

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF LOUISVILLE)
GAS AND ELECTRIC COMPANY AND)
KENTUCKY UTILITIES COMPANY FOR APPROVAL) CASE No.
OF A SOLAR POWER CONTRACT AND TWO) 2020-00016
RENEWABLE POWER AGREEMENTS TO SATISFY)
CUSTOMER REQUESTS FOR A RENEWABLE)
ENERGY SOURCE UNDER GREEN TARIFF OPTION #3)

ATTORNEY GENERAL’S THIRD DATA REQUESTS

Comes now the Attorney General of the Commonwealth of Kentucky, by and through his Office of Rate Intervention, and submits these Third Data Requests to Louisville Gas & Electric Company [“LG&E”] and Kentucky Utilities Company [“KU”][hereinafter jointly referred to as “the Companies”] to be answered by the date specified in the Commission’s Orders of Procedure, and in accord with the following:

- (1) In each case where a request seeks data provided in response to a staff request, reference to the appropriate request item will be deemed a satisfactory response.
- (2) Identify the witness who will be prepared to answer questions concerning each request.
- (3) Repeat the question to which each response is intended to refer. The Office of the Attorney General can provide counsel for the Companies with an electronic version of these questions, upon request.
- (4) 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.

(5) Each response shall be answered under oath or, for representatives of a public or private corporation or a partnership or association, be accompanied by a signed certification of the preparer or person supervising the preparation of the response on behalf of the entity that the response is true and accurate to the best of that person's knowledge, information, and belief formed after a reasonable inquiry.

(6) If you believe any request appears confusing, request clarification directly from Counsel for the Office of Attorney General.

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

(8) To the extent that any request may be answered by way of a computer printout, identify each variable contained in the printout which would not be self-evident to a person not familiar with the printout.

(9) If the company has objections to any request on the grounds that the requested information is proprietary in nature, or for any other reason, notify the Office of the Attorney General as soon as possible.

(10) As used herein, the words "document" or "documents" are to be construed broadly and shall mean the original of the same (and all non-identical copies or drafts thereof) and if the original is not available, the best copy available. These terms shall include all information recorded in any written, graphic or other tangible form and shall include, without limiting the generality of the foregoing, all reports; memoranda; books or notebooks; written or recorded statements, interviews, affidavits and depositions; all letters or correspondence; telegrams, cables and telex messages; contracts, leases, insurance policies or other agreements; warnings

and caution/hazard notices or labels; mechanical and electronic recordings and all information so stored, or transcripts of such recordings; calendars, appointment books, schedules, agendas and diary entries; notes or memoranda of conversations (telephonic or otherwise), meetings or conferences; legal pleadings and transcripts of legal proceedings; maps, models, charts, diagrams, graphs and other demonstrative materials; financial statements, annual reports, balance sheets and other accounting records; quotations or offers; bulletins, newsletters, pamphlets, brochures and all other similar publications; summaries or compilations of data; deeds, titles, or other instruments of ownership; blueprints and specifications; manuals, guidelines, regulations, procedures, policies and instructional materials of any type; photographs or pictures, film, microfilm and microfiche; videotapes; articles; announcements and notices of any type; surveys, studies, evaluations, tests and all research and development (R&D) materials; newspaper clippings and press releases; time cards, employee schedules or rosters, and other payroll records; cancelled checks, invoices, bills and receipts; and writings of any kind and all other tangible things upon which any handwriting, typing, printing, drawings, representations, graphic matter, magnetic or electrical impulses, or other forms of communication are recorded or produced, including audio and video recordings, computer stored information (whether or not in printout form), computer-readable media or other electronically maintained or transmitted information regardless of the media or format in which they are stored, and all other rough drafts, revised drafts (including all handwritten notes or other marks on the same) and copies of documents as hereinbefore defined by whatever means made.

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

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

(13) Provide written responses, together with any and all exhibits pertaining thereto, in one or more bound volumes, separately indexed and tabbed by each response, in compliance with Kentucky Public Service Commission Regulations.

(14) “And” and “or” should be considered to be both conjunctive and disjunctive, unless specifically stated otherwise.

