

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC 2018 JOINT INTEGRATED)
RESOURCE PLAN OF LOUISVILLE GAS AND) CASE NO. 2018-00348
ELECTRIC COMPANY AND KENTUCKY)
UTILITIES COMPANY)

ATTORNEY GENERAL’S COMMENTS

The intervenor, the Attorney General of the Commonwealth of Kentucky by and through his Office of Rate Intervention (“Attorney General”), submits the following comments in the above-styled matter brought by Louisville Gas & Electric Co. and Kentucky Utilities Co. (together, “the Companies”).

First, the Attorney General agrees with Commission Staff’s strong encouragement set forth in its July 20, 2020 Commission Staff Report (“Staff Report”) that the Companies’ Advanced Metering Systems (AMS) DSM pilot program:

“[C]onsider making AMS usage data available to customers that is closer aligned to real-time data and to consider prepay metering and real-time pricing options to enhance the customer experience for those customers participating in the AMI Pilot Program. In addition, Staff suggests LG&E/KU examine the feasibility of peak time rebate programs and time-of-use rates.”¹

The Attorney General believes that making usage data accessible on a near real-time basis will incentivize customers to access their power usage data more frequently, and reduce consumption when it is high. The Attorney General also agrees that adding peak-time rebate and time-of-day rates would give increased value to AMS participants. As the Commission

¹ Staff Report, § 3, at 23.

recently stated in its Final Order in Case No. 2019-00277, “Using AMI metering for more than just billing purposes is something that not only Duke Kentucky, but *all utilities* should consider to maximize the benefits of smart meters. With AMI meters, programs such as Time of Use rates and prepay programs can be easily added as rate options.”² The Attorney General likewise encourages the Companies to make every effort to maximize benefits available to customers participating in the AMS pilot program.

Second, the Attorney General supports the substance of Staff’s recommendation made at page 41 regarding the reserve margin analysis.³ Obviously, reserve margin analyses must consider various scenarios under the alternative possibilities of the Companies either continuing as a stand-alone entity, or as an RTO member. However, the Attorney General notes that several utilities have recently announced plans to form a new organization to be known as the “Southeast Energy Exchange Market,”⁴ which is being described as an energy-only wholesale market. In the event such an organization does come to fruition, and if the Companies ever consider joining, the Attorney General believes that Staff’s recommendation should be broadened to include analyses applicable to membership.

Third, the Attorney General agrees with Staff’s recommendation that the Companies, in their next IRP, should provide a thorough and complete discussion of all actions taken to enhance the efficiency and reliability of the transmission and distribution systems.⁵ It is the Attorney General’s understanding that software commonly used for IRP planning purposes has become more capable of supporting this type of granular, robust analysis.

² *In Re: Electronic Application Of Duke Energy Kentucky, Inc. To Amend Its Demand Side Management Programs*, Case No. 2019-00277, Final Order dated April 27, 2020, at 14-15 [emphasis added].

³ Staff Report, § 4, Supply-Side and Demand-Side Resource Assessment, at 41.

⁴ See, e.g., <https://www.utilitydive.com/news/duke-southern-plan-path-for-southeast-energy-imbalance-market/581556/>

⁵ Staff Report, § 4, Supply-Side and Demand-Side Resource Assessment, at 42.

Finally, the Attorney General agrees with Staff's recommendation that in their next IRP, the Companies' resource assessment and reserve margin analyses should evaluate: (a) energy and capacity including renewable resources; (b) renewable resources located outside of the Companies' service territories; and (c) the growing number of merchant facilities that are in the process of obtaining regulatory approval.⁶ Additionally, the Attorney General agrees with Staff's recommendation that reserve margin assessments and analyses must take into consideration all-in costs including transmission, distribution loss, as well as an assessment of potential benefits such as any applicable government subsidies.⁷ However, the Attorney General strongly believes that the end goal of all such future assessments and analyses should continue to be the determination of least-cost resources.⁸

Respectfully submitted,
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ATTORNEY GENERAL



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⁶ Staff Report, § 4, Supply-Side and Demand-Side Resource Assessment, at 43.

⁷ Id.

⁸ See, e.g., 807 KAR 5:058 § 8 (1); *In Re: Energy Policy Act of 1992*, Administrative Case No. 350, Order dated Oct. 25, 1993, p. 3; *In Re: Application of Kentucky Utilities for an Adjustment of Rates*, Case No. 8624, Order dated March 18, 1983, at 54 (“[t]hese concerns are the heart of the Commission's belief that it has an obligation to pursue, for Kentuckians, an energy strategy that represents least cost consistent with appropriate reliability”).

Certificate of Service and Filing

Counsel certifies that the foregoing is a true and accurate copy of the same document being served upon the parties of record in this action on July 30, 2020. There are currently no parties that the Commission has excused from participation by electronic means in this proceeding. Further, the Attorney General will submit the paper originals of the foregoing to the Commission within 30 days after the Governor lifts the current state of emergency.

This 30th day of July, 2020.



Assistant Attorney General