

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

**In the Matter of:**

<b>ELECTRONIC APPLICATION OF LOUISVILLE</b>	)	
<b>GAS AND ELECTRIC COMPANY FOR</b>	)	<b>CASE NO.</b>
<b>MODIFICATION OF ITS PERFORMANCE-</b>	)	<b>2021-00028</b>
<b>BASED RATEMAKING MECHANISM</b>	)	

**JUNE 25, 2021 SUPPLEMENTAL RESPONSE OF  
LOUISVILLE GAS AND ELECTRIC COMPANY  
TO  
COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION  
DATED MARCH 3, 2021**

**FILED: JUNE 25, 2021**

**VERIFICATION**

COMMONWEALTH OF KENTUCKY   )  
  )  
COUNTY OF JEFFERSON         )

The undersigned, **Pamela L. Jaynes**, being duly sworn, deposes and says that she is Director - Gas Management, Planning, and Supply for Louisville Gas and Electric Company, and that she has personal knowledge of the matters set forth in the responses for which she is identified as the witness, and the answers contained therein are true and correct to the best of her information, knowledge and belief.

  
Pamela L. Jaynes

Subscribed and sworn to before me, a Notary Public in and before said County and State, this 21<sup>st</sup> day of June 2021.

  
Notary Public

Notary Public ID No. 603967

My Commission Expires:

July 11, 2022

**LOUISVILLE GAS AND ELECTRIC COMPANY**

**June 25, 2021 Supplemental Response to Commission Staff's  
First Request for Information  
Dated March 3, 2021**

**Case No. 2021-00028**

**Question No. 2**

**Witness: Pamela L. Jaynes**

Q-2. Refer to LG&E's responses to Commission Staff's First Request for Information, Item 16, in Case No. 2019-00437 regarding LG&E's gas procurement methodology. Provide all updates to the information requested in Item 16 of that request for information through the date of this request and on a continuing basis during the pendency of this case.

**A-2. March 17, 2021 Original Response:**

For the sake of clarity and ease of reference, LG&E has repeated the 14 subparts from Question No. 16 in summary form and responds to those 14 subparts accordingly with any changes that have occurred since LG&E's response dated February 21, 2020.

- a. Provide copies of all interstate pipeline transportation and storage contracts entered into and tariffs effective since LG&E's February 21, 2020, response to Question No. 16 from Commission Staff's First Request for Information dated February 6, 2020, in Case No. 2019-00437.
- b. Provide copies of all contracts for commodity supply entered into since LG&E's February 21, 2020, response to Question No. 16 from Commission Staff's First Request for Information dated February 6, 2020, in Case No. 2019-00437.
- c. Provide any updates to gas supply and capacity contract summaries showing significant contract terms; daily, monthly, and annual entitlements; and pricing for contracts entered into since LG&E's February 21, 2020, response to Question No. 16 from Commission Staff's First Request for Information in Case No. 2019-00437. Identify capacity changes (renegotiated and expired agreements, contract cancellations, assignments, or long-term releases) that have occurred since LG&E's February 21, 2020, response to Question No. 16 from Commission Staff's First Request for Information in Case No. 2019-00437.
- d. Provide any updates to LG&E's storage arrangements, and state the maximum daily injection and withdrawal rates and the decline in deliverability that occurs as gas is withdrawn, updated to reflect any changes since LG&E's February 21, 2020, response

to Question No. 16 from Commission Staff's First Request for Information in Case No. 2019-00437.

