

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC JOINT APPLICATION OF)	
KENTUCKY UTILITIES COMPANY, NOLIN)	
RURAL ELECTRIC COOPERATIVE)	
CORPORATION, AND EAST KENTUCKY)	
POWER COOPERATIVE, INC. FOR APPROVAL)	CASE NO. 2021-00462
OF AN AGREEMENT MODIFYING AN)	
EXISTING TERRITORIAL BOUNDARY MAP)	
AND ESTABLISHING THE RETAIL ELECTRIC)	
SUPPLIER FOR GLENDALE MEGASITE IN)	
HARDIN COUNTY, KENTUCKY)	


RESPONSE OF
KENTUCKY UTILITIES COMPANY
TO
COMMISSION STAFF'S SECOND REQUEST FOR INFORMATION
DATED JANUARY 19, 2022

FILED: JANUARY 21, 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 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 19th day of January 2022.


Notary Public

Notary Public ID No. 603967

My Commission Expires:

July 11, 2022

KENTUCKY UTILITIES COMPANY

Response to Commission Staff's Second Request for Information Dated January 19, 2022

Case No. 2021-00462

Question No. 1

Responding Witness: Robert M. Conroy

- Q-1. Refer to the total amount of the proposed regulatory asset, which includes the proposed amount KU will pay to Nolin Rural Electric Cooperative Corporation (Nolin RECC) and the costs KU will pay to Nolin RECC and East Kentucky Power Cooperative, Inc. (EKPC) to move or remove Nolin RECC's and EKPC's facilities. Explain how the purchase price was derived and quantify the expected system benefit, including but not limited to expected revenues from serving the new load.
- A-1. For an explanation on how the settlement sum was determined, please see the responses of KU and Nolin RECC and East Kentucky Power Cooperative, Inc ("Nolin/EKPC") to Commission Staff Data Request No. 5. For an explanation on how the costs KU will pay to Nolin/EKPC to move their facilities was derived, please see the response of Nolin/EKPC to Commission Staff Data Request No. 7.

Based on the Companies' proposal to Ford that included assumptions regarding the load data for the site and potential rate design for the load, KU estimated the system benefits in terms of the potential revenue from the project to recover the variable cost of providing service and contribute to fixed cost of the system. See the attached analysis provided in Excel format. The information provided is confidential and proprietary and is being provided under seal pursuant to a petition for confidential protection. As noted in the analysis, KU expects the total demand revenues from the Ford facility to exceed the payments provided to Nolin RECC and EKPC and fully supports the total amount of the proposed regulatory asset referenced in the data request. In addition, there are system benefits derived from KU obtaining the Glendale service territory in exchange for the acreage near the Glendale site and the T. J. Patterson industrial park to Nolin.

The entire attachment is
Confidential and
provided separately
under seal.