

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 & ELECTRIC)	CASE NO. 2022-00266
COMPANY FROM NOVEMBER 1, 2021)	
THROUGH APRIL 30, 2022)	

RESPONSE OF
LOUISVILLE GAS AND ELECTRIC COMPANY
TO
THE COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION
DATED SEPTEMBER 13, 2022

FILED: SEPTEMBER 30, 2022

VERIFICATION

COMMONWEALTH OF KENTUCKY)
)
COUNTY OF JEFFERSON)

The undersigned, **Michael P. Drake**, being duly sworn, deposes and says that he is Director – Generation Services 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.



Michael P. Drake

Subscribed and sworn to before me, a Notary Public in and before said County and State, this 27 day of September 23, 2022 2022.

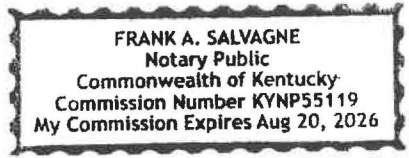


Notary Public

Notary Public ID. No. KYNP55119

My Commission Expires:

August 20th, 2026



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
Andrea M. Fackler

Subscribed and sworn to before me, a Notary Public in and before said County and State, this 11th day of September 2022.

Judy Scholer
Notary Public

Notary Public ID No. KKNP53381

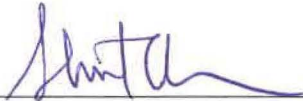
My Commission Expires:

July 11, 2026

VERIFICATION

COMMONWEALTH OF KENTUCKY)
)
COUNTY OF JEFFERSON)

The undersigned, **Stuart A. Wilson**, being duly sworn, deposes and says that he is Director, Energy Planning, Analysis & Forecasting 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.



Stuart A. Wilson

Subscribed and sworn to before me, a Notary Public in and before said County and State, this 23rd day of September 2022.



Notary Public

Notary Public ID No. KYNP 53381

My Commission Expires:

July 11, 2026

LOUISVILLE GAS AND ELECTRIC COMPANY

**Response to Commission Staff's First Request for Information
Dated September 13, 2022**

Case No. 2022-00266

Question No. 1

Responding Witness: Delbert Billiter

Q-1. For the period under review, provide the amount of coal purchased in tons and the percentage of purchases that were spot versus contract.

A-1. During the period under review, the Company purchased 3,041,168 tons of coal.

Spot: 12.9% (391,737 tons)

Contract: 87.1% (2,649,431 tons)

LOUISVILLE GAS AND ELECTRIC COMPANY

**Response to Commission Staff's First Request for Information
Dated September 13, 2022**

Case No. 2022-00266

Question No. 2

Responding Witness: Delbert Billiter

- Q-2. For the period under review, list each coal purchase made under a long-term contract (one year or greater). For each purchase, list:
- a. Contract or purchase order number;
 - b. The supplier's name;
 - c. The location(s) of production facilities from which the coal is sourced;
 - d. The method of delivery, (i.e., barge, truck, rail, other);
 - e. The actual quantity received during the review period;
 - f. The tonnage requirement for the review period; and
 - g. Current price paid per ton.
- A-2. See attached. Page 1 of the attachment shows only the actual quantity received by the Company under each contract, and Page 2 shows the actual combined quantity received by KU and LG&E under each contract. Page 2 better reflects contract performance since most contracts are joint contracts between the two companies.

LOUISVILLE GAS AND ELECTRIC COMPANY

Response to Commission Staff’s First Request for Information
Dated September 13, 2022

Case No. 2022-00266

Question No. 3

Responding Witness: Delbert Billiter

Q-3. As of the last day of the review period:

- a. State the coal inventory level in tons and in number of days’ supply. Provide this information by generating station and in the aggregate.
- b. Describe the criteria used to determine number of days’ supply.
- c. State the target coal inventory level for each generating station and for the total system.
- d. If actual coal inventory exceeds the target inventory by ten days’ supply, state the reasons for the excess inventory.
- e. State whether any significant changes in the current coal inventory target are expected within the next 12 months. If so, state the expected change and the reasons for this change.