- e. Provide any updates to peaking arrangements made since LG&E's February 21, 2020, response to Question No. 16 from Commission Staff's First Request for Information in Case No. 2019-00437.
- f. Provide a copy of all written procedures in use by LG&E for nominations and dispatching that have changed since LG&E's February 21, 2020, response to Question No. 16 from Commission Staff's First Request for Information in Case No. 2019-00437.
- g. If LG&E has utilized gas marketing/trading organizations to obtain gas supplies since LG&E's February 21, 2020, response to Question No. 16 from Commission Staff's First Request for Information in Case No. 2019-00437, indicate which organizations were employed, gas volumes purchased, prices, terms, and current contractual arrangements between LG&E and these marketing firms.
- h. Provide any changes to the Request for Proposal or bidding process for gas supply that have changed since LG&E's February 21, 2020, response to Question No. 16 from Commission Staff's First Request for Information in Case No. 2019-00437; for the same period provide the original bid documents, a listing of the suppliers that were contacted, the responses to the request for bid, the evaluation process that led to the selection of a supplier, and any written procedures that exist for this activity.
- i. Provide a copy of LG&E's gas supply plan and a written description of its gas supply planning process made since LG&E's February 21, 2020, response to Question No. 16 from Commission Staff's First Request for Information in Case No. 2019-00437.
- j. Provide any changes to any supply-planning computer models currently being used by LG&E since LG&E's February 21, 2020, response to Question No. 16 from Commission Staff's First Request for Information in Case No. 2019-00437.
- k. Provide organization charts of the overall corporate organization and of the gas planning, gas purchasing, and gas operations functions that have changed since LG&E's February 21, 2020, response to Question No. 16 from Commission Staff's First Request for Information in Case No. 2019-00437. Describe any changes that have occurred in the corporate, gas planning and purchasing, and gas operations organizations since LG&E's February 21, 2020, response to Question No. 16 from Commission Staff's First Request for Information in Case No. 2019-00437.
- l. Provide any updates to job descriptions of the personnel working in the gas planning, gas purchasing, and gas operating functions since LG&E's February 21, 2020, response to Question No. 16 from Commission Staff's First Request for Information in Case No. 2019-00437.

- m. Provide copies of reports or internal audits or reviews of any aspect of the supply function conducted since Staff's gas procurement methodology request since LG&E's February 21, 2020, response to Question No. 16 from Commission Staff's First Request for Information in Case No. 2019-00437. Include reports prepared by LG&E and outside auditors.
- n. Provide an updated copy of LG&E's strategic plan with primary emphasis on gas procurement, transmission, delivery, and expansion, including all significant related capital expenditures that has been prepared since LG&E's February 21, 2020, response to Question No. 16 from Commission Staff's First Request for Information in Case No. 2019-00437.

LG&E's responses to the above questions have been updated through February 28, 2021 below. As needed, quarterly updates will be provided hereafter through the pendency of this proceeding which will be filed with the Commission within thirty (30) days of the close of the applicable three-month period.

- a. For gas supply activity covering the most recent gas contract year (12 months ended October 31, 2020), the capacity contracts with interstate pipelines under Rates NNS, FT, and FT-A are the same as those referenced in LG&E's response dated February 21, 2020 to Commission Staff's Question No. 16(a) from Case No. 2019-00437. Those pipeline capacity contracts have not experienced any change for the contract year beginning November 1, 2020.

While there have been no changes to the terms and conditions of these transportation arrangements since that response, the "8-year" NNS contract that was subject to termination October 31, 2021, has been extended for an additional 5-year roll-over term through October 31, 2026. No new contractual documents were required to be executed.

**The following updated information has been included as attachments to this response:**

- Texas Gas Transmission, LLC Tariff Sheets:
  - Fuel Retention Percentages for Service under Rate Schedules NNS and FT (applicable to service from November 1, 2019 through June 30, 2020; from July 1 through October 31, 2020; and beginning November 1, 2020)
- Tennessee Gas Pipeline Company, LLC Tariff Sheets:
  - Rates for Service under Rate Schedule FT-A (applicable to service from November 1, 2019 through October 31, 2020 and beginning November 1, 2020)

- Fuel Retention Percentages for Service under Rate Schedule FT-A (applicable to service from April 1, 2020 through March 31, 2021 and beginning April 1, 2021)
  
