

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 SUPPLEMENTAL REQUESTS FOR INFORMATION**

Comes now the intervenor, JBS Swift & Co ("JBS"), by and through counsel, and submits these Supplemental 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 more prominent.

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**COUNSEL FOR JBS SWIFT & CO**

## SUPPLEMENTAL REQUESTS FOR INFORMATION

1. Please explain why LG&E did not propose to eliminate the CSR during Case No. 2014-00372 instead of waiting until the instant case?
2. There are at least two other utilities that offer non-firm back-up service for customers that generate their own power on a regular basis. [Why is the Company opposed to affording its customers the same opportunity?](#) For example, see the following companies and their respective tariffs:

Ottertall Power (Rate C-10M)

<http://ilsr.org/wp-content/uploads/2015/04/122204otpc-10m.pdf> ; and

Vectren South (Rate BAMP)

[https://www.vectren.com/assets/cms/pdfs/south\\_services\\_electric\\_tariff.pdf](https://www.vectren.com/assets/cms/pdfs/south_services_electric_tariff.pdf)

3. Has LG&E considered offering programs like either Ottertall Power or Vectren South to encourage distributed generation? Please explain your answer.
4. Would a program similar to Ottertall or Vectren South benefit LG&E? Please explain your answer.
5. For those customers who do not require firm service and who do not require reserved capacity, does LG&E believe that it is fair, just and reasonable to offer only firm service to those customers in order to maximize recovery of excess generation facilities owned by LG&E? Explain your answer in detail.
6. Regardless of whether a customer desires or requires firm capacity from the Company, will such customer be required to purchase firm capacity from the Company based on the proposed changes in the application? Explain your answer in detail.
  - a. If the answer is yes, does the company agree that those customers would have a lower cost of service and thus subsidize other ratepayers? Explain your answer in detail.
7. In the Company's response to JBS' Initial Requests for Information No. 22, Mr. Conroy posits that "These kinds of customers are appropriately served under Rate Distributed Generation Gas Service." How does LG&E substantiate this statement? Please explain your answer in detail.

8. How do the service characteristics of a generator that is primarily operational but occasionally out of service differ from an industrial boiler that is primarily operational but occasionally out of service? Explain your answer in detail.
  - a. Why should the generator owner be denied access to third-party supply while the boiler operator has access to third-party supply? Explain your answer in detail.
9. Does LG&E believe that it is more difficult for a supplier to anticipate and schedule gas service to a generator that is used as the primary power supply source for its operation?
10. In the Company's response to JBS' Initial Requests for Information No. 22, Mr. Conroy states that "these kinds of unforeseen imbalances (particularly from a "random forced outage") are potentially detrimental to the overall reliable operation of LG&E's gas system." Is it not true that LG&E's transportation services tariffs and rules for third party supply have mechanisms to deal with these types of imbalances? Explain your answer in detail.
  - a. Why can't the occasional imbalance from a generator outage be treated the same way? Explain your answer in detail.
11. Please identify other natural gas utilities that prevent high load factor generators from utilizing third-party supply.
12. Reference the Company's response to JBS's Request for Information No. 6. where the Company was asked for the basis that it has no need for "additional generation capacity during the next decade or so." The Company responded by stating that "[t]his is based on the most recent IRP filing submitted by KU in Virginia." Provide a copy of the IRP filing.
  - a. Why did the Company refer to this document instead of its most recent IRP filed in Kentucky in Case No. 2014-00131?

13. Reference the Company's response to JBS's Request for Information No. 18 whereat the Company was asked to provide a case in **any** state jurisdiction where the Loss-of-Load- Probability (LOLP) COSS had been approved. The Company responded by referencing its response to PSC 2-86 whereat the Company stated it "is unaware of the [Kentucky] Commission ever having approved an LOLP COSS in another proceeding." Moreover, the Company responded it "is unaware of an LOLP being approved in another state jurisdiction." Reference also the Company's response to JBS's Request for Information No. 15 whereat Company states that the "Company expects to serve its load each and every hour of the year." See also the Company's response to the Attorney General's Initial Request for Information No. 295 whereat the Company states that its generation reserve margin for the forecasted test period is 21.6 percent. In light of these questions and answers, why should the Commission consider the Company's LOLP COSS?
14. Reference the Company's response to JBS's Request for Information No. 15. In discussing the "probability that there will be unserved demand with native resources," the Company states that such "probabilities for any hour are less than 1%." State the exact numeric percentage(s) used in the Company's LOLP modeling.
15. From what distribution circuit is JBS served?
16. Reference the Company's response to the AG's Initial Requests for Information No. 13. What is the industry average for line loss for each of the past years?
17. Reference the Company's response to the AG's Initial Requests for Information No. 282 at exhibit WP-1, "US Regulated Utilities, Regulation Will Keep Cash Flow Stable As Major Tax Break Ends," prepared by Moody's Investors Service, at page 4 of 13. At the top of the page the following statement is made: "As demand for electricity wanes, rate structures that are tied more closely to volumetric charges than to fixed charges will threaten the gross profits of most electric and gas utility companies." Does LG&E agree with this statement? If not, please explain why not.



**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 February 7, 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.



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Dennis G. Howard, II