

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

AN ELECTRONIC EXAMINATION OF THE)
APPLICATION OF THE FUEL ADJUSTMENT)
CLAUSE OF LOUISVILLE GAS AND) CASE NO. 2021-00295
ELECTRIC COMPANY FROM NOVEMBER 1,)
2020 THROUGH APRIL 30, 2021)

RESPONSE OF
LOUISVILLE GAS AND ELECTRIC COMPANY
TO
THE COMMISSION STAFF'S SECOND REQUEST FOR INFORMATION
DATED DECEMBER 7, 2021

FILED: DECEMBER 17, 2021

VERIFICATION

COMMONWEALTH OF KENTUCKY)
)
COUNTY OF JEFFERSON)

The undersigned, **Delbert Billiter**, being duly sworn, deposes and says that he is Manager — LG&E and KU Fuels for 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.


Delbert Billiter

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

 (SEAL)

Notary Public

My Commission Expires:

July 11, 2022

603967

VERIFICATION

COMMONWEALTH OF KENTUCKY)
)
COUNTY OF JEFFERSON)

The undersigned, **Andrea M. Fackler**, being duly sworn, deposes and says that she is Manager, Revenue Requirement/Cost of Service for LG&E and KU Services 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.


Andrea M. Fackler

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

 (SEAL)

Notary Public

My Commission Expires:

July 11, 2022

603967

LOUISVILLE GAS AND ELECTRIC COMPANY

**Response to Commission Staff's Second Request for Information
Dated December 7, 2021**

Case No. 2021-00295

Question No. 1

Responding Witness: Delbert Billiter

- Q-1. Refer to LG&E's response to Commission Staff's First Request, Items 2 and 9.
- a. Explain whether the Manager Fuels Technical Services or Mining Engineer conducted at least one on-site review and inspection for each vendor.
 - b. Explain whether the physical inspections revealed any issues with any of the vendors.
 - c. Explain whether the "up to twice a year" inspections means that, for example, Alliance Coal LLC with seven contracts was visited at least once at each shipping or mine site.
- A-1.
- a. An on-site inspection was conducted for every vendor, except for Arch's Black Thunder Mine located in Wyoming, during both 2020 and 2021. Although restrictions caused by the pandemic have made travel more difficult, Company representatives still conducted 30 on-site supplier visits in 2020 and 34 on-site supplier visits in 2021. The Black Thunder mine is typically visited once per year, but travel restrictions prevented on-site visits in 2020 and 2021. The last on-site visit to Black Thunder was in 2019 and the current plan is to visit in 2022.
 - b. Some of the main reasons to conduct on-site inspection are to perform due diligence to ensure the supplier is capable of performing the terms of the contract, identify major risks to performance, gain general market knowledge, monitor weighing and sampling systems, verify the existence of issues identified by suppliers, and establish a working relationship with mine management. Two major items identified and verified recently are the geologic fault encountered by Western Kentucky Minerals Joes Run mine and the mine fire at the Sugar Camp Complex.
 - c. Correct. At least one on-site inspection is performed on all active sources for each contract. For major sources that provide significant volumes, additional on-site inspections are performed. For example, the three sources under the

Alliance contracts (the Companies' largest supplier) have been inspected eight times in 2021.

LOUISVILLE GAS AND ELECTRIC COMPANY

**Response to Commission Staff's Second Request for Information
Dated December 7, 2021**

Case No. 2021-00295

Question No. 2

Responding Witness: Andrea M. Fackler

- Q-2. Review LG&E's Fuel Adjustment Clause Tariff sheets and provide a list of necessary adjustments or subsequent information, if any, needed to correspond with the recent changes to 807 KAR 5:056 Fuel Adjustment Clause Regulation, as amended on August 20, 2019, and June 3, 2021.

- A-2. There were no material changes in the 807 KAR 5:056 Fuel Adjustment Clause Regulation amendments that necessitated a change to LG&E's Fuel Adjustment Clause Tariff.