline set forth in the March 17 Order. In addition to the undersigned counsel, please produce the requested documents in electronic format to:

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Wherever the response to a request consists of a statement that the requested information is already available to 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 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 requests any information which might be deemed outside their scope by another construction.

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

“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 the Companies;
- (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.

“NOx” 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 request, 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 has entered into a confidentiality agreement that protects 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. Refer to the Companies’ response to Sierra Club’s Initial Request No. 3, parts c and d.
 - a. What does the asterisk after 2013 signify?
 - b. If the asterisk means that some or all of the 2013 data are projected, please state so and state when the actual results will be available.
 - c. If the asterisk means that some or all of the 2013 data are projected, please provide actual results as soon as they are available.

2. Refer to the Companies’ response to Sierra Club’s Initial Request No.10.
 - a. Please state whether customers with multi-family properties have been able to participate in the Residential Conservation/Home Energy Performance Program at any time since the program’s inception.
 - b. Please provide the historical DSM spending for the Residential Conservation/Home Energy Performance Program by year from 2008 to 2013, broken out by single family and multi-family (if applicable per the response to part a. of this question).
 - c. Please provide the historical participation level for the Residential Conservation/ Home Energy Performance Program by year from 2008 to 2013, broken out by single family and multi-family (if applicable per the response to part a. of this question).
 - d. Please provide historical actual cost effectiveness test results for the period 2008 to 2013, including the Utility Cost test, Total Resource Cost test, Societal Cost test, and

Ratepayer Impact Measure test, for the Residential Conservation/Home Energy Performance Program, broken out by single family and multi-family (if applicable per the response to part a. of this question).

- e. Please provide projected DSM spending for the Residential Conservation/Home Energy Performance Program by year from 2015 to 2018, broken out by single family and multi-family.
 - f. Please provide the projected cost effectiveness test results, including the Utility Cost test, Total Resource Cost test, Societal Cost test, and Ratepayer Impact Measure test, for the Residential Conservation/Home Energy Performance Program, broken out by single family and multi-family.
 - g. If the Companies are unable to answer parts e. and/or f. of this question, please explain how the Companies developed cost effectiveness test results for the Residential Conservation/ Home Energy Performance Program as a whole.
3. Refer to the Companies' response to Sierra Club's Initial Request No. 12.
- a. Please describe all assumptions supporting or relating to the responses provided to part b, i through viii.
 - b. Please provide all reports, workbooks, workpapers, studies, and/or other documentation supporting or relating to the responses provided to part b, i through viii.
 - c. Please explain why natural gas prices, but not coal prices, are available as a separate value in DSMore.
 - d. For each of the programs included in the Companies' Proposed DSM/EE Program Plan:
 - i. Please provide all estimates of participant non-energy benefits, including but not limited to safety, health, reduced O&M costs, increased productivity, etc.
 - ii. Please state whether the participant non-energy benefits were included in the DSMore cost-effectiveness analysis, and if so, please describe the manner in which they were included.
 - iii. Please provide all reports, documents or workpapers relating to estimates of non-energy benefits.
 - e. Please state whether the DSMore modeling included as an input the avoided cost of compliance with environmental regulations. If not, please explain why not. If so, please provide the Companies' estimate of this avoided cost.
 - f. Regarding the Companies' assumed \$0 carbon price, please provide all estimates of the costs of greenhouse gas emissions that have been prepared by or for the Companies (or LG&E and/or KU individually) within the past three years. Please provide any and all reports, documents and workpapers supporting these estimates, and indicate whether and how these estimates have been used by the Companies.
 - g. Please provide projections for total emissions reductions associated with the Companies' Proposed DSM/EE Program Plan, including but not limited to SO₂, NO_x, Hg, and CO₂ for each year during 2015-2018. Please also provide the reductions in terms of an emissions rate per MWh saved and therm reduced.