A-3.

a. As of April 30, 2022:

Mill Creek	401,612 Tons; 27 Days	Target 20-39 Days
<u>Trimble County¹</u>	<u>148,402 Tons; 33 Days</u>	<u>Target 21-43 Days</u>
Total	550,014 Tons; 27 Days	Target 19-38 Days

b. The method of calculating days in inventory is based on each plant’s coal burn capability (coal tons in inventory divided by 90% of each generating unit’s heat input description from its air permit to operate).

Upper and lower days of inventory targets were established for each plant taking into consideration the plant’s operating parameters. Each plant’s “least cost” inventory range is established annually during the planning process

¹Trimble County coal inventory tons is LG&E’s allocated ownership of both high sulfur coal, which is used in Unit 1 and Unit 2, and PRB coal, which is used only in Unit 2. The days in inventory and target range are calculated on a combined basis regardless of ownership.

taking into account the risk of coal delivery disruptions, potential coal burn volatility, procurement reaction time for short term coal supply, cost of unserved energy, and current coal and electricity prices.

- c. See (a) above.
- d. Not applicable.
- e. As mentioned in previous filings, inventory targets are evaluated during the Companies' annual planning cycle and adjustments to the inventory targets are made if warranted. The Company anticipates that inventory targets may increase above those currently listed a result of additional risk to the coal supply chain identified over the past year.

LOUISVILLE GAS AND ELECTRIC COMPANY

**Response to Commission Staff's First Request for Information
Dated September 13, 2022**

Case No. 2022-00266

Question No. 4

Responding Witness: Delbert Billiter

Q-4. List each written coal supply solicitation issued during the period under review.

- a. For each solicitation, provide the date of the solicitation, the type of solicitation (contract or spot), the quantities solicited, a general description of the quality of coal solicited, the period over which deliveries were requested, and the generating unit(s) for which the coal was intended.
- b. For each solicitation, state the number of vendors to whom the solicitation was sent, the number of vendors who responded, and the selected vendor. Provide the bid tabulation sheet or corresponding document that ranked the proposals. (This document should identify all vendors who made offers.) State the reasons for each selection. For each lowest-cost bid not selected, explain why the bid was not selected.

A-4. a. SOLICITATION 1 - LGE KU 22-01

Date: January 10, 2022
Contract/Spot: Spot
Quantities: No minimum or maximum specified
Quality: Suitable for KU's Ghent Station, LG&E's Mill Creek Station, and KU's and LG&E's Trimble County Station
Period: Q1/2022 through Q4/2022 – Spot
Generating Units: All units at Ghent, Mill Creek, and Trimble County Stations

- b. Number of vendors sent a solicitation: 73
Number of vendors responded: 4 companies / 5 offers
Selected vendor(s): The vendors selected were based upon the lowest evaluated delivered cost, operational and environmental requirements of the coal units, and other factors impacting coal supply reliability as noted on the attached bid evaluation sheets.

High Sulfur Coal - Spot

Alliance Coal, LLC – J22013 / 2nd lowest Q2 through Q4 2022 offer
Coal Network, LLC – J22014 / lowest Q1 through Q4 2022 offer

The bid analysis information is confidential and proprietary and is being provided under seal pursuant to a petition for confidential protection.

a. SOLICITATION 2 - LGE KU 22-04

Date: March 29, 2022
Contract/Spot: Contract and Spot
Quantities: No minimum or maximum specified
Quality: Suitable for KU's Ghent Station, LG&E's Mill Creek Station, and KU's and LG&E's Trimble County Station
Period: Q3/2022 through 2033
Generating Units: All units at Ghent, Mill Creek, and Trimble County Stations

b. Number of vendors sent a solicitation: 72

Number of vendors responded: 10 companies / 15 offers

Selected vendor(s): The vendors selected were based upon the lowest evaluated delivered cost, operational and environmental requirements of the coal units, and other factors impacting coal supply reliability as noted on the attached bid evaluation sheets.

High Sulfur Coal

No Purchases

Powder River Basin Coal – Contract

Arch Coal Sales Company, Inc. – J23005 (lowest 2023 and 2025 offer and the second lowest offer in 2024)

The bid analysis information is confidential and proprietary and is being provided under seal pursuant to a petition for confidential protection.

The entire attachment is
Confidential and
provided separately
under seal.

