

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

**In the Matter of:**

<b>ELECTRONIC 2021 JOINT</b>	)	
<b>INTEGRATED RESOURCE PLAN</b>	)	<b>CASE NO.</b>
<b>OF LOUISVILLE GAS AND</b>	)	<b>2021-00393</b>
<b>ELECTRIC COMPANY AND</b>	)	
<b>KENTUCKY UTILITIES COMPANY</b>	)	

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**SIERRA CLUB’S INITIAL REQUESTS FOR INFORMATION**

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Pursuant to the Kentucky Public Service Commission’s (“Commission”) November 12, 2021, Order (“Scheduling Order”), Sierra Club hereby propounds the following requests for information on Louisville Gas and Electric Company (“LG&E”) and Kentucky Utilities Company (“KU”) (jointly the “Companies”) in the above-captioned proceeding concerning the Companies’ 2021 Joint Integrated Resource Plan (“IRP”).

The Companies shall answer these requests for information in the manner set forth in the Scheduling Order, by no later than February 11, 2022. Please produce the requested documents in electronic format to:

Matthew E. Miller  
2528 California Street  
Denver, CO 80205  
Email: matthew.miller@sierraclub.org

If a response to a request consists of a statement that the requested information is already available to Sierra Club, provide a detailed citation to the document that contains the information. This citation shall include the title of the document, relevant page number(s), and to the extent possible paragraph number(s) and/or chart(s)/table(s)/figure number(s).

In the event that any document referred to in response to any request for information has been destroyed, specify the date and the manner of such destruction, the reason for such destruction, the person authorizing the destruction and the custodian of the document at the time of its destruction.

Sierra Club reserves the right to serve supplemental, revised, or additional discovery requests as permitted in this proceeding.

### **DEFINITIONS**

Unless otherwise specified in each individual interrogatory or request “LG&E,” refers to Louisville Gas and Electric Company and its affiliates, officers, directors, employees, and agents; “KU” refers to Kentucky Utilities Company and its affiliates, officers, directors, employees, and agents; and “you,” “your,” and the “Companies” refer to LG&E and KU jointly, or to either Company as may make sense in context.

“And” and “or” shall be construed either conjunctively or disjunctively as required by the context to bring within the scope of these interrogatories and requests for production of documents any information which might be deemed outside their scope by another construction.

“Any” means all or each and every example of the requested information.

“Communication” means any transmission or exchange of information between two or more persons, whether orally or in writing, and includes, without limitation, any conversation or discussion by means of letter, telephone, note, memorandum, telegraph, telex, telecopy, cable, email, or any other electronic or other medium.

“Document” refers to written matter of any kind, regardless of its form, and to information recorded on any storage medium, whether in electrical, optical or electromagnetic form, and capable of reduction to writing by the use of computer hardware and software, and

includes all copies, drafts, proofs, both originals and copies either (1) in the possession, custody or control of the Companies regardless of where located, or (2) produced or generated by, known to or seen by the Companies, but now in their possession, custody or control, regardless of where located whether or still in existence. Without limitation, the term “control” as used in this paragraph means that you have the right to secure the document or a copy thereof from another person or public or private entity having actual possession thereof. If a document is responsive to a request, but is not in your possession or custody, identify the person with possession or custody. If any document was in your possession or subject to your control, and is no longer, state what disposition was made of it, by whom, the date on which such disposition was made, and why such disposition was made.

Such “documents” shall include, but are not limited to, applications, permits, monitoring reports, computer printouts, contracts, leases, agreements, papers, photographs, tape recordings, transcripts, letters or other forms of correspondence, folders or similar containers, programs, telex, TWX and other teletype communications, memoranda, reports, studies, summaries, minutes, minute books, circulars, notes (whether typewritten, handwritten or otherwise), agenda, bulletins, notices, announcements, instructions, charts, tables, manuals, brochures, magazines, pamphlets, lists, logs, telegrams, drawings, sketches, plans, specifications, diagrams, drafts, books and records, formal records, notebooks, diaries, registers, analyses, projections, email correspondence or communications and other data compilations from which information can be obtained (including matter used in data processing) or translated, and any other printed, written, recorded, stenographic, computer-generated, computer-stored, or electronically stored matter, however and by whomever produced, prepared, reproduced, disseminated or made. For purposes of the production of “documents,” the term shall include copies of all documents being produced,

to the extent the copies are not identical to the original, thus requiring the production of copies that contain any markings, additions or deletions that make them different in any way from the original.

“DSM” means “demand-side management”.

“EE” means “energy efficiency”.

“ICPA” refers to Inter-Company Power Agreement of the Ohio Valley Electric Corporation.

“Identify” means:

- (a) With respect to a person, to state the person’s name, address and business relationship (e.g., “employee”) vis-à-vis the Company;
- (b) With respect to a document, to state the nature of the document in sufficient detail for identification in a request for production, its date, its author, and to identify its custodian. If the information or document identified is recorded in electrical, optical or electromagnetic form, identification includes a description of the computer hardware or software required to reduce it to readable form.