4. Refer to the Companies' response to Sierra Club's Initial Request No. 14. Did the Companies consider maintaining or increasing the goals of the small commercial program while increasing its focus of the large commercial program?
5. Refer to the Companies' response to Sierra Club's Initial Request No. 14. Please provide the following information concerning the Commercial Load Management/Demand Conservation Program:
 - a. Historical participation, broken out by small commercial and large commercial customers, by year, for each of the years 2008 to 2013.
 - b. Historical actual cost effectiveness test results, including the Utility Cost test, Total Resource Cost test, Societal Cost test, and Ratepayer Impact Measure test, broken out for the small commercial and large commercial segments, by year from 2008 to 2013.
 - c. Projected cost effectiveness test results, including the Utility Cost test, Total Resource Cost test, Societal Cost test, and Ratepayer Impact Measure test, broken out for the small commercial and large commercial segments, by year during 2015-2018.
6. Refer to the Companies' response to Sierra Club's Initial Request No. 15 and Exhibit MEH-2.
 - a. Please state whether the Companies have considered integrating high efficiency lighting into other residential programs. If so, please describe the options considered. If not, please explain why not.
 - b. Please provide the projected cost effectiveness test results for the Residential High Efficiency Lighting Program if it was continued through 2018, including the Utility Cost test, Total Resource Cost test, Societal Cost test, and Ratepayer Impact Measure test.
7. Refer to the Companies' response to Sierra Club's Initial Request No. 17 regarding the industrial sector:
 - a. Please describe the process the Company undertakes when an individual industrial customer seeks to opt out of the Companies' DSM programs under KRS 278.285(3), including the structure (administration, application, how and when charges are credited, minimum or maximum term of participation, etc.) and requirements (customer eligibility, eligible measures, reporting, minimum energy use reductions, etc.) of the opt-out option.
 - b. Please provide any and all documents, including but not limited to market potential studies, cost benefit analyses, and customer surveys, that support the Companies' statement in response to part c of Question No. 17 that "sufficient interest is not present to make programming economical."
 - c. Please provide the number and load characteristics of each industrial customer who has opted out of the Companies' DSM programs, by year, since 2008.
 - d. Please provide (i) the total number of customers receiving service under industrial electric tariffs and (ii) the total number of customers receiving service under industrial gas tariffs.

- e. For all customers receiving service under industrial electric tariffs, please provide the following:
 - i. the distribution of these customers' annual kWh sales in 2013, indicating average annual sales by quartile
 - ii. the distribution of these customers' peak demands in 2013, indicating average peak demand by quartile
 - f. For all customers receiving service under industrial gas tariffs, please provide the distribution of annual gas sales in 2013, indicating average annual gas sales by quartile
8. Refer to Appendix D of Exhibit MEH-1 at page 3. Please provide the survey instrument that the Companies used to conduct a survey of their Industrial Customer segment and the survey results.
9. Please provide all estimates calculated by or for the Companies of the rate impacts of their DSM programs on commercial and industrial customers, excluding results of the Ratepayer Impact Measure test. Please provide any and all reports, analyses, workpapers or other documentation supporting or relating to such estimates.
10. Please provide all estimates calculated by or for the Companies of the bill impacts of their DSM programs on commercial and industrial customers. Please provide any and all reports, analyses, workpapers or other documentation supporting or relating to such estimates.
11. Refer to the Companies' response to Sierra Club's Initial Request No. 20. Please explain why the Companies' cap for energy efficiency measure incentives does not take into account the benefits of energy efficiency other than the avoided cost of capacity, including but not limited to the avoided cost of electricity, gas, other fuels, etc.
12. Refer to the Companies' response to Sierra Club's Initial Request No. 23.
 - a. Please identify the person(s) who developed the potential study assumptions described in part a.i and a.ii.
 - b. Please provide any and all relevant studies, analysis workpapers, documents that support the Companies' conclusion that "on average, decreases in real costs are largely offset by inflation."
13. Refer to the Companies' attachment to KPSC-1 Q. 33. Please define the types of costs included in the following cost categories and indicate who incurs each of these costs:
 - a. "Administration Costs"
 - b. "Implementation/Participation Costs"
 - c. "Other/ Miscellaneous Costs"
 - d. "Incentives"
14. Refer to the Companies' Attachment to KPSC-1 Q-33. Please provide the results of the cost-

effectiveness analysis in terms of annual costs and annual benefits for the following tests:

