

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF)	
KENTUCKY UTILITIES COMPANY FOR AN)	
ADJUSTMENT OF ITS ELECTRIC RATES, A)	
CERTIFICATE OF PUBLIC CONVENIENCE)	
AND NECESSITY TO DEPLOY ADVANCED)	
METERING INFRASTRUCTURE, APPROVAL)	CASE NO. 2020-00349
OF CERTAIN REGULATORY AND)	
ACCOUNTING TREATMENTS, AND)	
ESTABLISHMENT OF A ONE-YEAR)	
SURCREDIT)	

RESPONSE OF
KENTUCKY UTILITIES COMPANY
TO
SIERRA CLUB'S INITIAL DATA REQUESTS
DATED JANUARY 8, 2021

FILED: JANUARY 22, 2021

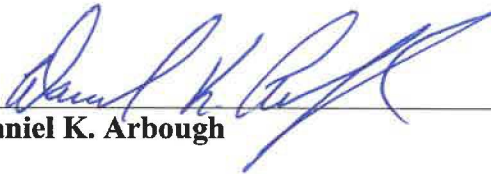
VERIFICATION

COMMONWEALTH OF KENTUCKY)

)

COUNTY OF JEFFERSON)

The undersigned, **Daniel K. Arbough**, being duly sworn, deposes and says that he is Treasurer for Kentucky Utilities Company and Louisville Gas and Electric Company and an employee of LG&E and KU Services Company, and that he has personal knowledge of the matters set forth in the responses for which he is identified as the witness, and the answers contained therein are true and correct to the best of his information, knowledge and belief.


Daniel K. Arbough

Subscribed and sworn to before me, a Notary Public in and before said County and State, this 18th day of January 2021.


Notary Public

Notary Public ID No. 603967

My Commission Expires:

July 11, 2022

VERIFICATION


COMMONWEALTH OF KENTUCKY)
)
COUNTY OF JEFFERSON)

The undersigned, **Lonnie E. Bellar**, being duly sworn, deposes and says that he is Chief Operating Officer for Louisville Gas and Electric Company and Kentucky Utilities Company and an employee of LG&E and KU Services Company, and that he has personal knowledge of the matters set forth in the responses for which he is identified as the witness, and the answers contained therein are true and correct to the best of his information, knowledge and belief.



Lonnie E. Bellar

Subscribed and sworn to before me, a Notary Public in and before said County and State, this 18th day of January 2021.



Notary Public
Notary Public ID No. 603967

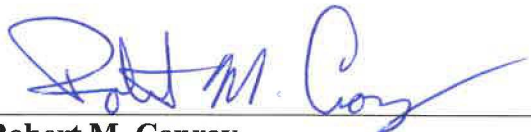
My Commission Expires:

July 11, 2022

VERIFICATION

COMMONWEALTH OF KENTUCKY)
)
COUNTY OF JEFFERSON)

The undersigned, **Robert M. Conroy**, being duly sworn, deposes and says that he is Vice President, State Regulation and Rates, for Kentucky Utilities Company and Louisville Gas and Electric Company and an employee of LG&E and KU Services Company, and that he has personal knowledge of the matters set forth in the responses for which he is identified as the witness, and the answers contained therein are true and correct to the best of his information, knowledge and belief.



Robert M. Conroy

Subscribed and sworn to before me, a Notary Public in and before said County and State, this 20th day of January 2021.



Notary Public

Notary Public ID No. 603967

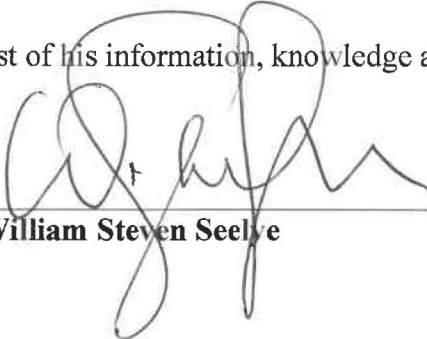
My Commission Expires:

July 11, 2022

VERIFICATION

COMMONWEALTH OF NORTH CAROLINA)
)
COUNTY OF BUNCOMBE)

The undersigned, **William Steven Seelye**, being duly sworn, deposes and states that he is a Principal of The Prime Group, LLC, and that he has personal knowledge of the matters set forth in the responses for which he is identified as the witness, and the answers contained therein are true and correct to the best of his information, knowledge and belief.



William Steven Seelye

Subscribed and sworn to before me, a Notary Public in and before said County and State, this 16 day of January 2021.



Notary Public (SEAL)

