

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

In the Matter of:

**JOINT INTEGRATED RESOURCE PLAN OF)
LOUISVILLE GAS AND ELECTRIC COMPANY)
AND KENTUCKY UTILITIES COMPANY)** **CASE NO. 2014-00131**

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

Pursuant to the Kentucky Public Service Commission’s (“Commission”) January 29, 2015 Order (“January Order”), Intervenor Wallace McMullen and Sierra Club (collectively “Environmental Intervenor”) propound the following requests for information on Louisville Gas and 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 January 29, 2015 Order and by no later than the February 18, 2015 deadline set forth in the Appendix to the October Order. Please produce the requested documents in electronic format to:

Laurie Williams
Sierra Club
50 F Street, NW, Eighth Floor
Washington, DC 20001
laurie.williams@sierraclub.org

Shannon Fisk
Earthjustice
1617 John F. Kennedy Blvd., Suite 1675
Philadelphia, PA 19103
sfisk@earthjustice.org

Matthew Gerhart
Earthjustice
705 Second Avenue, Suite 203
Seattle, WA 98104
mgerhart@earthjustice.org

Wherever the response to an interrogatory or request consists of a statement that the requested information is already available to the Environmental Intervenors, 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.

The Environmental Intervenors reserve 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,” the “Companies,” or “LG&E/KU,” refers to Louisville Gas and Electric Company and Kentucky Utilities Company, and its 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.

“CO₂” means carbon dioxide

“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.

“EPA” means the United States Environmental Protection Agency

“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.

“NOx” means nitrogen oxides

“NPV” means Net Present Value

“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.

“RFP” means Request for Proposal

“SO₂” means sulfur dioxide

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

PRIVILEGE

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 the Environmental Intervenors 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 the Environmental Intervenors or the Commission to evaluate the validity of such claims.

TIME

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

DATA REQUESTS

3.1. Please refer to the Companies’ response to Sierra Club’s data request 2.3(a).

- a. Are the Companies stating that they did not consider capital and fixed O&M costs for existing units because the Companies believe that such costs would be the same across all scenarios?
 - i. If not, explain the statement that “capital and fixed O&M costs for existing generating units are not impacted by the scenarios evaluated.”
- b. Please confirm that while capital and fixed O&M costs for existing units were not inputs in the Strategist modeling, the Companies used capital and/or fixed O&M costs for existing units to calculate the PVRR of portfolios.
 - i. If denied, please explain.
- c. Please describe each way in which capital and fixed O&M costs for existing units were used to calculate the PVRR of portfolios.
- d. Please confirm that in the Resource Assessment, the Companies used capital and fixed costs (as well as variable costs) for new resources to determine the levelized

cost of energy in order to screen out new resources.

- e. Please describe each way in which capital and/or fixed costs for new units were used to either screen out new resources or calculate the PVRR of portfolios in which new resources were available to the model.

3.2. Please refer to the Companies' response to Sierra Club's data request 2.3(b). Please confirm that in this IRP, the Companies did not evaluate whether any future capital and/or fixed costs could make existing units uneconomic to operate relative to alternative supply-side and/or demand-side resources.

- a. If denied, please identify the economic analysis in the 2014 IRP in which the Companies used capital and/or fixed O&M costs for existing units as part of an evaluation of whether existing units may become less economic to operate than alternative resources.
- b. Is it the Companies' position that capital and fixed O&M costs can never cause an existing unit to become uneconomic to operate?
 - i. If not, why did the Companies not evaluate how future capital and fixed O&M costs will impact the economics of existing units relative to alternative resources?

3.3. Please refer to the response to Sierra Club's data request 2.5. Please confirm that in the mid gas, base load scenarios Brown Unit 3's capacity factor stays close to the level at which the Companies designated the unit as must-run.

- a. Please confirm that this indicates that in these scenarios, the Strategist model rarely selected Brown Unit 3 to run on an economic basis above the minimum capacity segment for which the Companies designed Brown 3 as must-run.

3.4. Please refer to the response to Sierra Club's data request 2.5. Please confirm that in the mid gas, base load, and zero carbon scenario, from 2020 to 2028, Brown Unit 1 increases its capacity factor from 11.5% to 30.8% and Brown Unit 2 increases its capacity factor from 16.8% to 44.7%.

- a. Do LG&E and KU believe that Brown Units 1 and 2 are likely to nearly triple their generation between 2020 and 2028?
- b. Please confirm that the model results referenced above do not take into account any capital and fixed costs that might make Brown Units 1 and/or 2 uneconomic to operate prior to 2028.

