

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

IN THE MATTER OF:

APPLICATION OF LOUISVILLE GAS & ELECTRIC
COMPANY FOR AN ADJUSTMENT OF ITS ELECTRIC
AND GAS RATES AND FOR CERTIFICATES OF
PUBLIC CONVENIENCE AND NECESSITY

Case No. 2016-00371

**FIRST REQUEST FOR INFORMATION
OF THE UNITED STATES DEPARTMENT OF DEFENSE AND ALL OTHER
FEDERAL EXECUTIVE AGENCIES**

The United States Department of Defense and all other Federal Executive Agencies submits the following First Request for Information to Louisville Gas and Electric Company (“LG&E”).

DEFINITIONS

1. “Identify” or “identity,” when referring to a natural person, shall mean to provide without limitation his or her full name, present or last-known address, telephone number, present or last-known business affiliation and location, and job titles and responsibilities during the applicable time covered by any response referring to such person.

2. “Identify” or “identity,” when referring to a document or writing, shall mean to give sufficient characterization of the document or writing so as to have identified it with reasonable particularity and shall include, without limitation, the following information with respect to such document or writing:

a. The author and the sender of the document or writing;

- b. The date appearing on the document or writing, and if it has no date, the answer shall so state but shall give the date or approximate date the document or writing was prepared;
- c. The general nature or description of the document;
- d. The name of the person or persons, if any, to whom such document or writing was addressed and the names of other persons to whom the document or copies thereof were given or sent, if any;
- e. The name and address of the person having present possession, custody, or control of the document or writing.

3. "Document" and "workpaper" shall have the broadest possible meaning and include, without limitation, the original and any non-identical copy (whether different from the original because of handwritten notes, underlining, or other marks,) regardless of origin or location, of written, typed, printed, or graphic matter (however produced or reproduced), and electrical or magnetic sound or video recordings, or transcriptions thereof, file or photographic prints, and all other writings or recordings of every kind and description, including, but not limited to, papers, letters, correspondence, agreements, contracts, telegrams, notes, notations, computer printouts, digital or e-mail communications, text messaging, data sheets, data processing cards or tapes, memoranda (including memoranda or memorials of conversations or meetings), intra-office communications, notebooks, reports, articles, books, pamphlets, periodicals, tables, charts, graphs, blueprints, drawings, studies, worksheets, estimating sheets, bids, bills, time cards, indices, lists, surveys, diaries, diary entries, facsimiles, specimens, models, schedules, accounts, invoices, purchase orders, estimates, ledgers, audits, and indices, and drafts, revisions or amendments of any of the above, and generally, any kind of tangible, permanent records that are now, or formerly

were, in your possession, custody or control, or that were known by you to exist, and that can be located or discovered by reasonably diligent efforts.

4. “Study” means any written, recorded, transcribed, taped, filmed, or graphic matter, however produced or reproduced, either formally or informally, on a particular issue or situation, in whatever detail, whether or not the consideration of the issue or situation is in a preliminary stage, and whether or not the consideration was discontinued prior to completion.

INSTRUCTIONS

1. Responses to these request shall be in compliance with 807 KAR 5:0001 and Public Service Commission’s Orders.

2. These Requests are continuing in nature and require supplemental answers within a reasonable time if additional documents or information would be responsive to these Requests.

3. If any of the responses do not contain complete information, so state this and identify each person who may have the additional information.

FIRST REQUEST FOR INFORMATION

DOD 1-1. Please provide on an on-going basis all of LG&E’s responses to all other intervenors’ data requests.

DOD 1-2. Please provide a proof of revenues in a Microsoft Excel format with all formulas and links intact which shows the current and proposed revenue for the non-lighting tariffs.

DOD 1-3. Please provide all workpapers in Microsoft Excel format with all formulas and links intact that support LG&E’s cost of service and rate design testimony.

DOD 1-4. LG&E’s witness William Seelye’s direct testimony states on page 2 that the “Company’s class cost of service studies were prepared using methodologies that have been

accepted by the Kentucky Public Service Commission (“Commission”) in previous rate cases.”

Please provide copies of orders supporting this claim.

DOD 1-5. Regarding the proposed Time-of-Day Primary Service rate (TODP), please provide the following:

- a. All workpapers supporting the development of the proposed energy charge of \$.03824/kWh.
- b. Identify all costs that are included in the proposed energy charge.
- c. Provide all workpapers supporting the peak demand charge of \$6.86 per kVA.
- d. Identify the cost that this charge of \$6.86 is expected to recover.
- e. Provide workpapers supporting the development of the intermediate demand charge of \$5.03/kVA.
- f. Identify the cost that the charge of \$5.03/kVA is expected to recover.
- g. Provide workpapers supporting the development of the base demand charge of \$3.18/kVA.
- h. Identify the cost that the charge of \$3.18/kVA is expected to recover.

DOD 1-6. Please provide all studies and workpapers that support the selection of the intermediate and peak hours for the summer peak months and all other months shown for the Rating Periods in the Time-of-Day Primary Service rate.

DOD 1-7. For the Time-of-Day Primary Service rate, please explain why LG&E has increased the ratchet provision for the basic demand charge from 75% to 100%.