- b. Attached are copies of the following documents with respect to LG&E's contracts for gas commodity supply in effect from November 1, 2019 through February 28, 2021. These documents include the following:
  - all new base forms of agreement under which LG&E was able to purchase gas supplies effective since LG&E's February 21, 2020 filing in Case No. 2019-00437; these base forms of agreement set forth the framework for a potential gas commodity transaction such as billing, payment, title transfer, etc., but do not include the specifics with respect to a particular transaction such as price, volume, or duration (term)
  
  - base forms of agreement under which LG&E was able to purchase gas supplies have been terminated since LG&E's February 21, 2020 filing in Case No. 2019-00437, of which there are none
  
  - a summary of the key terms and conditions of the gas supply commodity transactions in effect from November 1, 2019 through February 28, 2021 taken from the below referenced Nomination Schedules
  
  - all Nomination Schedules in effect from November 1, 2019 through February 28, 2021, which reference and are Exhibits to the above base forms of agreement which memorialize gas supply transactions, including the specifics of each transaction with respect to price, volume, and duration (term), but excluding transactions for a single day or weekend

As with the inquiry conducted in Case No. 2019-00437, LG&E has not included Nomination Schedules associated with the purchase of any daily gas supplies simply because they are voluminous. However, any updates to the bid solicitations and the awards associated with each daily purchase are provided in the response to Question No. 1-2(h). These purchases are made under the same base forms of agreements provided herewith and in order to satisfy either daily changes in load requirements or to optimize LG&E's gas supply portfolio as discussed, for example, in any updates to the response to Question No. 1-2(f).

**The following updated information has been included as attachments to this response subject to a Petition for Confidential Treatment:**

- Annual Supply Statistics for: November 1, 2019 through October 31, 2020 and from November 1, 2020 through February 28, 2021

- A copy of all new base forms of agreement and contractual documentation reflecting name changes and assignments effective since LG&E's February 21, 2020 filing in Case No. 2019-00437
  - A summary of all transactions in effect from November 1, 2019 through February 28, 2021 (excluding transactions lasting only a single day or weekend)
  - The Nomination Schedules for each of the transactions from November 1, 2019 through February 28, 2021 (excluding transactions lasting only a single day or weekend)
- c. LG&E's response to Question No. 1-2(a) includes any updates to capacity changes (renegotiated and expired agreements, de-contracting, assignment, or long-term release) that have taken place since February 21, 2020.

LG&E's response to Question No. 1-2(b) includes a discussion of any updates to significant contract terms, daily/monthly/annual entitlements, and pricing.

- d. LG&E's off-system storage arrangements are made under Texas Gas's No-Notice Service ("NNS") which is a bundled service that includes pipeline transportation capacity and storage service. There have been no changes to these arrangements since February 21, 2020.

Parameters associated with LG&E's on-system storage are included with the 2020 Annual Gas Supply Plan provided in the response to Question No. 1-2(i). Specifically, LG&E's on-system storage injection parameters can be found in Exhibit V of Exhibit 4 of the 2020 Annual Gas Supply Plan, and LG&E's on-system withdrawal parameters can be found in Exhibit V of Exhibit 4 of the 2020 Annual Gas Supply Plan.

- e. Updated information with respect to storage facilities, pipeline transportation services and gas supply agreements have been identified in the responses to Questions Nos. 1-2(a), 1-2(b), 1-2(c), and 1-2(d).
- f. No changes to the written procedures previously submitted on February 21, 2020 in Case No. 2019-00437.
- g. There has been no change in the information submitted by LG&E since its response dated February 21, 2020 in Case No 2019-00437. LG&E's gas supply arrangements (which may include arrangements with both producers and marketers) are discussed in the response to Question Nos. 1-2(a), 1-2(b) and 1-2(c).
- h. The following written procedure has been modified since the previous submission dated February 21, 2020 in Case No 2019-00437:
- Section 2.15: "Supplier Credit Assessment and Daily Net Exposure"

