

**COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION**

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IN THE MATTER OF KENTUCKY UTILITIES )  
COMPANY FOR AN ADJUSTMENT TO ITS )  
ELECTRIC RATES, A CERTIFICATE OF )  
PUBLIC CONVENIENCE AND NECESSITY TO )  
DEPLOY ADVANCED METERING )  
INFRASTRUCTURE, APPROVAL OF CERTAIN )  
REGULATORY AND ACCOUNTING )  
TREATMENTS, AND ESTABLISHMENT OF A )  
ONE-YEAR SURCHARGE )

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Case No. 2020-00349

IN THE MATTER OF LOUISVILLE GAS AND )  
ELECTRIC COMPANY FOR AN ADJUSTMENT )  
TO ITS ELECTRIC AND GAS RATES, A )  
CERTIFICATE OF PUBLIC CONVENIENCE AND )  
NECESSITY TO DEPLOY ADVANCED )  
METERING INFRASTRUCTURE, APPROVAL OF )  
CERTAIN REGULATORY AND ACCOUNTING )  
TREATMENTS, AND ESTABLISHMENT OF A )  
ONE-YEAR SURCHARGE )

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Case No. 2020-00350

**FIRST REQUEST FOR INFORMATION OF  
THE UNITED STATES DEPARTMENT OF DEFENSE  
AND ALL OTHER FEDERAL EXECUTIVE AGENCIES TO  
THE KENTUCKY OFFICE OF THE ATTORNEY GENERAL (“OAG”)**

The United States Department of Defense and all other Federal Executive Agencies submits the following First Request for Information to the Kentucky Office of the Attorney General.

**DEFINITIONS**

1. “Identify” or “identity,” when referring to a natural person, shall mean to provide without limitation his or her full name, present or last-known address, telephone number, present

or last-known business affiliation and location, and job titles and responsibilities during the applicable time covered by any response referring to such person.

2. “Identify” or “identity,” when referring to a document or writing, shall mean to give sufficient characterization of the document or writing so as to have identified it with reasonable particularity and shall include, without limitation, the following information with respect to such document or writing:

- a. The author and the sender of the document or writing;
- b. The date appearing on the document or writing, and if it has no date, the answer shall so state but shall give the date or approximate date the document or writing was prepared;
- c. The general nature or description of the document;
- d. The name of the person or persons, if any, to whom such document or writing was addressed and the names of other persons to whom the document or copies thereof were given or sent, if any;
- e. The name and address of the person having present possession, custody, or control of the document or writing.

3. “Document” and “workpaper” shall have the broadest possible meaning and include, without limitation, the original and any non-identical copy (whether different from the original because of handwritten notes, underlining, or other marks,) regardless of origin or location, of written, typed, printed, or graphic matter (however produced or reproduced), and electrical or magnetic sound or video recordings, or transcriptions thereof, file or photographic prints, and all other writings or recordings of every kind and description, including, but not limited to, papers, letters, correspondence, agreements, contracts, telegrams, notes, notations, computer

printouts, digital or e-mail communications, text messaging, data sheets, data processing cards or tapes, memoranda (including memoranda or memorials of conversations or meetings), intra-office communications, notebooks, reports, articles, books, pamphlets, periodicals, tables, charts, graphs, blueprints, drawings, studies, worksheets, estimating sheets, bids, bills, time cards, indices, lists, surveys, diaries, diary entries, facsimiles, specimens, models, schedules, accounts, invoices, purchase orders, estimates, ledgers, audits, and indices, and drafts, revisions or amendments of any of the above, and generally, any kind of tangible, permanent records that are now, or formerly were, in your possession, custody or control, or that were known by you to exist, and that can be located or discovered by reasonably diligent efforts.

4. “Study” means any written, recorded, transcribed, taped, filmed, or graphic matter, however produced or reproduced, either formally or informally, on a particular issue or situation, in whatever detail, whether or not the consideration of the issue or situation is in a preliminary stage, and whether or not the consideration was discontinued prior to completion.

