

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

In the Matter of:

**AN EXAMINATION OF THE APPLICATION OF THE)
FUEL ADJUSTMENT CLAUSE OF KENTUCKY)
UTILITIES COMPANY FROM MAY 1, 2015) 2016-00003
THROUGH OCTOBER 31, 2015)**

**SUPPLEMENTAL RESPONSE OF
KENTUCKY UTILITIES COMPANY
TO
INFORMATION REQUESTED IN
COMMISSION'S THIRD DATA REQUEST
DATED MARCH 18, 2016**

FILED: APRIL 21, 2016

VERIFICATION

COMMONWEALTH OF KENTUCKY)
) SS:
COUNTY OF JEFFERSON)

The undersigned, **Mike Dotson**, being duly sworn, deposes and says that he is Manager - LG&E and KU Fuels for LG&E and KU Services Company, and that he has personal knowledge of the matters set forth in the responses for which he is identified as the witness, and the answers contained therein are true and correct to the best of his information, knowledge and belief.

Mike Dotson
Mike Dotson

Subscribed and sworn to before me, a Notary Public in and before said County and State, this *21st* day of *April* 2016.

Judy Schooler (SEAL)

Notary Public

My Commission Expires:

JUDY SCHOOLER
Notary Public, State at Large, KY
~~My commission expires July 11, 2016~~
Notary ID # 512743

KENTUCKY UTILITIES COMPANY

**Supplemental Response to Information Requested in
Commission's Third Data Request Dated March 18, 2016**

Case No. 2016-00003

Question No. 1

Witness: Mike Dotson

Q-1. In its monthly fuel adjustment clause ("FAC") backup files, KU provides an analysis of coal purchases that includes a state and coal district number for the source of the coal.

- a) Confirm that KU is using District No. 8 (for eastern Kentucky) and District No. 9 (for western Kentucky) when identifying Kentucky coal districts in its FAC backup filings.
- b) State whether the state and coal district numbers are those utilized by the Mine Safety and Health Administration. If not, state the entity that designates the coal district numbers utilized by KU in its FAC backup filings.
- c) For the entity identified in part b. above, provide a map showing the current coal districts.
- d) Provide the date of the last change made by the entity identified in part b. above to the coal district numbering. If KU did not begin using the new coal district numbering when the change was made, explain why.
- e) Explain the input and review process for the state and coal district numbers provided in the monthly analysis of coal purchase schedule and how KU ensures that the information is accurate.

A-1. **ORIGINAL RESPONSE:**

- a) Yes, KU is using District No. 8 for Eastern Kentucky and District No. 9 for Western Kentucky in its FAC backup filings.
- b) KU does not use the state and coal district numbers utilized by the Mine Safety and Health Administration. The district numbers utilized in KU's FAC backup filings are those established by Federal Energy Regulatory Commission (FERC) for Form 423 filings.
- c) KU is not aware of a map showing the FERC coal districts. However, attached is a list of the FERC coal district numbers with detailed descriptions. This list was provided in the instructions for the FERC 423 Monthly Report of Cost and Quality of Fuels for

Electric Plants. The counties for Kentucky District 8 and 9 are located on page 3 of 6 and page 4 of 6.

- d) KU is not aware of any change in the FERC coal district numbering.

- e) KU uses Aligne, a fuel management system purchased from FIS Energy (originally Energy Softworx) in 2006. This software came pre-loaded with base data that included FERC mine district numbers. This data was compared to the FERC 423 instructions and proved to be accurate. This data has not been modified.

As new sources are created, the Fuel Source, State and County are entered into Aligne. Aligne uses this information to associate the FERC mine district numbers using the pre-loaded base data.

KU uses the Aligne system to generate the Monthly Analysis of Coal Purchase report for the Form B. KU has accounting procedures in place to validate data entered into the fuels system. These procedures are reviewed annually via Sarbanes Oxley Internal Control reviews and by external auditors during their normal audit process.

SUPPLEMENTAL RESPONSE:

- b) On March 28, 2008, the Federal Energy Regulatory Commission ("FERC") issued a Notice Providing for Termination of Collection of FERC Form No. 423, Monthly Report of Cost and Quality of Fuels for Electric Plants ("FERC Form 423"), which KU had routinely filed with the Kentucky Public Service Commission ("Commission"). This Notice stated that the FERC would rely on the newly authorized Energy Information Administration ("EIA") Form 923 for comparable data collection beginning with the January 2008 report. The EIA Form 923 did not require the state and county information. Based on discussions with Commission staff around that time, the information contained in the FERC Form 423 was also contained in the Form B, Page 3 "Analysis of Coal Purchased for Fuel Clause Backup" with the exception of the state and county information. In order to provide the Commission with comparable data in a timely manner, KU agreed to manually insert the state and county information on the report based on what had been provided in the FERC Form 423. On April 25, 2008, KU filed a modified version of Page 3 of its Fuel Adjustment Clause Form B for the expense month of February 2008, which contained the information previously provided in the FERC Form 423. On May 2, 2008, KU was contacted by Commission staff requesting that the coal district code number, rather than the county code number, be inserted onto Page 3 of its monthly Fuel Adjustment Clause Form B. All monthly filings of this report have contained the same information based on the previous FERC Form 423 instructions.