

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTONIC 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
SECOND REQUEST FOR INFORMATION TO LOUISVILLE GAS & ELECTRIC**

In accordance with the Public Service Commission's ("Commission") October 11, 2018, Order, Intervenor Louisville/Jefferson County Metro Government ("Louisville Metro") propounds the following data requests upon the Applicant Louisville Gas & Electric ("LG&E"). LG&E shall respond to these requests in accordance with the provisions of the Commission's October 11, 2018, Order, applicable regulations, and the instructions set forth below.

INSTRUCTIONS

1. Please provide written responses, together with any and all exhibits pertaining thereto, separately indexed and tabbed by each response.
2. The responses provided should restate Louisville Metro's request and also identify the witness(es) responsible for supplying the information.
3. If any request appears confusing, please request clarification directly from counsel for Louisville Metro.
4. Please answer each designated part of each information request separately. If you do not have complete information with respect to any item, please so state and give as much

information as you do have with respect to the matter inquired about, and identify each person whom you believe may have additional information with respect thereto.

5. To the extent that the specific document, workpaper, or information does not exist as requested, but a similar document, workpaper, or information does exist, provide the similar document, workpaper, or information.

6. 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.

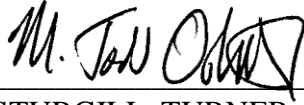
7. If LG&E objects to any request on any grounds, please notify counsel for Louisville Metro as soon as possible.

8. For any document withheld on the basis of privilege, state the following: date; author; addressee; blind copies; all persons to whom distributed, shown, or explained; and, the nature and legal basis for the privilege asserted.

9. In the event any document called for has been destroyed or transferred beyond the control of the company, state the following: 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.

10. These requests shall be deemed continuing so as to require further and supplemental responses if the company 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.

Respectfully submitted,



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CERTIFICATE OF SERVICE

In accordance with 807 KAR 5:001, Section 8, I certify that the December 13, 2018, 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 December 13, 2018; 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

Requests for Information

1. Please refer to response to Louisville Metro 1-1(a), which requested the Company identify and explain all assumptions used in the analysis contained in Exhibit WSS-3.
 - a. Identify all rate components and corresponding numerical values for the analysis to compare each customer served under TOD-S calculating the change in annual billings with and without the ratchet change implemented in the Company's last rate case. Your response should include (1) the Basic Service Charge per month or day, (2) an Energy Charge per kWh, and (3) a Maximum Load Charge per kW or kVA for Peak Demand Period, Intermediate Demand Period, and Base Demand Period.
 - b. Identify all other assumptions, components, and values used in the analysis in Exhibit WSS-3 that were not provided in response to Louisville Metro 1-1(a).
 - c. Exhibit WSS-3 identifies customers with annual bills of less than \$5,000. Explain how a TODS customer could have an annual bill of less than \$5,000 if the minimum base demand for the rate classification is 250 kW and the Maximum Load Charge per kW for Base Demand Period is \$5.21 per kW (250 kW x \$5.21 x 12 months = \$15,630).
2. This item is intentionally left blank in order to maintain consistent numbering with Case No. 2018-00294.
3. Please refer to Attachment to response to Louisville Metro 1-5(a) Page 58 of 66. Please provide a copy of the referenced publication entitled, "Regulatory Issues and Approaches to Municipal LED Street Lighting Conversions."
4. Please refer to Attachment to response to Louisville Metro 1-5(a) Page 59 of 66. Please provide a copy of the referenced publication entitled, "Building Technologies Program – Solid-State Lighting Technology Fact Sheet."
5. Please refer to Attachment to response to Louisville Metro 1-5(a) Page 64 of 66. Explain whether the Company reviewed Kentucky D.O.T. requirements when evaluating LED offerings. If so, include within your response copies of any such requirements and a narrative description of how the Company did or did not incorporate such requirements into its LED offerings.
6. Please refer to response to Louisville Metro 1-7, which asked whether the Company had systematic plans to convert restricted lighting to LED by geography or rate code. The testimony referenced in the response does not appear to address this question. Attachments supplied in response to Louisville Metro 1-9 indicate that various alternatives have been considered by the Company, including complete change out of lights. Please explain whether the Company has systematic plans to convert restricted lighting to LED by geography or rate code.
7. Please refer to response to Louisville Metro 1-8.
 - a. Does the Company plan to have a routine visual inspection of LED lights to determine if light levels are low due to lumen depreciation, or will it be up to the municipality to request replacement of dim LED lights?

