

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)

RESPONSE OF JBS SWIFT & CO TO LOUISVILLE GAS AND ELECTRIC
COMPANY'S DATA REQUESTS DATED MARCH 17, 2017

FILED: MARCH 31, 2017

Louisville Gas and Electric Company

Case No. 2016-00371

JBS Swift & Co Responses to Louisville Gas and Electric Company's Data Requests

Dated March 17, 2017

- Q-1. Provide a copy of all feasibility studies and cost-benefit analyses (preliminary or otherwise) performed by or on behalf of JBS Swift of the cogeneration project being evaluated by JBS, as well as all workpapers, bids or proposals, and all other supporting documents for such studies or analyses.
- A-1. Objection. The response contains information which is proprietary in nature containing JBS' load profile, information related to potential cost savings for electricity and equipment list for manufacturing which, if disclosed, could place JBS at an unfair competitive disadvantage with other similar manufacturing processes. While JBS does not waive its objection and is filing the information under seal as Attachment A to LG&E DR-1 with the Commission along with a petition for confidential protection, JBS provides this summary of the document for which it seeks confidential protection.

JBS received a document from a third party in September 2016. The document provided a description of the CSR program, risk factors and general options for participation, including load shedding of refrigeration units and generation/cogeneration. The document did not evaluate technical feasibility. Rather it recommended further evaluation. On November 29th, JBS requested that Harshaw Trane and LG&E meet to discuss the potential for cogeneration and load management. Following this meeting, Harshaw Trane sent an email indicating general interest and requesting further information to qualify the opportunity. It was also at this meeting that LG&E indicated its intent to close the CSR to new entrants and substantially reduce the credits. As a result, JBS turned its attention and budget to intervention. No further engineering evaluation has been completed.

Respondent: Eric Wallin

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Attachment A to LG&E DR-1

Entire Document Confidential

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Q-2. On page 4, lines 10 through 16, of his testimony, Mr. Wallin states as follows:

However, we have a substantial steam load and the boiler house is located in proximity to the majority of our electric load and where the electrical feed enters the facility. As a result, we may have the ability to cogenerate a steady volume of power, but not likely enough to offset the entire facility load. Therefore, we could end up with a blend of cogeneration and single-cycle generation. If cost-effective, the cogeneration would be used on a regular basis while any single cycle generation (either natural gas or diesel) would be used as back-up to LG&E service and in the CSR program.

Please provide the following with respect to Mr. Wallin's testimony:

- a. What types of fuel are currently used to produce steam for JBS Swift's boiler?
- b. Please provide an approximate percentage on an MMBtu or similar basis of the fuel by fuel type currently used to generate steam on an annual basis for 2012 through and including 2016?
- c. Provide the approximate capacity (in kW) of the cogeneration unit or units that could be supported by JBS Swift's current steam load.
- d. Provide the approximate capacity (in kW) of the single-cycle generating unit that would be necessary to provide JBS Swift's entire electric load in excess of the capacity that would be cogenerated.
- e. If different from the answer to sub-part d, provide the capacity of the single-cycle gas-fired generator that is currently contemplated by JBS Swift.
- f. Provide the anticipated capacity factors for the planned cogeneration unit(s).
- g. Provide the anticipated capacity factors for the planned single-cycle generating unit(s).

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A-2. Since detailed engineering studies have not been completed, JBS' responses below are limited.

- a. Natural Gas
- b. 100% of the fuel used to produce steam for 2012-2016 was natural gas.
- c. To be determined by future engineering studies.
- d. To be determined by future engineering studies.
- e. To be determined by future engineering studies.
- f. To be determined by future engineering studies.
- g. To be determined by future engineering studies.

Respondent: Eric Wallin

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- Q-3. On page 5, line 11-12, Mr. Wallin states, "[W]e anticipate that our generator would have a very high run-time percentage." Please provide the following information:
- a. Indicate whether the statement refers to the cogeneration unit or the single-cycle generating unit or both.
 - b. Provide the anticipated run times for the cogenerating unit(s).
 - c. Provide the anticipated run times for the single-cycle generating unit(s).
- A-3.
- a. The statement refers to the cogeneration unit.
 - b. A cogeneration unit would likely be run consistent with facility boiler operations and thus could be expected to run nearly every day.
 - c. Single-cycle generation (either natural gas or diesel) would likely be utilized in conjunction with the CSR program and for back-up to LG&E service and thus have a much lower run-time.

Respondent: Eric Wallin