“OVEC” means the Ohio Valley Electric Corporation, including its wholly owned subsidiary Indiana-Kentucky Electric Corporation.

“OVEC Units” means the Clifty Creek Generating Station (Units 1-6) as well as Kyger Creek Generating Station (Units 1-5).

“Relating to” or “concerning” means and includes pertaining to, referring to, or having as a subject matter, directly or indirectly, expressly or implied, the subject matter of the specific request.

“Workpapers” are defined as original, electronic, machine-readable, unlocked, Excel format (where possible) with formulas intact.

### **PRIVILEGE**

If you claim a privilege including, but not limited to, the attorney-client privilege or the work product doctrine, as grounds for not fully and completely responding to any interrogatory or request for production, describe the basis for your claim of privilege in sufficient detail so as to permit the Sierra Club and the Commission to evaluate the validity of the claim. With respect to documents for which a privilege is claimed, produce a “privilege log” that identifies the author, recipient, date and subject matter of the documents or interrogatory answers for which you are asserting a claim of privilege and any other information pertinent to the claim that would enable Sierra Club and the Commission to evaluate the validity of such claims.

### **TIME**

Unless otherwise provided, the applicable time period for each of these requests for information is January 1, 2018, to the present.

### **REQUESTS FOR INFORMATION**

1. Please provide an unredacted copy of the Companies’ 2021 IRP.
2. Please identify and provide the most recently published evaluation(s) of the economics of solar generation and of battery storage, respectively, that the 2021 IRP relies on for its projections and modeling of the same.
3. Reference the 2021 IRP, Vol. I, at 5-15, 5-41 – 5-43. Whereas the 2021 IRP targets a summer reserve margin range of 17 to 24 percent for resource planning, please explain whether it is the Companies’ position that they require OVEC’s 152 MW for the purpose of staying within that target reserve margin, all else equal. In other words, please indicate whether the Companies would fall below that target range at any point in the planning period if they subtracted that 152 MW from their portfolio; and, if so, specify what year(s) that would occur.
4. Reference the Companies’ 2021 RTO Membership Analysis (Oct. 2021) at 28 (“Both PJM and MISO take the position that they can provide appropriate generation reliability with a lower target annual peak reserve margin as compared to the Companies’ target summer reserve margin range of 17 percent to 25 percent.”). Please discuss how the Companies’

- process of determining their target reserve margin would change, and what their target reserve margin would be, if the Companies were to join either PJM or MISO (please provide distinct responses for each of those two RTOs if/as appropriate).
5. Please identify and produce any request(s) the Company has issued, from 2018 through the present, for proposals for new or substitute generation capacity, along with any responses thereto.
  6. Reference the 2021 IRP, Vol. I, at 5-17. For each coal-fired power plant in the Companies' fleet, please confirm whether the plant is in compliance with the CCR Rule and with groundwater protection standards, as of the latest monitoring readings, and provide documentation or identify links to websites that reflect that compliance status (whether compliance or violations/exceedances).
  7. Reference the 2021 IRP at Vol. I, at 5-11.
    - a) Please provide a detailed explanation and justification of why "[t]he Companies did not directly evaluate new demand-side management ("DSM") programs in this IRP."
    - b) Please indicate when and where the 'evaluation' in the following statement will be presented: "Instead, the IRP identifies opportunities for new DSM programs that *will be evaluated* based on data and DSM pilot programs associated with the implementation of AMI" (emphasis added).
  8. Reference the 2021 IRP at Vol. I, at 6-8. Please indicate more specifically when in 2022, and in what PSC proceeding, the Companies will file the referenced "updated DSM Filing." Further, please confirm whether that filing will reflect the results of the referenced "recently initiated [] new DSM Planning process to cover the years of 2023 – 2025."
  9. Please confirm or deny that the Companies included the assumption of taking and paying for power from OVEC in every scenario presented in the resource planning analysis in the 2021 IRP. If denied, explain.
  10. Please confirm or deny whether the Companies, including but not limited to their representatives on the OVEC Board, have reviewed the Michigan Public Service Commission's ("MPSC") November 18, 2021 Order in Case No. U-20804, regarding fellow OVEC Sponsor Indiana Michigan Power Company's application for approval to implement a power supply cost recovery plan for 2021—in particular the MPSC's analysis and conclusions concerning OVEC (in response to Sierra Club arguments), including the following (at 20): "The company is put on notice that the Commission is unlikely to permit the utility to recover these uneconomic costs from its customers in rates, rate schedules, or PSCR factors established in the future without good faith efforts to manage existing contracts such as meaningful attempts to renegotiate contract provisions to ensure continued value for ratepayers. The Commission issues a Section 7 warning that I&M may not be able to recover its full costs under the ICPA as part of the reconciliation of its 2021 PSCR plan."
    - a) If denied, please explain whether the Companies plan on reviewing this order.