- b. Do industry standards permit visual inspections to determine whether lumens depreciate below 70% of initial output or do industry standards require testing by photometers or other devices?
8. Please refer to response to Louisville Metro 1-9. On page 15 of Attachment 1, it says “Bill maintenance other than burn-out in tariffs but not being billed” and implies that the Company will begin such billing.
 - a. Does the Company intend to start billing for maintenance calls other than for burn-out?
 - i. If so, what tariff provisions permit the Company to do so.
 - ii. If so, will the revenue from that billing offset revenue requirements met through the operations and maintenance portion of monthly lighting bills? What is the estimated revenue from billing for maintenance other than burn-out?
 - b. For LED lights, will maintenance due to lumen depreciation be billed or will that be considered equivalent of “burn-out” for purposes of this tariff provision?
9. Attachment 3 to Response to Louisville Metro 1-9 Page 1 of 11 states, “LKE estimates up to 1% of LED lights will fail each year, prior to end of their estimated useful life.” Identify and provide any and all support for this statement.
10. Attachment 3 to Response to Louisville Metro 1-9 Page 3 of 11 states, “LKE currently does not have any information related to outdoor lighting on the LGE-KU webpage. LKE should develop a landing page on its webpage for lights that describe all of the current offerings and provide proper contacts to secure outdoor lighting based on the customer’s location. LKE should provide uniform informational materials, which explain the different lights available, to operations and customer service representatives who handle lighting requests and should make an effort to explain the new LED offerings to customers and the benefits of LEDs.” Explain whether the Company has developed a landing page for lights as recommended in this statement. If so, identify the website location.
11. Please refer to response to Louisville Metro 1-10. Using the referenced tool, provide cost estimates for the following scenarios by rate code, including respective fixture count:
 - a. Conversion of all Louisville Metro leased lighting to recommend LED offering.
 - b. Conversion of all Louisville Metro leased lighting currently in service over 5 years/60 months.
12. Please refer to response to Louisville Metro 1-13(b), in which the Company responds that it does not have a system that tracks infrastructure pre-paid through CIAC. Explain how the Company will know whether to charge the overhead or underground rate, as individual lights are converted to LED.
13. Please refer to response to Staff 2-14, in which the Company responded that it “considered an amortization period from three to five years, which is consistent with the amortization periods that have been used for amortization of regulatory assets of similar magnitude.” Identify what other regulatory assets the Company believes are of a similar magnitude with the Conversion Fee and provide each of those regulatory asset’s amortization periods.
14. Refer to proposed tariff sheets 35.4 and 36.3. Sheet 36.4 states, “Temporary suspension of lighting service is not permitted. Upon permanent discontinuance of service, lighting units and other supporting facilities solely associated with providing service under this

- tariff, except underground facilities and pedestals, will be removed.” Sheet 35.4 states, “If Customer requests the removal of an existing lighting system, including, but not limited to, fixtures, poles, or other supporting facilities, Customer agrees to pay to Company its cost of labor to remove existing facilities.” State whether a removal fee will be assessed any time a customer discontinues lighting service or only when the customer requests removal of an existing lighting system.
15. This item is intentionally left blank in order to maintain consistent numbering with Case No. 2018-00294.
 16. Please refer to response to Louisville Metro 1-23.
 - a. For each of the material items listed, would the Company book that item as a maintenance expense or as a capital expenditure in the event of installation as a replacement for a failed or failing item?
 - b. For each of the material items listed, would the Company book the associated installation costs as a maintenance expense or as a capital expenditure in the event of installation as a replacement for a failed or failing item?
 17. In response to Louisville Metro 1-24, data provided indicates that it performed an average of 29-36 repairs to street lights systemwide. Given this magnitude of repairs, please explain how LG&E proposes to conduct coordination with Louisville Metro to determine if Louisville Metro wishes to upgrade that broken fixture to LED.
 18. The Company’s response to Staff 2-5 estimates that it will take one year to deplete non-LED inventory. The response to Louisville Metro 1-9 indicates a 6-week supply of inventory (page 7 of Attachment 1).
 - a. Please explain the discrepancy between these timeframes.
 - b. Please clarify whether these inventories refer to fixtures or lamps
 19. Reference the direct testimony of Seelye, page 39, lines 6-8 and lines 12-15. Explain and provide calculations of the fixture charges proposed in this case, as follows:
 - a. Are the capital costs of fixtures computed as a carrying cost rate multiplied by the cost of a new fixture or the average embedded cost of a fixture?
 - b. Explain whether the carrying cost rate simply sums return of and return on capital on the original capital cost or the fixture or adjusts for the life-cycle average net book value of the asset.
 - c. Explain what fixture costs are booked as maintenance and what are booked as capital.
 - d. For costs booked as maintenance, explain how they are allocated to fixture types.
 20. Please refer to response to Staff 2-21. Please confirm that the calculated carrying charges are reduced if a lower ROE is utilized in the calculations.
 21. Once the Company has recovered their costs for a lighting unit, is ownership of the asset transferred to the customer? If not, explain why not.
 22. Please refer to Exhibit LEB-2, page 15.
 - a. What is the annual peak reserve margin projected by PJM for the years 2019-2033?
 - b. Does PJM project by season? By month? If so, please state those seasonal and/or monthly projections by PJM for 2019-2033.

