

Attorney General's Initial Data Requests
Joint Application of LG&E and KU for Review, Modification, and
Continuation of Existing, and Addition of New, Demand-Side
Management and Energy Efficiency Programs
Case No. 2014-00003

1. Please reference the Hornung testimony, p. 6 wherein he refers to the EE Potential Study. Please elaborate in detail why the Joint Applicants “are currently on track to exhaust their achievable energy efficiency potential by 2018.” Include all reports, analyses, studies, quantifications and any and all other documentation, whether generated internally or externally, not already provided in the application that relate to the companies’ statement.
2. Provide the true average consumption level of both electric, kWh, (by company) and gas (Mcf) for both residential and commercial classes, broken down by class. Provide also the monthly bill impact of the projected costs set forth in the filing for the average consumption level, by class.
3. Reference the Joint Application, p. 5, wherein the Joint Applicants state that to date, the existing DSM/EE programs have produced cumulative energy and gas savings of approximately 650 GWh, 2 million ccf, and a cumulative demand reduction of 331 MW. For each measure of savings, please provide the source in the petition in which these savings are discussed in detail. Provide worksheets, reports, analyses, studies and any other documentation not already provided in the application quantifying and supporting these conclusions.
4. Please reference the Customer Education and Public Information Program. Please advise if the school based program for K-8 students **directly** involve in-person parental education, since they are the customers making the ultimate decision regarding energy efficiency purchases and practices?
5. Reference the Customer Education and Public Information Program in the Joint Applicants' petition. Please provide a detailed list identifying specific examples of “mass media efforts” that will be used.
6. By program, provide the proposed annual salaries, benefits and any other type of compensation for each and every additional employee to be added. Include also the total number of employees and the total costs.
7. Reference the Joint Application, p. 10, wherein the Joint Applicants assert that per the Smart Meter Study, the Joint Applicants “may” have opportunities to benefit from targeted deployments of Advanced Metering Systems [“AMS”], but that system-wide conversion is not justified at this time based on the data analyzed. Please advise in detail why the Joint Applicants believe they “may” have potential

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- benefits. Provide all reports, analyses, studies, and any and all other documentation, whether generated internally or externally, not already provided in the application that relate to the companies' statement.
8. Please advise if customers who elect to participate can access the current utility usage, its costs, etc. from the AMS in real time. If not, please provide specific reasoning for any delay. If not, explain also the time of the delay, as in minutes, hours, days or weeks.
 9. What is the average life of the AMS the Joint Applicants intend to install?
 - a. With regard to the installation of AMIs, please state whether the early retirement of existing meters will create stranded costs?
 - b. If the answer to subpart a., above is "yes," please explain how Joint Applicants intend to recover those costs, and from whom.
 - c. Will Joint Applicants' shareholders pay for any such stranded costs? If not, why not?
 - d. Describe the accounting entries that will or could be made regarding any such stranded costs if the costs are to be passed along to ratepayers.
 - e. If the costs are will not be considered as "stranded" by the Joint Applicants but will be passed along to ratepayers, explain how the Joint Applicants plan on recapturing the costs.
 10. Reference the Joint Application, p. 9, paragraph 17 where it asserts that "each of the programs in the proposed DSM/EE program plan except the AMI passed the participant and total resource cost tests (when applicable), and the overall portfolio passed the participant, utility cost, and total resource cost tests." Please advise why the California tests were not applied to the AMS.
 - a. To the best of the companies' knowledge, has the Commission ever approved a program that does not pass the California test? If so, provide the name of the program and the company which was allowed to implement it.
 11. Provide a narrative description of any and all savings the Joint Applicants expect to recover, or which could be recovered, from implementation of the AMS program.

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12. Please reference David Huff's testimony on pp. 1153-1154 of the Joint Application, wherein it is stated that Joint Applicants propose to recover the costs of the AMS, network infrastructure, computer systems to control the network and meters, meter data management system, operation of the network, field maintenance, hardware and software maintenance, and other hardware and software used to serve all advanced meters.
 - a. Please advise why the AMS should be implemented under the DSM/EE Programs if the "program energy and demand impacts are undetermined at this time" and there appears to be a substantial overhead in relation to the AMS.
 - b. Explain why Joint Applicants' shareholders should not share in the costs of the AMS.
13. Provide any and all justification of seeking a 10.5% return on equity ["ROE"], which was the ROE the Commission approved in Case No. 2011-00134.
 - a. Do Joint Applicants believe the economy has not changed since the date of the Commission's approval of the 10.5% ROE in Case No. 2011-00134? If so, please provide a complete explanation.
 - b. Do Joint Applicants acknowledge that the yield on 10-Yr. Treasury Bonds was 3.0% at the end of 2013, and that this level remains at a historic low?
 - c. Do Joint Applicants acknowledge that authorized ROEs for electric utilities declined from 10.1% in 2012 to 9.84% in 2013 (excluding authorized ROEs from Virginia that include generation ROE adders)?
14. Provide the DSM collaborative's bylaws. Please also confirm that the Attorney General is a statutory member, and that other members must be approved by the DSM collaborative.
15. Provide in electronic format all excel spreadsheets used to support the application, with formulae and cells intact.
16. In reference to the Commercial Load Management Program, please specify in detail how the Joint Applicants propose to reduce the small commercial program goals.

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17. Provide a detailed narrative description of the measures Joint Applicants employ regarding evaluation, measurement and verification ("EM&V"), including contractors used, and any EM&V studies any such contractor may have conducted over each of the past five (5) years which were not provided in the application.
18. Reference the Conroy testimony, p. 5 beginning at line 17. Explain what is meant by the company's proposal to make minor changes to the energy charges used to calculate monthly adjustment factors in the DSM Cost Recovery Mechanism. Provide any calculations that are contemplated.
 - a. State whether this is a change in the manner in which the companies currently collect costs associated with DSM programs. If so, explain why the Commission should accept such a change.
19. Reference Exhibit RMC-3, p. 9 of 13. Please confirm that there are no capital costs for any gas DSM programs.
20. Provide the case number for the Joint Applicants' latest IRP case, and provide an estimated filing date for their next IRP filing.
21. Reference the Hornung testimony, p. 20 beginning at line 4. Please explain what is meant by, "...due to the current market conditions and costs."
22. Reference the Hornung testimony, p. 23 beginning at line 19. Please explain what is meant by, "...due to changed circumstances or insufficient data supporting changes or extensions."
23. With regard to existing programs, provide a chart depicting program names, broken down by: (a) costs of each program for each year to date; (b) costs for each program for each year going forward (c) actual energy savings, broken down in dollars and MWh, for each year to date; and (d) expected energy savings, broken down both in dollars and MWh, for each year of the remaining life of each program (remaining life should also include filed-for extensions of any existing programs).
24. With regard to proposed new programs, provide a chart depicting program names, broken down by: (a) forecasted costs for each year for each program; and

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(b) forecasted actual energy savings, broken down both in dollars and MWh, per year for the expected life of each program.