Also, attached are copies of LG&E's gas commodity supply solicitations conducted between November 1, 2019 and February 28, 2021. The documentation is provided in the date order of the bid release. These documents include a copy of the original bid documents, a listing of the suppliers that were contacted, the responses to the request for bid, and the evaluation process that led to the selection of a supplier. The longer-term bid solicitations associated with the 2020 Annual Gas Supply Plan (including copies of original bid documents, a listing of the suppliers that were contacted, the responses to the request for bid, and the evaluation process that led to the selection of a supplier) are included with LG&E's 2020 Annual Gas Supply Plan provided as a part of the response to Question No. 1-2(i).

**The following information has been included as an attachment to this response subject to a Petition for Confidential Treatment:**

- Section 2.15: "Supplier Credit Assessment and Daily Net Exposure"; original submission dated July 1, 2020, superseding the version dated August 1, 2019, which was provided on February 21, 2020
  - Bid documentation for gas commodity supply solicitations conducted between November 1, 2019 and February 28, 2021
- i. LG&E's 2020 Annual Gas Supply Strategies ("Gas Supply Plan") was prepared by the Gas Management, Planning, and Supply Department. Exhibit 1 to the 2020 Annual Gas Supply Plan includes the "Summary of Bid Evaluations for Natural Gas Supply Transactions (2020 Gas Supply Plan)" including the Bid Evaluation (Appendix A), Bid Invitation (Appendix B), list of suppliers invited to bid (Appendix C), bids provided by suppliers (Appendix D), and Bid Evaluation Methodology (Appendix E).

While the Annual Gas Supply Plan develops details for the upcoming year, it is primarily focused on deliveries for the upcoming winter season. The Summer Plan is more closely focused on summer season purchases which are primarily used for storage refill. The 2020 Summer Purchase Plan Analysis is also included.

**The following information has been included as attachments to this response subject to Petition for Confidential Treatment:**

- 2020 Annual Gas Supply Plan (including 2020 bid documentation)
  - 2020 Summer Purchase Plan Analysis
- j. No change.
- k. Beginning in 2020, a new Director – Asset Integrity Management & Compliance was created. There have been no other changes. See attached organizational chart.
- l. No change.



- m. No change.
- n. See attached.

**June 25, 2021 Supplemental Response:**

In its First Request for Information in Case No. 2021-00028 dated March 3, 2021, the Commission Staff requested updates to Question No. 2 of that Request for Information through the pendency of the case.

LG&E's responses to the below questions have now been updated for March 1, 2021, through May 31, 2021; the next quarterly update will cover June 1 through August 31 and be filed on or before September 30 assuming the case is still pending.

For the sake of clarity and ease of reference, LG&E has repeated the 14 subparts in summary form and responds to those 14 subparts accordingly with any changes that have occurred since LG&E's response dated March 17, 2021.

- a. Provide copies of all interstate pipeline transportation and storage contracts entered into and tariffs effective since LG&E's March 17, 2021, response to Question No. 2 from Commission Staff's First Request for Information dated March 3, 2021, in Case No. 2021-00028.
- b. Provide copies of all contracts for commodity supply entered into since LG&E's March 17, 2021, response to Question No. 2 from Commission Staff's First Request for Information dated March 3, 2021, in Case No. 2021-00028.
- c. Provide any updates to gas supply and capacity contract summaries showing significant contract terms; daily, monthly, and annual entitlements; and pricing for contracts entered into since LG&E's March 17, 2021, response to Question No. 2 from Commission Staff's First Request for Information in Case No. 2021-00028. Identify capacity changes (renegotiated and expired agreements, contract cancellations, assignments, or long-term releases) that have occurred since LG&E's March 17, 2021, response to Question No. 2 from Commission Staff's First Request for Information in Case No. 2021-00028.
- d. Provide any updates to LG&E's storage arrangements, and state the maximum daily injection and withdrawal rates and the decline in deliverability that occurs as gas is withdrawn, updated to reflect any changes since LG&E's March 17, 2021, response to Question No. 2 from Commission Staff's First Request for Information in Case No. 2021-00028.