- c. When the capacity auction benefits are computed for purposes of its RTO study, did the Companies assume that it would participate as an RPM member? If not, why not?
23. This item is intentionally left blank in order to maintain consistent numbering with Case No. 2018-00294.
24. Please refer to the answer to Louisville Metro 1-38.
 - a. Explain the reasons for the significant increase in PJM revenues from 2013 to 2014.
 - b. Explain the reasons for the reduction in PJM revenues from 2015 to 2016.
 - c. Provide the forecasted PJM and MISO Revenues included in this proceeding using the same format presented in the response to Metro-LGE 1.038.
 - d. Provide an explanation on how the forecast for PJM and MISO revenues were developed.
25. This item is intentionally left blank in order to maintain consistent numbering with Case No. 2018-00294.
26. Please refer to the answer to Louisville Metro 1-42.
 - a. Why were the 2017–2018 projections not modified annually from what was submitted in the original TSIP?
 - b. The Company states, “While the projections were not modified, the Companies anticipate that spending on certain TSIP-related programs will continue to exceed the forecasts made when the TSIP was first created.” What does the Company expect to spend, and how does that relate to the projections?
 - c. Does the Company agree that if the TSIP is not modified, the projections are not accurate? If the response is negative, provide the reason.
27. Please refer to the Answer to Question 45 of the First Request for Information from LFUCG in the KU case, Case No. 2018-00294. How, if at all, has the loss of municipalities impacted the revenue requirement requested by LGE in this rate case? Please detail the reductions by amount and category.
28. Please refer to the answer to Louisville Metro 1-44. The Company has indicated that it has spent \$98 million and will spend an additional \$110 million on various activities. Those additional expenses have not been incurred. Of the \$110 million, the Company is contractually bound to spend \$11 million.
 - a. Explain what makes up the \$27 million portion of the expenses not yet incurred listed as “All Other” in the response to the referenced data request.
 - b. Has the estimate of the \$110 million yet to be spent been updated? If the response is negative, provide the reason.
 - c. Does the \$110 million include a contingency factor? If the response is affirmative, what is that amount and percentage?
29. This item is intentionally left blank in order to maintain consistent numbering with Case No. 2018-00294.
30. Please refer to the answer to Louisville Metro 1-46. Please detail changes which LGE has undertaken in response to PPL’s Climate Assessment Report.
31. Please refer to the answer to Louisville Metro 1-49 and Mr. Seelye’s testimony at 14:14-16. Explain how an electric vehicle rate would incorporate a daily service charge.

32. Please refer to the answer to Louisville Metro 1-51. Please explain why the Company does not agree that the increase in the customer charge will have a disproportionate impact on lower income customers.
33. Please refer to the answer to Louisville Metro 1-52 and Mr. Seelye's testimony at 66:14-15. Confirm that the average credit per residential customer for the Late Payment credit for LG&E electric customers is \$2.72 ($\$231,059 / 84,905$) and LG&E gas customers is \$1.57 ($\$97,753 / 62,151$) as calculated in the Company's proposed revenue reduction.
34. Please refer to the answer to Louisville Metro 1-53(d). Please perform the calculation for each rate code.
35. Please refer to the answer to Louisville Metro 1-54. Please perform the calculation for each Louisville Metro account.
36. Please refer to the answer to Louisville Metro 1-63. Please provide an itemized list of each tariff/customer class for which the franchise fee does not apply without cross-referencing the Company's tariff.
37. Please refer to the answer to Louisville Metro 1-90. The Company indicated that it will spend \$120 million on non-mechanism gas capital expenditures from January 1, 2018, through October 31, 2019.
 - a. Provide the detail of what makes up the \$120 million.
 - b. Are any of the expenditures being made in anticipation of new customers? If the response is affirmative, quantify the amounts and state whether those expenditures will result in main extensions or larger pipe for existing customers.
 - c. If the expenditures result in larger pipe, what will the percent of throughput be to pipe capacity before new customers or new load is added?
38. Please refer to the answer to Louisville Metro 1-93(c).
 - a. Have the Bullitt County and Nelson County pipeline growth projects been started?
 - b. How much is the expected cost of each project?
 - c. Is the purpose for the projects for future expansion or to accommodate current growth?
 - d. Were the projects required by an outside authority? If the response is affirmative, what authority required the projects? If the response is negative, what is the justification for the expansion projects?
39. Please refer to the answer to Louisville Metro 1-96(b).
 - a. Is the growth anticipated in the future? If the response is affirmative, when and from what source(s)?
40. Please refer to the answer to Louisville Metro 1-96(c).
 - a. How does the sales of commercial and industrial MCF support system expansion?