

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC JOINT APPLICATION OF LOUISVILLE GAS )	
AND ELECTRIC COMPANY AND KENTUCKY UTILITIES )	
COMPANY FOR REVIEW, MODIFICATION, AND )	CASE NO.
CONTINUATION OF CERTAIN EXISTING DEMAND-SIDE )	2017-00441
MANAGEMENT AND ENERGY EFFICIENCY PROGRAMS )	

**ATTORNEY GENERAL’S INITIAL DATA REQUESTS**

Comes now the intervenor, the Attorney General of the Commonwealth of Kentucky, by and through his Office of Rate Intervention (“Attorney General”), and submits these Initial Data Requests to Louisville Gas and Electric Company and Kentucky Utilities Company (hereinafter “LG&E/KU” or the “Companies”) to be answered by February 7, 2018, 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 requested item will be deemed a satisfactory response.
- (2) Identify the witness who will be prepared to answer questions concerning each request.
- (3) Repeat the question to which each response is intended to refer.
- (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 undersigned Counsel for the Office of Attorney General.

(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, notify the Office of the Attorney General as soon as possible, and in accordance with Commission direction.

(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 regardless of the media or format in which they are stored, 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.

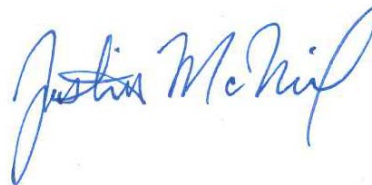
(13) Provide written responses, together with any and all exhibits pertaining thereto, in one or more bound volumes, separately indexed and tabbed by each response, in compliance with Kentucky Public Service Commission Regulations.

(14) “And” and “or” should be considered to be both conjunctive and disjunctive, unless specifically stated otherwise.

(15) “Each” and “any” should be considered to be both singular and plural, unless specifically stated otherwise.

Respectfully submitted,

ANDY BESHEAR  
ATTORNEY GENERAL



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1. Refer to the Company's IRP in Case No. 2014-00131. The Company stated that its target minimum reserve margin was 16 percent.
  - a. Has this planning reserve margin changed since the Company's 2014 IRP?
  - b. What is the actual reserve margin by year from 2014–2017 and the expected reserve margin for years 2018–2021?
  - c. What is LG&E/KU's current target reserve margin?
2. Provide the total amount of off-system sales by LG&E/KU for each year since 2013, in terms of both energy and dollar amounts. Provide these amounts by total annual off-system sales and by off-systems sales net off-system purchases. Explain, in complete detail, any increase or decrease of these amounts of 50% or more as compared to the prior year.
3. For any off-system sales that LG&E/KU makes, is any portion of those sales returned to customers?
  - a. If so: (i) quantify the portion of the sales returned to customers versus the portion of the sales that the Company keeps; and (ii) specify how the portion of off-system sales is returned to customers.
  - b. If LG&E/KU has an existing formula to allocate these portions of sales and provides such formula in response to subsection (a), also provide the basis for that formula and explain whether the Company has requested or plans to request Commission approval to alter that formula.
  - c. If not, explain in detail why not.
4. Provide the total and average amount residential electric customers paid through the DSM surcharge in the past reporting period, the projected amount for calendar year 2018, and the actual amount for years 2010–2017. For the same time periods, provide the average total residential electric bill, including base rates, all surcharges, and riders. This information should reasonably lead to the ability to calculate the percentage of the total residential electric bill that DSM charges represent for the average LG&E/KU customer. Accordingly, please provide such percentage and the calculations which produced same in native electronic format with all formulas intact and unprotected, with all cells accessible.
5. Refer to Commission Staff's Initial Data Requests, question 13 and the Application pgs. 11–12. Provide the last three (3) calendar years of the earned percentage and total amount of the return-on-equity portion of the DSM Capital Cost Recovery component, and the projected return-on-equity percentage and total for the next two (2) years.
  - a. Explain how much annual profit the Company expects to receive from this component for each of the past three calendar (3) years, this year, and the next two (2) years.
  - b. Explain the statement that “the projected incentive component of the DSM Mechanism for calendar year 2019 is zero, though a non-zero incentive component could eventuate if DSM-EE programs' costs or savings change in the future.”

- c. Further, explain in detail what changes to costs and/or savings would lead to an incentive component eventuating, and what current projections the Company has regarding any future changes to costs or savings.
6. Explain whether the DSM Advisory Group had any voting or veto power in regards to the contents of the Company's current DSM Application.
  - a. Besides providing input to the Company regarding the DSM program at periodic meetings, did the DSM Advisory Group have any other involvement in the DSM process?
  - b. State whether the Company has convened any other advisory groups or collaboratives in the past three (3) years.
  - c. If so, identify the same and describe the extent of the group's involvement. Explain whether these groups had any voting or veto power on what was eventually filed at the Commission.
  - d. If not, explain why not.
7. Explain the avoided capacity costs and avoided energy costs that the Company used in calculating and conducting the California cost efficiency tests.