3.5. Please refer to the response to Sierra Club's data request 2.14. Please confirm that the Companies calculated the average capacity factor for each year by weighting the 3 gas price scenarios equally.

- a. If denied, please explain how the Companies weighted each gas price scenario.

- b. Do the Companies believe that the high and low gas prices they used are each as equally likely to occur as the mid gas price?
 - i. If so, explain why.
 - ii. If not, explain the basis for the Companies' weighting of the gas price scenarios.
- c. Please explain why the Companies did not weight the mid gas price as more likely to occur than either the high or low gas price, given that the AEO Reference case is a projection of business-as-usual trends based on known technological and demographic trends.

3.6. Please refer to the Resource Assessment at p. 6. Please confirm that the Companies set up the Strategist modeling in such a way that distributed solar generation was not available as an existing or new resource for the model to select.

3.7. Have the Companies reviewed the Southeast Wind Energy Fact Sheet (December 2014), available at http://www.eenews.net/assets/2014/12/10/document_ew_01.pdf?

- a. If so, do the Companies agree with the Fact Sheet referenced above that the potential to generate wind energy in Kentucky has increased based on the development of larger wind turbines?

Respectfully submitted,



JOE F. CHILDERS
JOE F. CHILDERS & ASSOCIATES
300 Lexington Building
201 West Short Street
Lexington, Kentucky 40507
859-253-9824
859-258-9288 (facsimile)
childerslaw81@gmail.com

Of counsel:

(The following attorneys are not licensed to practice law in Kentucky.)

Shannon Fisk
Earthjustice
1617 John F. Kennedy Boulevard
Suite 1675
Philadelphia, PA 19103
(215) 717-4522
sfisk@earthjustice.org

Kristin Henry
Susan Laureign Williams
Sierra Club
85 Second Street
San Francisco, CA 94105-3441
(415) 977-5716
kristin.henry@sierraclub.org
laurie.williams@sierraclub.org

Matthew Gerhart
Earthjustice
705 2nd Ave.
Suite 203
Seattle, WA 98104
(206) 343-7340
mgerhart@earthjustice.org

CERTIFICATE OF SERVICE

This is to certify that the foregoing copy of WALLACE MCMULLEN'S AND SIERRA CLUB'S THIRD REQUESTS FOR INFORMATION TO LOUISVILLE GAS AND ELECTRIC COMPANY AND KENTUCKY UTILITIES COMPANY is a true and accurate copy of the document being filed in paper medium; that the electronic filing was transmitted to the Commission on February 4, 2015; that there are currently no parties that the Commission has excused from participation by electronic means in this proceeding; and that a copy of the filing in paper medium is being mailed to the Commission on February 4, 2015.

Lawrence W. Cook, Esq.
Angela M. Goad, Esq.
Gregory T. Dutton, Esq.
Office of the Attorney General
1024 Capital Center Drive, Suite 200
Frankfort, KY 40601-8204
Dennis.Howard@ag.ky.gov
Larry.Cook@ag.ky.gov
Angela.Goad@ag.ky.gov
Heather.Napier@ag.ky.gov

Allyson KI. Sturgeon, Esq.
Senior Corporate Attorney
LG&E and KU Energy, LLC
220 West Main Street
Louisville, KY 40202
Allyson.Sturgeon@lge-ku.com

Rick Lovekamp
Manager Reg. Affairs
LG&E and KU Energy, LLC
220 West Main Street
Louisville, KY 40202
Rick.Lovekamp@lge-ku.com

Edwin R. Staton
Vice President, State Regulation and
Rates
LG&E and KU Energy, LLC
220 West Main Street
Louisville, KY 40202
Ed.Staton@lge-ku.com

Michael L. Kurtz, Esq.
Kurt J. Boehm, Esq.
Jody Kyler Cohn, Esq.
Boehm, Kurtz & Lowry
36 East Seventh Street, Suite 1510
Cincinnati, OH 45202
mkurtz@BKLawfirm.com
kboehm@BKLawfirm.com
jkylerecohn@BKLawfirm.com

W. Duncan Crosby, III, Esq.
Kendrick Riggs, Esq.
Joseph Mandlehr, Esq.
Stoll Keenon Ogden, PLLC
2000 PNC Plaza
500 West Jefferson Street
Louisville, KY 10202
duncan.crosby@skofirm.com
joseph.mandlehr@skofirm.com
kendrick.riggs@skofirm.com

/s/ Joe F. Childers