DOD 1-8. Please provide a copy of the cost of service studies in Microsoft Excel format with all formulas intact referenced on page 87 of William Seelye’s direct testimony.

DOD 1-9. For LG&E's proposed substitute gas sales service ("SGSS") rate, please provide the following:

- a. All workpapers supporting the development of the demand charge of \$6.27/Mcf of monthly billing demand.
- b. Identify the costs that are included in the demand charge of \$6.27/Mcf of monthly billing demand.
- c. Please provide workpapers supporting the development of the proposed distribution charge of \$.3767/Mcf.
- d. Identify the cost that this charge of \$.3767/Mcf is expected to recover.

DOD 1-10. The Time-of-Day Primary Service rate is available to customers served at primary voltages that range from 2,400 volts to 34,500 volts.

- a. Do any of the customers that are served at 2,400/4,160 volts utilize the 34,500 volt system. Please explain your answer.
- b. Please provide an estimate of what portion of the primary distribution system is dedicated to 2,400/4,160 volt customers, 7,200/12,470 volt customers, and 34,500 volt customers.

DOD 1-11. Please provide all workpapers showing the development of the production allocators under the proposed LOLP method.

DOD 1-12. Under the LOLP methodology, please explain how the production demand allocators for the base, winter peak and summer peak were developed. Provide all workpapers supporting the development of those allocators.

DOD 1-13. Please explain how energy and purchased power costs were allocated to the various rate classes and provide workpapers showing the development of the energy allocator used to allocate fuel and purchased power expense to the various rate classes.

DOD 1-14. Please provide the LOLP that was calculated for each hour of the test period.

DOD 1-15. Please provide the hourly load data for LG&E by hour for the previous three years.

DOD 1-16. Please explain how the LOLP methodology was applied to the production demands for the base period, winter peak and summer peak.

DOD 1-17. If not provided above please provide all workpapers used to develop the LOLP production demand allocators for the base period, winter peak and summer peak.

DOD 1-18. Please provide copies of all publications and credit reports referenced in the direct testimony and exhibits of Mr. Adrien McKenzie and Mr. Daniel Arbough.

DOD 1-19. Please provide all of Mr. McKenzie's and Mr. Arbough's workpapers, schedules, and exhibits in an electronic spreadsheet with all formulas and links intact.

DOD 1-20. Please provide copies of all credit reports published by Standard & Poor's ("S&P"), Moody's and Fitch Ratings for LG&E, its parent and all of its affiliates issued over the last two years.

DOD 1-21. Please provide complete copies of all credit reports issued by S&P, Moody's and Fitch Ratings that discuss the current electric and gas utility industries.

DOD 1-22. Please provide the most recent senior secured, unsecured and corporate credit ratings of LG&E assigned by S&P, Moody's and Fitch. Also, please provide LG&E's S&P business and financial risk profiles.

DOD 1-23. Please provide copies of all correspondence, presentations and all other materials that LG&E and its parent provided to credit and equity analysts over the last two years.

DOD 1-24. In an electronic spreadsheet with all formulas intact, please provide the monthly average balances for construction work in progress and short-term debt for the most recent 13-month period.

DOD 1-25. Please provide the amount of capitalized interest forecasted to be paid during the projected test year related to construction projects.

DOD 1-26. Please state whether LG&E has any off-balance sheet debt such as operating leases. If the answer is “yes,” provide the amount of each off-balance sheet debt item and estimate the related imputed interest and amortization expense associated with these off-balance sheet debt equivalents.

DOD 1-27. In an electronic spreadsheet with all formulas intact, please provide the five-year projected and five-year historical capital structure, capital expenditures and capital funding.

DOD 1-28. Please provide a detailed explanation of LG&E’s dividend payment and debt financing plans through the test period.

DOD 1-29. Do any of LG&E’s outstanding long-term debt issues have call provisions? If the answer is “yes,” please provide a list of the callable issues with the following:

- a. Outstanding balance
- b. Issuance date
- c. Maturity date
- d. Coupon payment percent
- e. Annual interest expense
- f. Call price (as a percent of par)

DOD 1-30. Has LG&E performed any debt refinancing feasibility studies on its outstanding debt issues? If the answer is “yes,” please provide the following:

- a. A detailed description of the results from the study.
- b. A detailed description of the conclusion(s) made by LG&E based on the results of the study.
- c. All debt refinancing feasibility studies in an electronic spreadsheet with all formulas intact.

DOD 1-31. Please provide the following for every LG&E rate case since 2000:

- a. Requested return on equity and the date it was requested.
- b. Authorized return on equity and the date it was ordered.
- c. State whether the authorized return on equity was fully litigated or settled.
- d. Case or docket number.

Respectfully submitted,



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CERTIFICATE OF SERVICE

It is hereby certified that the attached First Request for Information of the United States Department of Defense and all other Federal Executive Agencies is a true and accurate copy of the document being filed with the Commission in paper medium; that the filing was transmitted to the Commission via electronic filing on January 11, 2017 and that the original and six (6) copies are being filed in paper medium no later than the second business day from electronic filing; 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 was served electronically on the following persons on this 11th day of January 2017.

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