

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 SUPPLEMENTAL 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 Supplemental Data Requests to Louisville Gas and Electric Company and Kentucky Utilities Company (hereinafter “LG&E/KU” or the “Companies”) to be answered by March 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 companies 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 companies have 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 companies, 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,

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1. Refer to the Companies' Response to the Attorney General's Initial Request For Information ("RFI") Question 1.a.–c. Explain whether the Companies will set a higher target reserve margin range in the 2018 IRP than the current range of 16–21%.
 - a. Further considering the factors which led to higher reserve margin forecasting for 2018–2021, explain the Companies' planning for such excess capacity.
2. Refer to the Companies' Response to the Attorney General's Initial RFI Question 2. Explain whether the Companies reasonably anticipate an increase in either off-system sales or off-system purchases in the next four (4) years.
 - a. If available, provide off-system sales figures for the months December 2017 through the present date.
3. Refer to the Companies' Response to the Attorney General's Initial RFI Question 5, and the Companies' Application pgs. 11–12. Explain fully the Companies' reasoning behind the proposed 10.20% return on equity and the comparative 50-basis-point incentive to the allowed return on equity rate in the Companies' most recent base rate case.
4. Provide the total and average amount LG&E residential gas 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 gas bill, including base rates, all surcharges, and riders. This information should reasonably lead to the ability to calculate the percentage of the total residential gas bill that DSM charges represent for the average LG&E 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 the Companies' Response to the Attorney General's Initial RFI Question 6. In subpart d. of its Response the Companies state in full:

The Companies believe the role of their advisory and collaborative groups is to share information and views with the Companies. The Companies are ultimately responsible for their filings and for providing safe, reliable, and reasonable-cost service to their customers, subject to regulation by the Commission. Therefore, the Companies cannot delegate decision-making responsibility to advisory or collaborative group participants.

- a. Confirm that under Kentucky's regulatory structure, the Companies' customers are captive and do not have any choice in which utility to take electric service from if they live in the Companies' service area.
- b. Explain whether the Companies convene advisory and collaborative groups to simply collect information and views from various stakeholders or whether it expects to use these opinions to help guide its decisions in any way.

- c. Explain the Companies' understanding of the difference between delegating its decision-making responsibility and implementing the constructive input from stakeholders into its decision-making in a transparent and fair manner.
6. Refer to the Companies' Response to the Attorney General's Initial RFI Question 7. Explain whether the Companies have considered joining an RTO in order to access capacity markets.
 - a. Explain the Companies' stance on whether access to capacity markets by way of joining an RTO is in the best interests of the Companies' ratepayers.
 - b. State whether the Companies have commissioned any independent studies into the feasibility and cost/benefit analysis of gaining access to capacity markets. If so, provide the results of those studies along with the methodology used, as well as any other related data or analyses, and fully explain the Companies' position on this issue. If not, explain fully why not.
 - c. Do the Companies expect to assign a monetary value to its unused capacity in the near future? Fully explain why or why not.
 - d. State whether there are any markets which do value capacity. Fully explain the Companies' rationale as to capacity valuation in light of this answer.
 - e. Given the Companies' significant excess capacity projections through the year 2021, explain whether the companies have considered selling their shares in Ohio Valley Electric Corporation (OVEC). If selling of the companies' shares in OVEC is not a possibility, provide a discussion as to whether it is feasible for the companies to exit OVEC, and if so, whether it could be done in a cost-effective manner.
7. Refer to the Companies' Response to Staff's Initial RFI Question 3 and the Companies' Response to Metropolitan Housing Coalition's Initial RFI Question 3. Explain how much of program-specific advertising costs are included in the budgets of each program being referred to.
 - a. Provide an estimate of how much additional cost the Companies expect to incur through future energy-efficiency education efforts which are not already included in individual DSM-EE program budgets.
 - b. Explain fully whether the Companies have conducted any studies on the cost-effectiveness of its energy-efficiency education efforts. If so, provide the results and methodology of any such studies along with all related analyses and workpapers. If not, why not?
 - c. Detail the relative cost-effectiveness of mailers, partnerships with trade allies, and local energy conferences in furtherance of energy-efficiency education.
8. State the average annual kWh usage per customer for the residential class over the past ten (10) years.
 - a. Break out this usage according to the four generally distinct service areas: Louisville, Lexington, Western Ky. Area, and Bell/Harlan county area.