

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF LOUISVILLE GAS)
AND ELECTRIC COMPANY FOR AN ADJUSTMENT) CASE NO. 2018-00295
OF ITS ELECTRIC AND GAS RATES)

**LOUISVILLE/JEFFERSON COUNTY METRO GOVERNMENT'S RESPONSE TO
LOUISVILLE GAS AND ELECTRIC'S REQUEST FOR INFORMATION**

Louisville/Jefferson County Metro Government, by counsel, submits the following
Response to the Request for Information of Louisville Gas and Electric.

REQUEST: Provide a copy of any agreement between the AG, Lou Metro and LFUCG
regarding their joint participation in this proceeding.

RESPONSE: Louisville/Jefferson County Metro Government objects to the request as it
seeks information that is not relevant, nor reasonably calculated to lead to the discovery of
admissible evidence. Notwithstanding this objection, the agreement between the Attorney
General's Office and Louisville Metro is attached.

WITNESS: Counsel

Date Filed: February 14, 2019

Respectfully submitted,



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CERTIFICATE OF SERVICE

In accordance with 807 KAR 5:001, Section 8, I certify that the February 14, 2019, electronic filing of this document is a true and accurate copy of the same document being filed in paper medium; that the electronic filing will be transmitted to the Commission on February 14, 2019; that there are currently no parties that the Commission has excused from participation by electronic means in this proceeding; and that an original paper medium of the Notice of Filing will be delivered to the Commission within two business days.



Counsel for Louisville Metro

From: Derouen, Jeff <Jeff.Derouen@louisvilleky.gov>
Sent: Tuesday, December 18, 2018 11:13 AM
To: Chandler, Kent A (KYOAG); Todd Osterloh; Jim Gardner
Cc: Goodman, Rebecca (KYOAG); Napier, Heather (KYOAG)
Subject: RE: Case No. 2018-00295 Agreement between AG and Louisville Metro

Yes, this is what we understand the agreement to be.

JEFF DEROUEN

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From: Chandler, Kent A (KYOAG) <Kent.Chandler@ky.gov>
Sent: Tuesday, December 18, 2018 9:57 AM
To: Derouen, Jeff <Jeff.Derouen@louisvilleky.gov>; Todd Osterloh <tosterloh@sturgillturner.com>; Jim Gardner <jgardner@sturgillturner.com>
Cc: Goodman, Rebecca (KYOAG) <Rebecca.Goodman@ky.gov>; Napier, Heather (KYOAG) <Heather.Napier@ky.gov>
Subject: Case No. 2018-00295 Agreement between AG and Louisville Metro

Counsel,

This email, and subsequent confirmation and approval of the substance, shall memorialize and confirm the separate agreements between the Office of the Attorney General ("OAG") and LFUCG and the OAG and Louisville Metro with respect to the base rate cases, 2018-00294 and 2018-00295, respectively.

1. In order to defray the cost of the OAG's revenue requirement expert in these matters, namely the \$99,292.50 contract with Blueridge consulting ("BRC"), which all parties have reviewed, LFUCG agrees to provide \$20,000 and Louisville Metro \$25,000.
2. Based upon a thorough review of the base rate applications, the expectation is that BRC's work will be approximately split between the two matters as so: 55% for the LG&E matter and 45% for the KU matter. The LG&E matter inherently includes more work because of the need to perform two revenue requirement models, for both gas and electric. Nevertheless, due to the unique circumstances and significant revenue request in the KU matter, primarily driven by the withdrawal of several wholesale customers, the KU matter will require substantial effort.

3. Upon receipt of invoices from BRC, the OAG will send separate invoices to counsel for LFUCG and Louisville Metro representing their pro rata and proportional share. These amounts will be calculated by using the percentages provided above (55% and 45%) to separate the invoice by case, and then broken out by the pro rata share represented by each city's pledged amount. The KU portion of the BRC contract is \$44,682 ($\$99,292.50 \times .45$), and LFUCG has pledged \$20,000 in support of the witness. Therefore, upon receipt of an invoice from BRC, the OAG will invoice LFUCG 44.8% ($\$20,000 / \$44,682$) of the KU portion of the invoice. For instance, if the OAG receives an invoice for \$10,000, the KU portion is \$4,500. The portion of this BRC invoice that the OAG will invoice LFUCG would be \$2,016 ($\$4,500 \times .448$). The Louisville portion is \$54,610.88 ($\$99,292.50 \times .55$), Louisville pledged \$25,000 so Louisville would be invoiced 45.8% of the LG&E portion ($\$25,000 / \$54,610.88$). Thus in the example given – a \$10,000 invoice – Louisville would pay \$2,519 ($\$5,500 \times .458$), Lexington would pay the \$2,016 figured above, and the OAG would pay \$5,465. Invoicing in this matter ensures that if BRC comes under budget, each city receives their pro rata savings in the form of a percentage reflecting the amount of funding pledged at the outset of the proceedings.
4. In consideration of the aforementioned monetary support, the OAG will allow LFUCG, Louisville Metro and its attorneys, at their option, to: review the testimony of the OAG's revenue requirement expert and revenue requirement discovery prior to filing, contact and discuss relevant issues with the OAG's expert provided that said subject matter is not contradictory to a position of the OAG on that issue, and adopt any or all of the OAG's experts' testimony in its entirety or any portion thereof at any time including an appeal.
5. In connection with LFUCG's, Louisville Metro's and OAG's efforts concerning the rate cases, these parties and their counsel have concluded that information known to one party may assist the other. These parties therefore acknowledge and agree that they share certain common interests and that their interests will be best served if they and their counsel can exchange information subject to the continued protection of the attorney/client, work product and other applicable privileges.

Please respond and confirm that Louisville Metro agrees.

Thanks,

Kent

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CERTIFICATION OF RESPONSES TO INFORMATION REQUESTS

This is to certify that I have supervised the preparation of Louisville/Jefferson County Metro Government's responses to the utility's Request for Information and that the responses are true and accurate to the best of my knowledge, information, and belief after reasonable inquiry.

Date: 2-13-19



Jeffrey R. Derouen