

KENTUCKY SCHOOL BOARDS ASSOCIATION

CASE NO. 2018-00295 (LG&E)

Response to Commission Staff's Initial Request for Information to Kentucky School Boards Association

Dated January 31, 2019

Responding Witness: Ronald L. Willhite

Question No. 1

**Q1. Refer to the Direct Testimony of Ronald L. Willhite (Willhite Testimony), page 3, lines 29-30. Provide support, other than the mathematical estimation provided, that \$100,000 of promised annual savings was not provided.**

A1. Please see the attached representative initial prorated bill for service on Rate SPS showing the SPS rate was initiated for service on and after August 18, 2017 rather than the July 1, 2017 effective date for Rate Schedules SPS and STOD.

**KSBA\_Staff\_1\_LGE Pilot Bill001**

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Question No. 2

Q2. Refer to the Willhite Testimony, page 4, line 22. Provide support as to why an average coincidence factor of 7.7 percent lower is significant.

A2. In reporting results of the school pilot the Company's presented coincident factors (CFs) averaged across the period November 2017 through October 2018. Below is a table showing the system peak hour coincident factors for the pilot and rate class, in July the PS class CF is 1.0 percent greater than the SPS class CF when schools are out of session. In August the PS class CF is 10 percent greater than the SPS class CF. For the STOD and TODS classes the TODS class CFs are 5.0 percent greater in July and 45.3 percent in August. With over 90 percent of productions costs in the Company's COSS assigned to the months of July (26.1%) and August (65.2%) schools impose significantly less production costs than others collectively comprising the PS and TODS classes.

<b>Coincident Factors</b>						
LGE	SPS	PS	% Diff	STOD	TODS	% Diff
June	.91	.87	-4.4	.85	.98	13.2
<b>July</b>	<b>.92</b>	<b>.93</b>	<b>1.0</b>	<b>.94</b>	<b>.99</b>	<b>5.0</b>
<b>August</b>	<b>.78</b>	<b>.86</b>	<b>10.0</b>	<b>.67</b>	<b>.98</b>	<b>45.3</b>
September	.81	.85	4.7	.69	.98	42.0
January	.87	.96	10.3	1.00	.74	-26.0
February	.83	.87	4.8	.93	.71	-23.7

Data source: **KSBA\_Staff\_3\_graphs**

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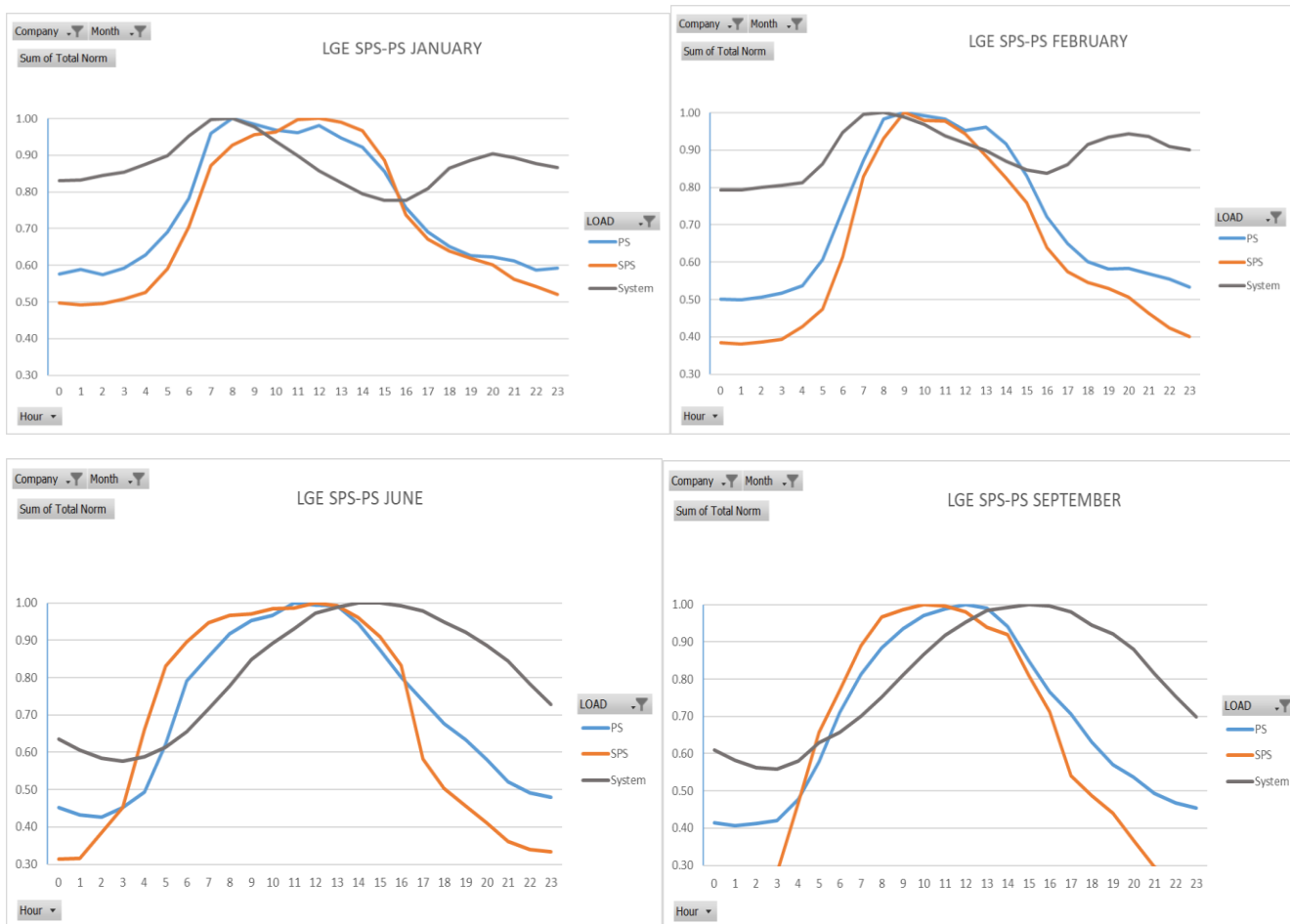
Dated January 31, 2019

