

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

In the Matter of:

ELECTRONIC APPLICATION OF LOUISVILLE)	
GAS AND ELECTRIC COMPANY FOR AN)	
ADJUSTMENT OF ITS ELECTRIC AND GAS)	CASE NO. 2016-00371
RATES AND FOR CERTIFICATES OF PUBLIC)	
CONVENIENCE AND NECESSITY)	

JBS SWIFT & CO'S INITIAL REQUESTS FOR INFORMATION

Comes now the intervenor, JBS Swift & Co ("JBS"), by and through counsel, and submits these Initial Requests for Information to Louisville Gas and Electric Company ("LG&E" or "the Company") to be answered by the date specified in the Commission's Order of Procedure, and in accord with the following:

(1) In each case where a request seeks data provided in response to a staff request, reference to the appropriate request item will be deemed a satisfactory response.

(2) Please identify the witness who will be prepared to answer questions concerning each request.

(3) Please repeat the question to which each response is intended to refer. JBS can provide counsel for LG&E with an electronic version of these questions, upon request.

(4) These requests shall be deemed continuing so as to require further and supplemental responses if the company receives or generates additional information

within the scope of these requests between the time of the response and the time of any hearing conducted hereon.

(5) Each response shall be answered under oath or, for representatives of a public or private corporation or a partnership or association, be accompanied by a signed certification of the preparer or person supervising the preparation of the response on behalf of the entity that the response is true and accurate to the best of that person's knowledge, information, and belief formed after a reasonable inquiry.

(6) If you believe any request appears confusing, please request clarification directly from counsel for JBS.

(7) To the extent that the specific document, workpaper or information as requested does not exist, but a similar document, workpaper or information does exist, provide the similar document, workpaper, or information.

(8) To the extent that any request may be answered by way of a computer printout, please identify each variable contained in the printout which would not be self evident to a person not familiar with the printout.

(9) If the company has objections to any request on the grounds that the requested information is proprietary in nature, or for any other reason, please notify counsel for JBS as soon as possible.

(10) As used herein, the words "document" or "documents" are to be construed broadly and shall mean the original of the same (and all non-identical copies or drafts thereof) and if the original is not available, the best copy available. These terms shall include all information recorded in any written, graphic or other tangible form and

shall include, without limiting the generality of the foregoing, all reports; memoranda; books or notebooks; written or recorded statements, interviews, affidavits and depositions; all letters or correspondence; telegrams, cables and telex messages; contracts, leases, insurance policies or other agreements; warnings and caution/hazard notices or labels; mechanical and electronic recordings and all information so stored, or transcripts of such recordings; calendars, appointment books, schedules, agendas and diary entries; notes or memoranda of conversations (telephonic or otherwise), meetings or conferences; legal pleadings and transcripts of legal proceedings; maps, models, charts, diagrams, graphs and other demonstrative materials; financial statements, annual reports, balance sheets and other accounting records; quotations or offers; bulletins, newsletters, pamphlets, brochures and all other similar publications; summaries or compilations of data; deeds, titles, or other instruments of ownership; blueprints and specifications; manuals, guidelines, regulations, procedures, policies and instructional materials of any type; photographs or pictures, film, microfilm and microfiche; videotapes; articles; announcements and notices of any type; surveys, studies, evaluations, tests and all research and development (R&D) materials; newspaper clippings and press releases; time cards, employee schedules or rosters, and other payroll records; cancelled checks, invoices, bills and receipts; and writings of any kind and all other tangible things upon which any handwriting, typing, printing, drawings, representations, graphic matter, magnetic or electrical impulses, or other forms of communication are recorded or produced, including audio and video recordings, computer stored information (whether or not in printout form), computer-

readable media or other electronically maintained or transmitted information, and all other rough drafts, revised drafts (including all handwritten notes or other marks on the same) and copies of documents as hereinbefore defined by whatever means made.

(11) For any document withheld on the basis of privilege, state the following: date; author; addressee; indicated or blind copies; all persons to whom distributed, shown, or explained; and, the nature and legal basis for the privilege asserted.