- e. Provide any updates to peaking arrangements made since LG&E's March 17, 2021, response to Question No. 2 from Commission Staff's First Request for Information in Case No. 2021-00028.
- f. Provide a copy of all written procedures in use by LG&E for nominations and dispatching that have changed since LG&E's March 17, 2021, response to Question No. 2 from Commission Staff's First Request for Information in Case No. 2021-00028.
- g. If LG&E has utilized gas marketing/trading organizations to obtain gas supplies since LG&E's March 17, 2021, response to Question No. 2 from Commission Staff's First Request for Information in Case No. 2021-00028, indicate which organizations were employed, gas volumes purchased, prices, terms, and current contractual arrangements between LG&E and these marketing firms.
- h. Provide any changes to the Request for Proposal or bidding process for gas supply that have changed since LG&E's March 17, 2021, response to Question No. 2 from Commission Staff's First Request for Information in Case No. 2021-00028; for the same period provide the original bid documents, a listing of the suppliers that were contacted, the responses to the request for bid, the evaluation process that led to the selection of a supplier, and any written procedures that exist for this activity.
- i. Provide a copy of LG&E's gas supply plan and a written description of its gas supply planning process made since LG&E's March 17, 2021, response to Question No. 2 from Commission Staff's First Request for Information in Case No. 2021-00028.
- j. Provide any changes to any supply-planning computer models currently being used by LG&E since LG&E's March 17, 2021, response to Question No. 2 from Commission Staff's First Request for Information in Case No. 2021-00028.
- k. Provide organization charts of the overall corporate organization and of the gas planning, gas purchasing, and gas operations functions that have changed since LG&E's March 17, 2021, response to Question No. 2 from Commission Staff's First Request for Information in Case No. 2021-00028. Describe any changes that have occurred in the corporate, gas planning and purchasing, and gas operations organizations since LG&E's March 17, 2021, response to Question No. 2 from Commission Staff's First Request for Information in Case No. 2021-00028.
- l. Provide any updates to job descriptions of the personnel working in the gas planning, gas purchasing, and gas operating functions since LG&E's March 17, 2021, response to Question No. 2 from Commission Staff's First Request for Information in Case No. 2021-00028.
- m. Provide copies of reports or internal audits or reviews of any aspect of the supply function conducted since Staff's gas procurement methodology request since LG&E's March 17, 2021, response to Question No. 2 from Commission Staff's First Request

for Information in Case No. 2021-00028. Include reports prepared by LG&E and outside auditors.

- n. Provide an updated copy of LG&E's strategic plan with primary emphasis on gas procurement, transmission, delivery, and expansion, including all significant related capital expenditures that has been prepared since LG&E's March 17, 2021, response to Question No. 2 from Commission Staff's First Request for Information in Case No. 2021-00028.

**Please see LG&E's supplemental responses below:**

- a. There have been no changes since the previous response.
- b. There have been no changes since the previous response except as follows:
  - A summary of the key terms and conditions of the new gas supply commodity transactions entered into between March 1, 2021, through May 31, 2021, taken from the below referenced Nomination Schedules.
  - All Nomination Schedules entered into between March 1, 2021, through May 31, 2021, which reference and are Exhibits to the base forms of agreement which memorialize gas supply transactions, including the specifics of each transaction with respect to price, volume, and duration (term), but excluding transactions for a single day or weekend.

As with the inquiry conducted in Case No. 2021-00028, LG&E has not included Nomination Schedules associated with the purchase of any daily gas supplies. However, any updates to the bid solicitations and the awards associated with each daily purchase are provided in LG&E's response to part (h) of this response. These purchases are made under the base forms of agreements previously provided and in order to satisfy either daily changes in load requirements or to optimize LG&E's gas supply portfolio as discussed, for example, in any updates to LG&E's response to part (f) of this response.