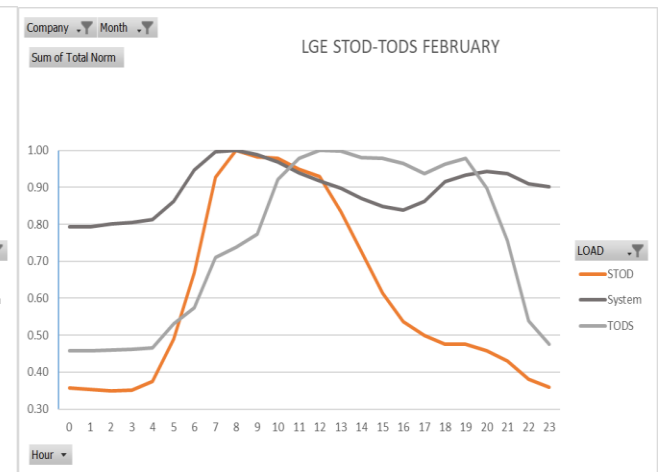
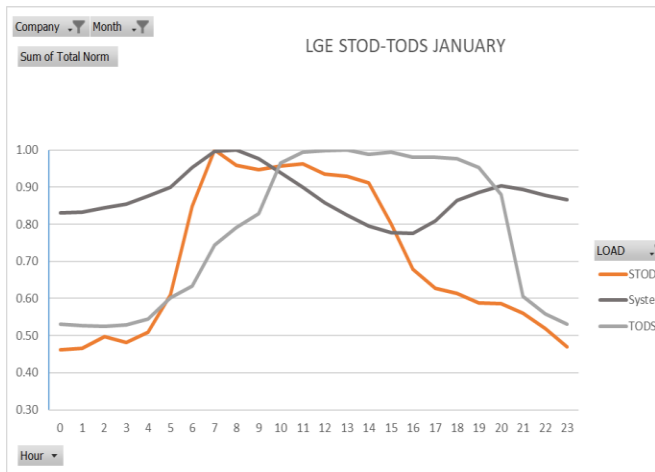
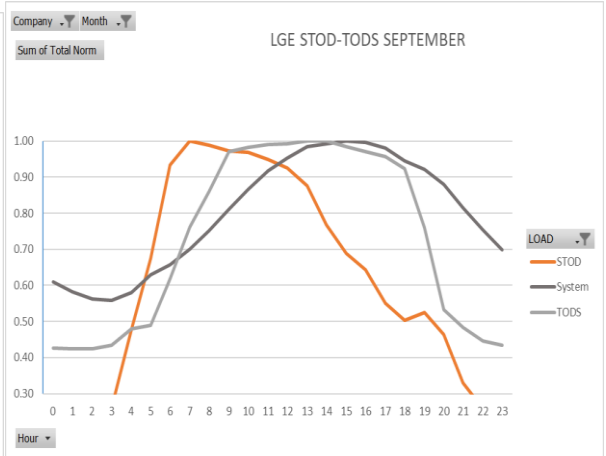
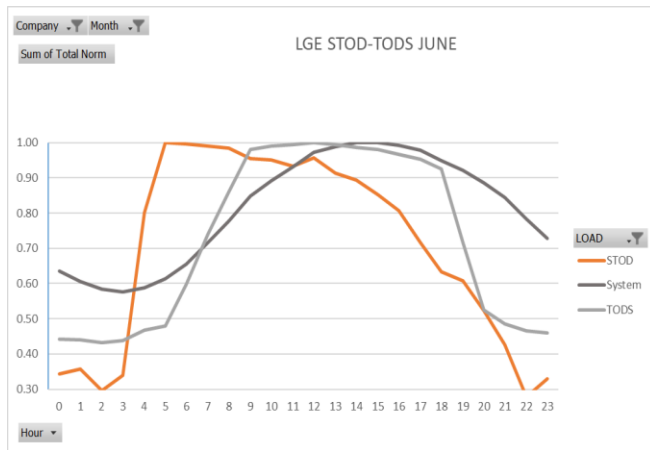
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Question No. 3

