

**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	Case No. 2018-00295
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**SUPPLEMENTAL 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 Supplemental 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.

4. Identify the witness who will be prepared to answer questions concerning each Request.

SUPPLEMENTAL REQUESTS FOR INFORMATION

DOD 2-1. Please refer to LG&E's response to KIUC Data Request Set 1, Question No. 29. Please provide the exact citation to Mr. Bellar's testimony that provides support and testimony for the probable retirement dates used for each of the Company's generating units.

DOD 2-2. Please refer to LG&E's response to KIUC Data Request Set 1, Question No. 30, where it states, "The depreciation study in Mr. Spanos's direct testimony contains a more detailed engineering analysis of each unit, as opposed to the general age assumption applied in Attachment H. For each unit, the depreciation study resulted in the retirement date occurring at the lower end of the industry life span range for coal units. This higher level of detail is the reason that the dates shown in the depreciation study occur sooner than the assumed age in Attachment H."

- a. Please provide the "more detailed engineering analysis for each unit" in their complete electronic format.
- b. Please provide a detailed narrative explaining the methodology utilized for the detailed engineering analysis for each unit that was conducted to determine the probable retirement date.
- c. Please provide the citation to Gannet Fleming's contract (provided in response to Attachment 1 to Response to US DOD-1 Question No. 7) with LG&E that describes the scope of this detailed engineering analysis.
- d. Please identify who conducted this analysis.

DOD 2-3. Please refer to LG&E's response to KIUC Data Request Set 1, Question No. 29.b. Please explain why LG&E's customers should pay accelerated depreciation expense on the ash ponds due to a mistake on LG&E's part in a previous settlement, which set depreciation rates at 0%.

DOD 2-4. Please provide Attachment 1 to Response to US DOD-1 Question No. 2, which appears to be a Microsoft Word document, in its native format.

DOD 2-5. Please provide Attachment 1 to Response to US DOD-1 Question No. 3, which appears to be a Microsoft Word document, in its native format.

DOD 2-6. Please provide Attachment 1 to Response to US DOD-1 Question No. 5, which appears to be a Microsoft Word document, in its native format.

DOD 2-7. Please provide the files, which were provided as Attachment 1 to Response to US DOD-1 Question No. 7, which appear to be a variety of Microsoft Word documents, Microsoft Office emails, Microsoft Excel spreadsheets, etc., in their complete native formats.

DOD 2-8. Please refer to page 799 of Attachment 1 to Response to US DOD-1 Question No. 7.

- a. Please explain why the Company did not extend the lifespan of Mill Creek 1 and 2, Brown 3, and Ghent 1 and 2 by three years as Mr. Spanos had intended.
- b. Please explain why Mr. Spanos thought the lives of these units should be extended by three years.
- c. Please provide the impact on depreciation rates and test year depreciation expense for these units by extending the lives by three years.

- d. Please provide the remaining life for each FERC account for each unit if the life was extended by three years such that Table 1 of the depreciation study (Exhibit JJS-LG&E-1) can be updated.
- e. Please provide the interim retirements for each plant FERC account for each plant if the life was extended by three years such that Table 2 of the Depreciation Study (Exhibit JJS-LG&E-1) can be updated.

DOD 2-9. Please refer to page 801 of Attachment 1 to Response to US DOD-1 Question No. 7.

- a. Please provide the native excel version of the files that were attached to this email.
- b. Please explain which of these two scenarios have been proposed in the filed depreciation study (Exhibit JJS-LG&E-1).

DOD 2-10. Please provide the native excel version of the spreadsheets provided as pages 836-841 of Attachment 1 to Response to US DOD-1 Question No. 7.

DOD 2-11. Page 848 of Attachment 1 to Response to US DOD-1 Question No. 7 indicates that Mr. Spanos and Kent Blake had a meeting at 3PM on July 17th.

- a. Please explain what “issues” were discussed during this call.
- b. Please provide a detailed narrative explaining the subject matter of this meeting
- c. Please explain what changes were made to any of Mr. Spanos’ preliminary depreciation study results as a result of this meeting.

d. Please provide any notes taken by either LG&E or Gannett Fleming during this call.

DOD 2-12. Please refer to Attachment 2 to Response to US DOD-1 Question No. 7 at page 1 of 16. The retirement dates for the steam units are provided that appear to match the retirement dates that Mr. Spanos utilized in the depreciation study. Please explain who conducted the analysis to determine these retirement dates, what methodology was utilized, and provide all documents, studies, analyses, etc. in their complete native format, that support these retirement dates.

DOD 2-13. Please provide in its entirety, the 2015 study, mentioned on the bottom of page 2 of Attachment to Response to DOD-1 Question No. 10(a).

DOD 2-14. Please refer to Attachment to Response to US DOD-1 Question No. 10(b).

- a. Please explain how these coal ash ponds can retire earlier than the associated generating units.
- b. Please provide all studies or analyses conducted that support these proposed retirement dates for the ash ponds.
- c. Please provide a detailed narrative explaining why the change to the retirement dates for the ash ponds is necessary at this time.

DOD 2-15. Please refer to 2018_US_DOD_DR1_LGE_Attach_to_Q12_-_Table_2.xlsx.

- a. Please provide the capacity in MW for each plant assumed to determine terminal net salvage.
- b. Please provide the nameplate capacity for each power plant.
- c. Please confirm that terminal net salvage was calculated assuming \$40/kW.
- d. Please provide the currently approved interim net salvage rates.

DOD 2-16. Please refer to

2018_US_DOD_DR1_LGE_Attach_to_Q13b_-_Reserve_Adjustments.xlsx.

Please provide a detailed explanation of the reasons why the GF reserve adjustments shown in column 4 are necessary and accurate.

DOD 2-17. Please refer to LG&E's response to DOD-1 question No. 14.

- a. Please provide an answer to the question in part b., which requested a narrative explaining how these alleged comparable facilities are comparable to LG&E's. Repeating the answer to part a. is not an acceptable answer to this question.
- b. Please identify each generating plant in each of the states listed that are comparable to LG&E's facilities, as was requested in part a.

DOD 2-18. Please provide a detailed narrative explaining why LG&E has not conducted (in-house or through a third party) a detailed decommissioning cost estimate for its steam production facilities.

DOD 2-19. Please refer to Att_LGE_PSC_1-65_Depreciation_Exp_Wkpr_Electric.xlsx at cell BL423, which shows a total depreciation expense for the year ending April 2020 of \$221,495,054.46.

- a. Please confirm that this is the total level of depreciation expense LG&E is requesting to be recovered through tariff rates associated with the revenue requirement in this proceeding. If this is incorrect, please provide the exact level of depreciation expense and a citation to the company's filing that supports the level of depreciation expense to be recovered through tariff rates associated with the revenue requirement in this proceeding.
- b. Please confirm that if the currently approved depreciation rates were effective for the year ending April 2020, the total depreciation expense would be \$176,407,007.76. If this is incorrect, please provide the correct value.
- c. Please confirm that LG&E's proposal to alter the depreciation rates for its steam production plants will increase depreciation expense by \$45,088,046.70 for the year ending April 2020. If this is incorrect, please provide the correct value.

Respectfully submitted,



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