Notary Public ID No. _____

My Commission Expires:
9/22/2025

Ryan Meagher
Notary Public
Henderson County, NC
My Commission Expires 9/22/25

KENTUCKY UTILITIES COMPANY

**Response to Sierra Club's Initial Data Requests
Dated January 8, 2021**

Case No. 2020-00349

Question No. 1

Responding Witness: Lonnie E. Bellar

- Q-1. Refer to the Direct Testimony of Paul Thompson at 17:17–18:14, inter alia.
- a. Please confirm whether the Company's request for a CPCN to deploy AMI is based dispositively on the purported "numerous benefits for electric and gas customers from this investment into advanced digital technology and away from outdated and limited capability analog technology," and does not rely on an argument that, putting aside the cost-benefit proposition of AMI, it is necessary to approve the widespread deployment of AMI because the analog fleet is nearing the end of its useful life and the Company cannot continue to obtain analog meters. If not confirmed, please explain how and the extent to which the Company's request is based on that latter consideration.
 - b. Please identify and provide, if not already filed, all documentation (studies, memoranda, etc.) that supports the Company's cost and benefit estimates pertaining to AMI.
 - c. Please describe in detail the educational or outreach efforts that the Company will conduct, or invest in, to facilitate customers maximizing the stated benefits of AMI, including but not limited to energy conservation and bill reduction.
- A-1.
- a. Confirmed. Currently analog meters comprise approximately 75% of in-service meters and as noted cannot be replaced with analog meters but are being replaced by non-AMI electronic meters. The AMI case as presented is not based on the unavailability of analog meters but on the fact that the analysis shows direct financial benefits and other non-quantified benefits of an AMI deployment.
 - b. See Exhibit LEB-3 and the response to AG-KIUC 1-203(b).
 - c. See Exhibit ELS-2.

KENTUCKY UTILITIES COMPANY

**Response to Sierra Club's Initial Data Requests
Dated January 8, 2021**

Case No. 2020-00349

Question No. 2

Responding Witness: Robert M. Conroy / William Steven Seelye

- Q-2. Refer to the Direct Testimony of William Steven Seelye at 41:11–64:5, inter alia.
- a. Please identify the number of customers, by class type (i.e. residential, commercial, industrial), that take service under the Company's existing net metering tariff, along with the cumulative generating capacity of such customers' distributed solar generation systems.
 - b. Please confirm whether the Company intends to limit new net metering customers taking service under the proposed NMS-2 tariff, if approved, to the point at which cumulative generating capacity of net metering systems hits 1% of the Company's single hour peak load.
 - a. If so, please identify that 1% capacity level, and also estimate the number of average customers to which it corresponds.
 - b. Also if so, please identify and provide any analysis the Company has performed, obtained, or reviewed that seeks to evaluate the potential relative cost savings to the Company's system posed by allowing and realizing distributed solar installation at a level greater than the 1% level—an additional increment of power that could displace potentially costlier power that the Company owns or plans on procuring from other sources in its future portfolio. (If no such analysis exists, please so indicate).
 - c. Please explain whether, and (if so) specifically how, the proposed NMS-2 tariff purports to recognize and factor in the respective values of carbon reduction, improved public health, grid resiliency, or other benefits in the public interest. If not, please discuss the reasons why the Company believes it should not or cannot do so.
- A-2.
- a. See the response to KSIA 1-14 (a).

- b. As contained in KRS 278.466(1), KU has no obligation to offer net metering to any new customer-generator if the cumulative generating capacity reaches one percent (1%) of its single hour peak load. KU will address this scenario once it reaches close to the cap of 1%.
 - a. One percent (1%) of KU 2020 system peak is 36.42 MW. Using the average kW per residential customer (see the response to KSIA 1-14(a)), of 8.7 kW, 1% of KU's system peak would equate to 4,186 residential customers.
 - b. The requested analysis does not exist.
- c. The Companies did not recognize and factor in any of the items cited in the request, all of which except grid resiliency are externalities for the purposes of utility ratemaking in Kentucky. Regarding grid resiliency, there is no evidence that net metering customers have improved the Companies' grid resiliency in any quantifiable way, making it inappropriate to include a value for that item in the proposed Rider NMS-2. The Company has proposed in Rider NMS-2 a compensation rate for energy supplied to the grid from a customer-generator consistent with what all customers pay for other sources of energy supplied to the grid.

KENTUCKY UTILITIES COMPANY

**Response to Sierra Club's Initial Data Requests
Dated January 8, 2021**

Case No. 2020-00349

Question No. 3

Responding Witness: Daniel K. Arbough

- Q-3. Refer to the Direct Testimony of David Sinclair at 27:17-21, inter alia.
- a. Please confirm whether, if OVEC chooses to pursue compliance with the Effluent Limitation Guidelines (“ELGs”) and the Coal Combustion Residuals (“CCR”) Rule by way of investing in capital projects at the OVEC Units, the Company’s ratepayers would ultimately be responsible for paying the Company’s share (among OVEC member utilities) of such costs.
 - i. Please indicate if the Company knows whether OVEC in fact has committed, or plans to commit, to compliance with the ELGs and CCR Rule by way of investing in capital projects.
 1. Please identify the projected costs of such projects, if any and if known to the Company, and please provide all documentation (studies, memoranda, presentations, board minutes, etc.), if any, that detail and purport to justify the cost-benefit calculus of that compliance strategy, if planned/contemplated, versus other options.
 2. Please discuss whether the Company (including its representatives on the OVEC Board) has discussed with the other OVEC member-utilities (and their representatives on the OVEC Board) whether to retire any of the OVEC units and/or to terminate the Inter-Company Power Agreement (“ICPA”). If so, please provide any documentation that may exist of such discussions (correspondence, board minutes, etc.).
- A-3.
- a. Confirmed.
 - i. OVEC plans to comply with the ELG and CCR Rule by investing in capital projects.

1. See attached. Certain information requested is confidential and proprietary and is being provided under seal pursuant to a petition for confidential protection.
2. The OVEC Board of Directors reviewed and discussed the options for compliance with the CCR Rule and approved certain construction projects presented in the attachment 1.

The entire attachment is
Confidential and
provided separately
under seal.