Q3. Refer to the Willhite Testimony, pages 6-7. Mr. Willhite provided a Loss of Load Probability analysis for the months of July and August. Provide a similar analysis for the months of January, February, June, and September.

A3.





Data source: 2018\_KSBA\_DR2\_KU\_Attach\_to\_Q7\_Att\_3\_KSBA\_graphs

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Question No. 4

Q4. Refer to the Willhite Testimony, page 9, lines 10-13.

- a. Provide the estimated revenue that Rate Classes SPS and STOD would generate in the forecast test year if reinstated on a permanent basis without any monetary cap.
- b. Provide the estimated revenue impact on Rates PS-secondary and TODS if Rates Classes SPS and STOD were reinstated.

A4.

- a. At current rates –

Staff # 4 a.			
	SPS		STOD
Class	\$9,615,395		\$3,237,737

- b. At Current rates

Staff 4 b.			
	SPS		STOD
	\$ 1,139,973		\$166,755

Please see the following attachments:

**KSBA\_Staff\_4\_LGE Increase Summary**

**KSBA\_Staff\_4\_LGE Billings\_FY2018 PS#1\_SPS\_TCJA**

**KSBA\_Staff\_4\_LGE Billings\_FY2018 PS#2\_SPS\_TCJA**

**KSBA\_Staff\_4\_LGE Billings\_FY2018 TODS#1\_STOD\_TCJA**

**KSBA\_Staff\_4\_LGE Billings\_FY2018 PS#1\_TCJA\_Private**

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Question No. 5

Q5. Refer to the Willhite Testimony, page 9, lines 21-24.

- a. Provide support for the 3.5 percent increase for schools.
- b. Provide support for the 6.2 percent increase for schools.

A5.

- a. The percentage increases were computed consistent with the Company's calculations presented on Schedule M. However, as filed the true impact is not reflected as the Company did not reflect the impact of the current TCJA factor. The actual requested PS Secondary increase for schools is 8.5 percent, not 3.5 percent.
- b. The percentage increases were computed consistent with the Company's calculations presented on Schedule M. However, as filed the true impact is not reflected as the Company did not reflect the impact of the current TCJA factor. The actual requested PS Secondary increase for schools is 10.6 percent, not 6.2 percent.

Please see the following attachments for without and with the TCJA Credit factor:

**KSBA\_Staff\_5\_LGE Billings\_FY2018 PS#1**

**KSBA\_Staff\_5\_LGE Billings\_FY2018 PS#1\_TCJA**

**KSBA\_Staff\_5\_LGE Billings\_FY2018 PS#2**

**KSBA\_Staff\_5\_LGE Billings\_FY2018 PS#2\_TCJA**

**KSBA\_Staff\_5\_LGE Billings\_FY2018 TODS#1**

**KSBA\_Staff\_5\_LGE Billings\_FY2018 TODS#1\_JCTA**

**KSBA\_Staff\_5\_LGE Sched M w-TCJA**

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Question No. 6

Q6. Refer to the Willhite Testimony, page 10, line 2.

- a. Explain why a threshold of 200 kW was chosen.
- b. Provide the number of schools that would be moved from rate TODS to Rate PS using the proposed 200 kW threshold.
- c. Provide the average revenue impact of moving schools from Rate TODS to Rate PS.

A6.

- a. 200 kW was chosen to permit over time energy efficiency improvements such as installation of LED lighting and load control technologies.
- b. 16 TODS currently with demands between 250 and 275 kW.
- c. \$2,500 annually