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November 4, 2020

**VIA ELECTRONIC SUBMISSION**

Kent A. Chandler  
Acting Executive Director  
Kentucky Public Service Commission  
211 Sower Blvd.  
Frankfort, KY 40601

**RE: Electronic Application of Kentucky Utilities Company for an Adjustment of Its Electric Rates, Case No. 2018-00294**  
**Electronic Application of Louisville Gas and Electric Company for an Adjustment of Its Electric and Gas Rates, Case No. 2018-00295**

Dear Mr. Chandler:

The purpose of this letter is to review the deadlines for submission of Kentucky Utilities Company (“KU”) and Louisville Gas and Electric Company’s (“LG&E”) (collectively, the “Companies”) Regional Transmission Organization (“RTO”) Membership Analysis established in their 2018 rate cases and to request a deferral of the Companies’ next RTO Membership Analysis until the Companies file their 2021 Integrated Resource Plan (“IRP”). Furthermore, the Companies ask to submit their subsequent RTO Membership Analysis with future IRP filings, beginning with the 2021 IRP filing, rather than with their annual reports.

In the Final Orders in the 2018 rate cases, the Commission directed the Companies to update their RTO Membership Analysis annually and to submit such updates to the Commission as part of their annual reports. The Companies filed their 2020 RTO Membership Analysis with the Commission on March 31, 2020.<sup>1</sup> Pursuant to these orders, the Companies must submit their next RTO Membership Analysis no later than March 31, 2021 when their annual reports must be submitted to the Commission.

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<sup>1</sup> Case No. 2018-00294, Post Case Files (Ky. PSC filed Mar. 31, 2020), available at: [https://psc.ky.gov/pscecf/2018-00294/rick.lovekamp@lge-ku.com/03312020100253/Closed/2\\_LGE\\_KU\\_2020\\_RTO\\_Analysis\\_Study.pdf](https://psc.ky.gov/pscecf/2018-00294/rick.lovekamp@lge-ku.com/03312020100253/Closed/2_LGE_KU_2020_RTO_Analysis_Study.pdf); Case No. 2018-00295, Post Case Files (Ky. PSC filed Mar. 31, 2020), available at: [https://psc.ky.gov/pscecf/2018-00295/rick.lovekamp@lge-ku.com/03312020101025/Closed/2\\_LGE\\_KU\\_2020\\_RTO\\_Analysis\\_Study.pdf](https://psc.ky.gov/pscecf/2018-00295/rick.lovekamp@lge-ku.com/03312020101025/Closed/2_LGE_KU_2020_RTO_Analysis_Study.pdf).

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In the Companies' 2018 IRP case, KU and LG&E agreed with Commission Staff's recommendation to file their next IRP no later than October 19, 2021.<sup>2</sup> The Commission Staff also recommended that in the next IRP the Companies should provide updated comprehensive and detailed cost/benefit studies comparing the full costs of joining MISO or PJM and all potential benefits such as increased revenues, lower reserve margin requirements, and improved reliability versus operating under its existing construct.<sup>3</sup> The Companies also accepted this recommendation.

The RTO Membership Analysis is an essential component of the Companies' IRP filing and requires the most current information. Any RTO analysis submitted with the Companies' 2020 or future annual reports will not have the benefit of being prepared as part of the IRP process and will necessarily not complement the IRP's other analyses and studies.

In order to comply with both the March 31, 2021 and October 19, 2021 deadlines, the Companies will have to prepare two RTO Membership Analyses within a seven-month time span. Preparation of two reports within such a short period will result in unnecessary time and expense and duplication of effort without providing any meaningful benefit to the Commission or the general public. Deferring the submission of the next RTO Membership Analysis for a period of not more than seven months until the filing of the Companies' 2021 IRP will not result in any prejudice to the Commission's evaluation of this topic or the public interest in general and will promote the more efficient use of utility resources. Furthermore, the preparation of two reports within such a short amount of time will continue to be the case into the future when the time periods for the annual filing and the IRP filing overlap. Should the Commission allow the Companies to file their next RTO Membership Analysis on or before October 19, 2021 rather than March 31, 2021, the Companies will still have to conduct and file another RTO Membership Analysis by March 31, 2022 to comply with the annual filing requirement.

For these reasons, the Companies ask to defer the submission of their next RTO Membership Analysis and to submit such analysis in conjunction with their 2021 IRP filing. The Companies also ask to submit subsequent RTO Membership Analyses with future IRP filings, beginning with the 2021 IRP filing, rather than with their annual reports.

In accordance with 807 KAR 5:001, Section 8, I certify that the electronically filed documents are a true and accurate copy of the same documents being filed in paper medium; that the electronic filing has been transmitted to the Commission on November 4, 2020; that there are currently no parties in this proceeding that the Commission has excused from participation by electronic means; and that the original, will be filed with the Commission within 30 days of the lifting of the state of emergency.

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<sup>2</sup> *Electronic 2018 Joint Integrated Resource Plan of Louisville Gas and Electric Company and Kentucky Utilities Company*, Case No. 2018-00348, Order (Ky. PSC Oct. 2, 2020).

<sup>3</sup> Case No. 2018-00348, Staff Report at 41 (Ky. PSC July 20, 2020).

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Should you have any questions or wish to discuss the Companies' requests, please feel free to contact me at your convenience.

Yours very truly,



Kendrick R. Riggs

KRR:ec

cc: Allyson K. Sturgeon  
Managing Senior Counsel, Regulatory and Transactions

Robert M. Conroy  
Vice President, State Regulation and Rates