**The following updated information has been included as attachments to this response subject to the Petition for Confidential Treatment filed with the original response:**

- Annual Supply Statistics for: November 1, 2020, through May 31, 2021.
- A summary of all transactions entered into between March 1, 2021, through May 31, 2021, (excluding transactions lasting only a single day or weekend).

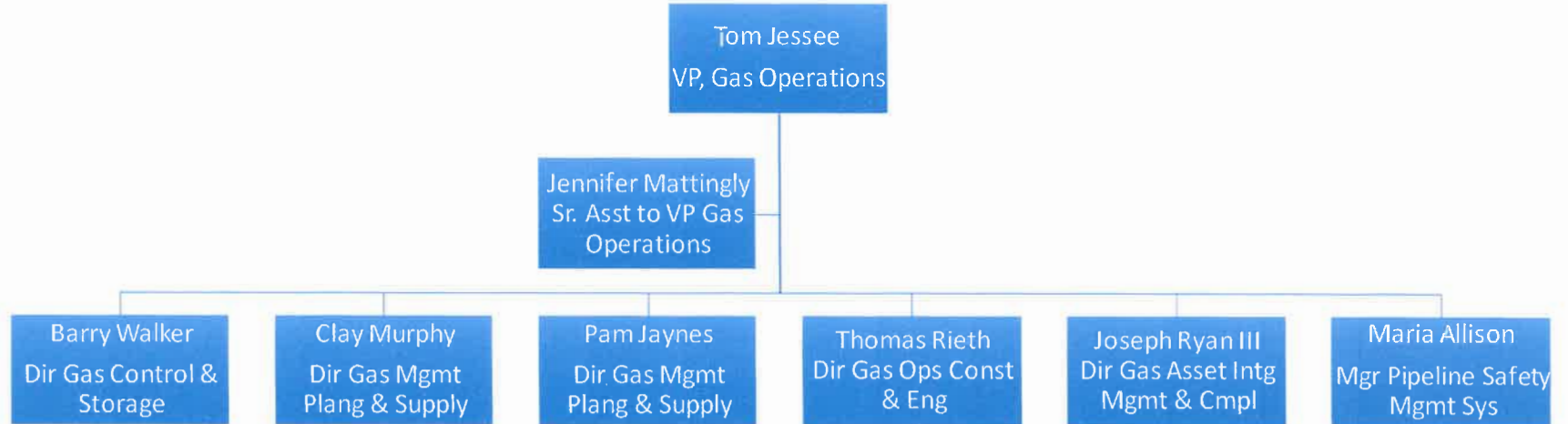
- The Nomination Schedules for each of the transactions entered into between March 1, 2021, through May 31, 2021, (excluding transactions lasting only a single day or weekend).
- c. There have been no changes since the previous response.
  - d. There have been no changes since the previous response.
  - e. There have been no changes since the previous response.
  - f. There have been no changes since the previous response.
  - g. There have been no changes since the previous response.
  - h. Attached are copies of LG&E's gas commodity supply solicitations conducted between March 1, 2021, and May 31, 2021.

**The following information has been included as an attachment to this response subject to the above-referenced Petition for Confidential Treatment:**

- Bid documentation for gas commodity supply solicitations completed between March 1, 2021, and May 31, 2021.
- i. There have been no changes since the previous response.
  - j. There have been no changes since the previous response.
  - k. Effective May 31, 2021, Pam Jaynes has been promoted to Director—Gas Management Planning and Supply. See attached organizational chart.
  - l. There have been no changes since the previous response.
  - m. There have been no changes since the previous response.
  - n. There have been no changes since the previous response.

Supplemental  
Attachments to  
Response to  
Questions 2(b) and  
2(h) are  
Confidential and  
provided separately  
under seal.

# VP Gas Operations



# Dir Gas Mgmt Plang & Supply