- a. Utility Cost test
 - b. Total Resource Cost test
 - c. Societal Cost test
 - d. Participant test
 - e. Ratepayer Impact Measure test
15. Refer to the Companies' response to Staff's First Request, No.19 and the Testimony of Michael E. Hornung, page 17 to 18, regarding the Residential Incentives Program.
- a. Please state whether the Companies have considered increasing the required efficiency levels for eligible measures. If they have, please provide any and all reports, documents or workpapers relating to those analyses. If not, please explain why not.
 - b. Please state whether the Companies have considered alternate program delivery mechanisms (other than rebates), such as agreements with upstream or midstream suppliers. If they have, please state which alternate mechanisms have been considered and provide all related reports, documents or workpapers. If not, please explain why not.
16. Refer to the Companies' response to Staff's First Request, No. 2, part c. Please explain why the Companies project negative incremental gas savings (*i.e.*, increased gas use) as a result of implementation of the Companies' Commercial Conservation/Commercial Incentives Program.
17. Refer to Exhibit MEH-1, Appendix B. For each of the programs included in the Companies' Proposed DSM/EE Plan, please provide the assumptions regarding free-ridership, spillover and market transformation impacts.
18. Refer to the Companies' Attachment to KPSC-1 Q-33 and Exhibit MEH-1, Appendix C.
- a. Please define and describe the following column headings: "Minimum," "Today," "Alternate," "Option," and "Maximum."
 - b. Please provide all assumptions, including discount rate, used in the DSMore analysis.
 - c. Please confirm that the Companies do not anticipate any benefits in terms of reduced arrearages as a result of their programs. If confirmed, please provide any and all studies, documents, and reports that support this view. If this is not confirmed, please explain why these benefits were not incorporated into the DSMore analysis.
19. Refer to the Companies' Attachment to KPSC-1 Question No. 24, ICF Report at page 39 and Exhibit MEH-1, Appendix E at page 4. Are the Companies planning to incorporate building commissioning and/or retro-commissioning into any of their program offerings, *e.g.* into the Commercial Energy Analysis program? If not, why not? If so, please provide the following for the commissioning/retro-commissioning component:
- a. Projected participation

- b. Projected savings
 - c. Projected costs
 - d. A description of program delivery
 - e. Incentive levels and types
 - f. Target market and customer eligibility requirements
20. Refer to the Companies' response to Staff's First Request, No. 24. Please provide all additional DSM/EE plan reviews conducted for or by the Companies since 2008. Please also provide the two most recent iterations of the Companies' DSM/EE Program Plan.
21. Refer to Exhibit MEH-2.
- a. Please provide projected cost effectiveness test results for the Residential New Construction Program if it was continued beyond 2014, including the Utility Cost test, Total Resource Cost test, Societal Cost test, and Ratepayer Impact Measure test.
 - b. Please state whether the Companies have considered (i) continuing to offer incentives for the previous version of the guidelines for ENERGY STAR homes; (ii) offering incentives for new construction meeting other standards, e.g. LEED; and /or (iii) offering incentives based on a hybrid of standards for energy efficient new construction. Please provide all documents, studies, and workpapers relating to these considerations.
22. Refer to Exhibit MEH-2, footnote 2 on page 6. Have the Companies considered program delivery mechanisms for measures with incremental costs lower than \$30 other than rebates, such as agreements with upstream or midstream suppliers? If yes, please explain what mechanisms were considered. If not, please explain why not.
23. Other than Potential Study provided in Exhibit MEH-3, please provide all other analyses (and related workpapers and documentation) that have been prepared by or for the Companies (or LG&E or KU, separately) regarding the technical, economic or achievable potential for energy efficiency since 2010.
24. Please provide the following information, by year, for the years 2008 through 2013, by customer class:
- 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.
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.

Respectfully submitted,



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Dated: March 20, 2014

CERTIFICATE OF SERVICE

I hereby certify that Sierra Club's March 20, 2014 electronic filing is a true and accurate copy of Wallace McMullen and Sierra Club's Supplemental Requests for Information on Louisville Gas & Electric Company and Kentucky Utilities Company's to be filed in paper medium; and that on March 20, 2014, the electronic filing has been transmitted to the Commission, and that one copy of the filing will be delivered to the Commission, that no participants have been excused from electronic filing at this time, and electronic mail notification of the electronic filing is provided to the following:

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