(12) In the event any document called for has been destroyed or transferred beyond the control of the company, please state: the identity of the person by whom it was destroyed or transferred, and the person authorizing the destruction or transfer; the time, place, and method of destruction or transfer; and, the reason(s) for its destruction or transfer. If destroyed or disposed of by operation of a retention policy, state the retention policy.

(13) Please provide written responses, together with any and all exhibits pertaining thereto, in one or more bound volumes, separately indexed and tabbed by each response, in compliance with Kentucky Public Service Commission Regulations.

(14) JBS reserves the right to pose additional preliminary data requests on or before the due date specified in the Commission's procedural schedule.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "Dennis G. Howard, II". The signature is fluid and cursive, with the first name "Dennis" and the last name "Howard" being the most prominent parts.

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INITIAL REQUESTS FOR INFORMATION

1. Reference the Sinclair pre-filed testimony at page 27, lines 12-17, in Case No. 2014-00372¹, where the following question was asked: “Why are the Companies [LG&E and KU] proposing to eliminate the ‘system reliability events’ limitation on when they can ask for a curtailment?” In part, the witness answered: “From a system planning point of view, the ability to curtail load for a limited number of hours under the CSR is supposed to substitute for a peaking generation asset like a CT. In fact, the demand credit the CSR customer receives is very similar to the annualized fixed cost of a CT unit.” How is this different than the fixed carrying cost proposed in the current case?
2. Reference the Sinclair pre-filed testimony at pages 28-29, in Case No. 2014-00372, where the following question was asked: “Given the proposed changes, why are the Companies [LG&E and KU] not proposing to change the amount of the CSR credit?” The witness answered as follows: “The Generation Planning department analyzed the value of being able to interrupt load compared to the cost on new generating capacity and determined that the current capacity credit contained within CSR10 and CSR30 fall within the range of reasonableness. Therefore, no change to the monetary value of the credit is being proposed.” Why has this opinion changed?
3. Can LG&E please provide a side-by-side analysis of the CSR capacity credit determined in Case 2014-00372 and Case 2016-00371? If yes, please provide an explanation of differences in the analysis. If no, please explain why not.
4. Please explain how the Company’s capacity has changed between Case 2014-00372 and the filing of this case?
5. What specific generating units, along with their capacity ratings, have been added since the filing of Case 2014-00372?
6. Reference the Seelye testimony in the instant matter at page 54, lines 20-21, whereat the witness states: “As mentioned earlier, LG&E has no need for additional generation capacity during the next decade or so.” What is the basis for this claim?

¹ Case No. 2014-00372, *In the Matter of Application of Louisville Gas and Electric Company for An Adjustment of Its Electric and Gas Rates*, is LG&E’s prior rate case filed on or about November 26, 2014.

7. In lieu of the CSR, what resource could LG&E utilize which is under its control to dispatch if all existing generating units were fully utilized and off-system sales were reduced to 0 as indicated in the Curtailable Service Rider?
8. Reference the Seelye testimony in the instant matter at pages 54-55 whereat the witness states “the current generation mix was planned to take into account CSR capacity and its use in avoiding turbine capacity...” Why does LG&E propose to allow the current customers to continue receiving credits instead of keeping the planned capacity of 100 MW available?
9. Was the current generation mix planned to incorporate only the existing customer capacity under the CSR program? Please explain your answer.
10. Was the CSR tariff capacity of 100 MW used to determine the current generation mix? Please explain your answer.
11. Can LG&E provide a historical analysis showing the CSR volumes included in the determination of the current generation mix? If yes, please do so for the past ten (10) years. If not, please explain why not.
12. Why does LG&E propose to offer credits to customers based on the depreciated cost of existing CT units instead of the cost of a new units when the Curtailable Service Rider specifically states that the CSR will be utilized only when existing units are fully utilized? Explain your answer in detail.
13. Reference the Thompson testimony at page 12, lines 13 through 17, whereat the witness states that LG&E “purchases power from the Ohio Valley Electric Corporation (“OVEC”) through a long-existing Inter-Company Power Agreement. LG&E also has in place a capacity and tolling agreement with Bluegrass Generation Company, LLC (“Bluegrass”) which gives LG&E the right to an additional 165 MW of generating capacity through April 2019.”
 - a. For the past five (5) years, provide the number of days LG&E purchased power from any of the listed entities.
 - b. State the calendar date(s) for each day(s) the Company purchased the power.
 - c. For each day the Company purchased power, state the number of hours for which the purchase was made.