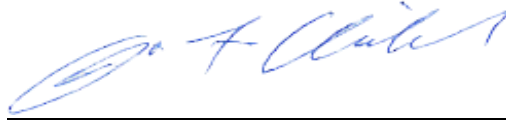
- b) If confirmed, please discuss the Companies' view of the order's implications on OVEC, the Companies' obligations under the ICPA, and the Companies' recovery of OVEC-related costs from its retail customers.
11. Please produce all minutes, presentations, memoranda, reports, and other documents—either possessed by, or known to and obtainable by, the Companies—from OVEC Board meetings from 2018 through the present. Such documents may include, but are not limited to, documents discussing environmental compliance (including but not limited to CCR and ELG) costs or plans at the OVEC Units, other capital costs or plans at/for the same, the cost of operations at the same, operations practices and modifications including to cycling and/or commitment at the same, PJM market energy prices, and plant performance.
    - a) Without limitation to the foregoing, broader request, please produce and expressly identify all OVEC Board documents (without limitation, minutes, votes, correspondence, etc.) that specifically authorize OVEC incurring costs to comply with the CCR or ELG requirements, including documents such as presentations, reports, etc., associated with proposals and authorizations that relate to the same and were presented to the Board.
  12. Please specify the most current respective projections of costs for the OVEC Units to comply with current and foreseen environmental compliance requirements/obligations. (If this information can be seen on particular pages of documents produced in response to Request 2, above, please indicate the pertinent pages.)
  13. Please produce or identify the most current respective schedules for the OVEC Units to comply with CCR and ELG requirements.
  14. Please produce all emails and other correspondence between the Companies and OVEC, and between the Companies and other OVEC Sponsors, regarding CCR compliance and the US EPA's recent Proposed Denial of Alternative Closure Deadline for Clifty Creek (see, e.g., [https://www.epa.gov/system/files/documents/2022-01/clifty\\_creek\\_proposed\\_decision-508\\_prepub.pdf](https://www.epa.gov/system/files/documents/2022-01/clifty_creek_proposed_decision-508_prepub.pdf)).
  15. Please produce all emails and other correspondence between the Companies and OVEC, and between the Companies and other OVEC Sponsors, as well as any internal documents prepared at the Companies, concerning Ohio House Bill 6 and the ongoing criminal investigation in Ohio associated with the same.
  16. Please produce all emails and any other written correspondence with any other OVEC Sponsor, between 2018 and the present, about the disposition of the plants or the ICPA, including but not limited to any proposals to sell or purchase units or participation shares, or to modify or to terminate the ICPA.
  17. Please provide any forward-looking assessments—either possessed by, or known to and obtainable by, the Companies—of OVEC costs and/or value, whether conducted by the Companies, by OVEC, and/or by another OVEC Sponsor, and conducted between 2018 and the present.
  18. Please provide any projections—either possessed by, or known to and obtainable by, the Companies—of OVEC's expected billing between 2018 and the present.

19. Please provide a copy of monthly OVEC bills to the Companies dated 2018 through the present.
20. Please specify the revenues to the Companies from the following, and include the timeframe/frequency of such revenues (e.g., monthly or otherwise), 2018 through the present:
  - a) sales of OVEC capacity
  - b) sales of OVEC energy
  - c) any other sales of ancillary services or otherwise from OVEC
21. OVEC's 2020 annual report (available at: <https://www.ovec.com/FinancialStatements/AnnualReport-2020-Signed.pdf>) lists a line item of "advance billing of debt reserve" (at 6) and describe it as follows: "In January 2017, the Companies started advance billing the Sponsoring Companies for debt service as allowed under the ICPA. As of December 31, 2020 and 2019, \$120 million and \$90 million, respectively, had been advance billed to the Sponsoring Companies. As the Companies have not yet incurred the related costs, a regulatory liability was recorded which will be credited to customer bills on a long-term basis" (at 11).
  - a) Please quantify the debt reserve.
  - b) Please explain why OVEC began "advance billing" of the debt reserve in 2017.
  - c) Please indicate:
    - i) how the Companies have paid in total to date for "advance billing" of the debt reserve.
    - ii) how much the Companies project to pay for "advance billing" of the debt reserve into the future.
  - d) Please provide all emails and any other written correspondence between the Companies and OVEC, and between the Companies and other OVEC Sponsors, that specifically addresses why advance billing of debt reserve was necessary.
  - e) Please explain whether and how the regulatory liability will be credited to customer bills, including on what timeframe.
22. Please identify the forced outage rate for each of the years 2018 through the present, for each of the OVEC Units.



Dated: January 21, 2022

Respectfully submitted,



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*Of counsel*  
(not licensed in Kentucky):

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*Counsel for Sierra Club*

**CERTIFICATE OF SERVICE**

This is to certify that the foregoing copy of SIERRA CLUB'S INITIAL REQUESTS FOR INFORMATION in this action is being electronically transmitted to the Commission on January 21, 2022, and that there are currently no parties that the Commission has excused from participation by electronic means in this proceeding.



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JOE F. CHILDERS