(15) “Each” and “any” should be considered to be both singular and plural, unless specifically stated otherwise.

Respectfully submitted,
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ATTORNEY GENERAL



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Certificate of Service and Filing

Counsel certifies that the foregoing is a true and accurate copy of the same document being filed in paper medium with the Commission within two business days; that the electronic filing has been transmitted to the Commission on March 17, 2020; that there are currently no parties that the Commission has excused from participation by electronic means in this proceeding.

This 17th day of March, 2020.



Assistant Attorney General

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1. Reference the responses to AG DR 2-17 and PSC 2-1. Confirm the following:
 - a. The Companies are currently meeting the energy needs of all customers, including the two industrial customers at issue, and will continue to be able to do so even if the Commission does not approve the instant application.
 - b. The Companies' obligation to procure energy at the lowest reasonable costs does not require that the Companies retire or mothball existing generation resources.
 - c. Even if the Companies retire or mothball one or more generating units in order to procure power under the proposed PPA, customers would continue to pay the undepreciated costs (stranded costs) attendant to the to-be retired or mothballed units.
 - d. In the event the Commission approves the proposed PPA, to the extent the Companies have to back off of existing generation, customers will be paying not only for the power produced under the PPA, but also all costs associated with the continued operation of the existing generation units, including but not limited to O&M and depreciation.
 - e. If the Companies have to back off of existing generation for native load, the excess power from the existing generating units should be available for dispatch in off-system sales, to the extent such sales are possible.
 - f. None of the Companies' existing generating assets have been fully depreciated.
 - g. All of the Companies' existing generating units are used and useful.
2. In the event the Commission approves the proposed PPA, explain where the power generated under the PPA would fall within the Companies' order of economic dispatch of all existing generating units.
3. Confirm that the Companies' application at p. 8, paragraph no. 16 states: "Where an electric utility seeks to acquire additional energy through a power purchase agreement, the Commission has equated the purchase with the construction of additional generational facilities and has found that the same standard used to review the construction of generation facilities should be used to review the power purchase agreement, namely **whether a need for the additional generation capacity exists** and whether the purchase will result in a wasteful duplication of facilities." [emphasis added]
 - a. Confirm that fuel costs are not the sole dispositive factor as to whether the Commission should approve the instant application.

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- b. Explain where the need for additional generation capacity exists, as highlighted in the above quote.
4. Reference the response to PSC 2-1, wherein it is stated, "Even though the utility has generation capacity to meet customer demand, it is more economical and more beneficial to its ratepayers if it purchases the energy rather than use its existing generation assets."
 - a. Explain whether the statement that it would be more economical takes into consideration the all-in costs attendant with continuing to operate all existing generating units, even when the Companies are receiving power under the proposed PPA. If not, provide an analysis of the all-in costs that would continue to be incurred for the existing generating units, when the Companies accept power under the PPA.
5. Reference the response to PSC 2-1, wherein it is stated, "Wasteful duplication" is defined as "an excess of capacity over need" and "an excessive investment in relation to productivity or efficiency, and an unnecessary multiplicity of physical properties."
 - a. Confirm that the proposed PPA would add additional capacity to the Companies' existing capacity.
6. Reference the response to PSC 2-5 (a). State when the ITO's transmission studies will be available. Will the Companies commit to making them available if and when they are completed? If not, explain why not.
7. Reference the response to AG 2-33 (a)(ii). In the event that the integration of energy from the solar PPA does lead to any discernable ramping changes for the Companies generation fleet, explain which customers would pay the attendant costs, and why.
8. Provide any analyses regarding whether rating agencies view PPAs that do not have a capacity component as an evidence of indebtedness.
9. Provide the current price the Companies are receiving for RECs with regard to solar power produced at the Brown solar facility. Also identify that market.
 - a. State whether the Companies intend to utilize the same market for RECs that would be earned under the proposed PPA.

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10. Explain whether ratepayers would be held harmless from any potential claims arising from land erosion / subsidence, or other environmental issues at the site of the proposed solar facility.