14. Reference the Thompson testimony at PWT-2, "Transmission System Improvement Plan (2017-2021)" and in particular at page 21 at paragraph 4.2.1 where the following language appears: "Equipment failure was the cause of about 27% of all transmission outages from 2012-2016."
- a. Has the company performed any analyses or possess information which would compare this percentage of equipment failure to other electric utility companies? If yes, please provide the analyses or reports.
 - b. If the answer to the question above is yes, how does this 27% equipment failure rate attributable to system failure compare to other electric utility companies? Provide any documentation which the Company has in its possession to demonstrate the comparison.
15. Reference the Conroy Testimony at page 6, lines 14 - 17, where the witness discusses the Loss-of-Load Probability ("LOLP") cost of service study used by the Company in the case. "A utility's LOLP is the probability that a utility system's total demand will exceed its generation capacity over a given time period..."
- a. In light of the witnesses' testimony, should the Company alter or amend its curtailable service rider if the Company expects its systems' total demand will not be met with its available capacity?
 - b. If yes, please explain why?
 - c. If yes, please state why customers under the proposed rider CSR will be compensated at a lesser amount if they continue to assist the Company by curtailing their load?
16. Reference the application in general as well as the Company's records.
- a. State the number of days JBS experienced a disruption of electric service from LG&E.
 - b. For each day, state the number of hours the disruption of service lasted.
 - c. For each day JBS experienced a disruption of electric service from LG&E, state the cause.

17. Reference the Seelye testimony in general, and in particular at page 3, where the witness discusses customers installing behind-the-meter energy electric generation, and at pp. 3-4 where the witness states: "LG&E is therefore taking some initial steps toward implementing rate changes that will provide appropriate and equitable cost recovery in a changing utility industry."
- a. Confirm that these initial steps are being advanced in the proposed rates in the Company's filing.
 - b. If the Company is proposing to take steps "that will provide appropriate and equitable cost recovery," does the witness believe it is therefore equitable for the customers to actually begin installing "behind-the-meter" electric generation if they will be paying for it in the rates advanced in this case?
18. Reference the Seelye testimony in general where he discusses the Loss-of-Load-Probability ("LOLP") cost of service study and in particular at page 86 where the witness states that: "In the second version of the [cost of service] study, a Loss-of-Load-Probability ("LOLP") was utilized."
- a. Please provide references or citations to all cases of which the witness is aware in which a utility company has proposed the LOLP approach to a Public Utility Commission to allocate generation plant to retail customers.
 - b. Please provide references or citations to all cases of which the witness is aware in which the LOLP approach to allocate generation plant to retail customers by a utility company has been approved by a Public Utility Commission.
19. Does LG&E offer an interruptible standby service?
20. How would LG&E be harmed by offering an interruptible standby service?
21. How would LG&E address customers who desire standby generation capacity on an as-available basis?

22. Reference the Availability section of the Firm Transportation Service gas tariff FT which states “Additionally, customers using gas to generate electricity for use other than as standby electricity, irrespective of the size of the Customer’s MDQ, are not eligible for service under this rate schedule.” Does LG&E intend that customers who have a natural gas generating facility that is operated 24 hours per day, seven days per week but with a random forced outage rate are not eligible for service under Rate FT? If so, please explain your answer.
23. In reference to the same, is a customer who otherwise meets the requirements of the Firm Transportation Service, but regularly generates electricity for its own use eligible for Firm Transportation Service?

CERTIFICATE OF SERVICE

I certify that the foregoing is a true and accurate copy of the same document being filed in paper medium with the Commission; that the electronic filing was transmitted to the Commission on January 11, 2017; that there are no parties that the Commission has excused from participation by electronic means in this proceeding; and that one original and six copies of the filing in paper medium are being delivered to the Commission within two (2) business days.

A handwritten signature in blue ink, appearing to read "D. Howard, II". The signature is stylized and cursive.

Dennis G. Howard, II