#### INSTRUCTIONS

1. Responses to these request shall be in compliance with 807 KAR 5:0001 and Public Service Commission’s Orders.

2. These Requests are continuing in nature and require supplemental answers within a reasonable time if additional documents or information would be responsive to these Requests.

3. If any of the responses do not contain complete information, so state this and identify each person who may have the additional information.

4. Identify the witness who will be prepared to answer questions concerning each Request.

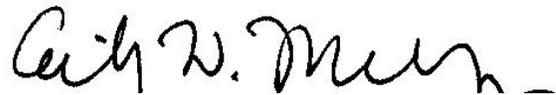
## REQUESTS

- DOD 1-1. Concerning the Direct Testimony of Glenn A. Watkins:
- a. Please provide a detailed description of the allocation factors used to produce the OAG recommended class cost of service study (“CCOSS”) discussed at page 61 and listed in Table 23 and Table 24 of Mr. Watkins’ testimony. Specifically, please identify the following:
    - i. Production class capacity cost allocation factors
    - ii. Class energy cost allocation factors
    - iii. Production energy cost allocation factors
    - iv. Class transmission capacity cost allocation factors
    - v. Class primary allocation factors
    - vi. Class secondary distribution allocation factors
    - vii. Customer allocation factors.
  - b. Concerning the allocation factors reflecting the OAG CCOSS described in the previous questions, compare each of these allocators to the allocators used in the Companies’ proposed CCOSS in this case.
- DOD 1-2. Concerning Mr. Watkins’ proposed Probability of Dispatch methodology, please answer the following:
- a. Is it reasonable to conclude that a utility’s generation fixed costs provide a hedge against variability in energy prices based on changes in fuel and the wholesale market? Please explain answer.
  - b. Does Mr. Watkins agree that a hedge against volatile energy prices can create significant benefits to customers outside of normalized energy prices reflected in a historic and projected cost of service?
  - c. Does Mr. Watkins agree that LG&E and KU both prudently planned and received Certificates of Convenience from the Kentucky Commission to develop generation facilities and, in part, are expected to produce benefits, economic and reliability, of production service to retail customers? Please explain answer.

DOD 1-3. Concerning Mr. Watkins' assessment of customer density for distribution plant, please answer the following:

- a. Does Mr. Watkins agree that in designing a distribution network, that a utility would consider both the demands of the customers on the distribution circuit in designing the circuit, including the length of conductor, number of poles, substation or pole transformers which are necessary to connect all customers to the distribution circuit?
- b. Would the need to connect all customers to the system occur regardless of the density of customers across the distribution system? Please explain answer.
- c. If customer density across the system is relatively constant, would Mr. Watkins agree that the allocation of distribution costs for primary circuits based on both demand and customer would reasonably align with the cost-causation nature of such facilities? Please explain answer.
- d. Does Mr. Watkins agree that primary voltage circuits can vary across the system, and can consist of thousands of primary voltage circuits that may not be interconnected to one another?
- e. If distribution services are composed of thousands of primary circuits distribution circuits that are not connected to each other, is it possible that the density of customers on each of these distribution circuits can vary from circuit to circuit? Please explain answer.
- f. Has Mr. Watkins performed an analysis to determine the density of customers on each primary distribution circuit served by KU and/or LG&E? Please explain answer.

Respectfully submitted,



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March 19, 2021

**CERTIFICATE OF SERVICE**

It is hereby certified that the attached First Request for Information is a true and accurate copy of the document being filed with the Commission; that the filing was transmitted to the Commission via electronic filing on March 19, 2021; that there are currently no parties that the Commission has excused from participation by electronic means in this proceeding; and that a copy of the filing was served electronically on all persons listed in the Official Service List for Dockets 2020-00349 and 2020-00350 on this 19<sup>th</sup> day of March 2021.

A handwritten signature in black ink, appearing to read "Emily W. Medlyn", written over a horizontal line.

Emily W. Medlyn