LOUISVILLE GAS AND ELECTRIC COMPANY

**Response to Commission Staff's First Request for Information
Dated September 13, 2022**

Case No. 2022-00266

Question No. 5

Responding Witness: Delbert Billiter

- Q-5. List each oral coal supply solicitation issued during the period under review.
- a. For each solicitation, state why the solicitation was not written, the date(s) of the solicitation, the quantities solicited, a general description of the quality of coal solicited, the period over which deliveries were requested, and the generating unit(s) for which the coal was intended.
 - b. For each solicitation, identify all vendors solicited and the vendor selected. Provide the tabulation sheet or other document that ranks the proposals. (This document should identify all vendors who made offers.) State the reasons for each selection. For each lowest-cost bid not selected, explain why the bid was not selected.
- A-5. There were no oral coal supply solicitations during the period under review.

LOUISVILLE GAS AND ELECTRIC COMPANY

**Response to Commission Staff's First Request for Information
Dated September 13, 2022**

Case No. 2022-00266

Question No. 6

Responding Witness: Charles R. Schram

- Q-6. For the period under review, list each vendor from whom natural gas was purchased for generation and the quantities and the nature of each purchase (i.e., spot or contract).
- A-6. See attached list of vendors, associated quantities, and the nature of each natural gas purchase.

Attachment to Response to Question No. 6

Page 1 of 1

Schram

<u>Vendor</u>	<u>Type</u> ¹	<u>MMBTU</u>
BP Energy Company	Spot	378,000
Castleton Commodities Merchant Trading L.P.	Spot	40,200
CIMA Energy, LP	Spot	110,412
Constellation Energy Generation, LLC	Spot	20,200
Direct Energy Business Marketing, LLC	Spot	24,280
DTE Energy Trading, Inc.	Spot	100,475
Eco-Energy Natural Gas, LLC	Spot	183,117
EDF Trading North America, LLC	Spot	89,700
Engie Energy Marketing NA, Inc.	Spot	1,199,997
Exelon Generation Company, LLC	Spot	5,200
Hartree Partners, LP	Spot	70,000
J Aron & Company, LLC	Spot	444,965
Koch Energy Services, LLC	Spot	304,907
Macquarie Energy, LLC	Spot	79,800
Meico, LLC	Spot	11,500
Mitsui & Co. Energy Marketing and Services (USA	Spot	9,985
NextEra Energy Marketing, LLC	Spot	267,000
NJR Energy Services Company	Spot	25,000
Sequent Energy Management, L.P.	Spot	191,548
Shell Energy North America (US), L.P.	Spot	314,191
Southwest Energy, L.P.	Spot	4,576,062
Spire Marketing Inc.	Spot	49,000
Spotlight Energy, LLC	Spot	12,398
Symmetry Energy Solutions, LLC	Spot	50,000
Tenaska Marketing Ventures	Spot	9,972,500
Tennessee Gas Pipeline Company, L.L.C.	Spot	-7,409
Tennessee Valley Authority	Spot	15,000
Trailstone Energy Marketing, LLC	Spot	10,000
Twin Eagle Resource Management, LLC	Spot	2,323,000
Uniper Global Commodities North America LLC	Spot	45,000
United Energy Trading, LLC	Spot	1,083,870
Vitol Inc.	Spot	1,182,996
Wells Fargo Commodities, LLC	Spot	1,066,493
XTO Energy Inc.	Spot	224,780
Columbia Gas of Kentucky, Inc.	GSO Customer ²	663
LG&E Gas Supply	Special Contract ³	115,981
EDF Trading North America, LLC	Forward	1,799,989
J Aron & Company, LLC	Forward	1,209,946
NextEra Energy Marketing, LLC	Forward	1,520,000
Grand Total		29,120,746

¹ Spot refers to gas purchases delivered during the next gas day following the transaction. Friday transactions include Sat, Sun, & Mon (holiday weekends can cover four days). Forward refers to gas purchased for delivery periods typically starting after the current month.

² KU is a General Sales Other (GSO) customer of Columbia Gas of Kentucky for the Haefling Plant; no volume purchase commitments.

³ LG&E is the local gas distribution company; no volume purchase commitments.

LOUISVILLE GAS AND ELECTRIC COMPANY

**Response to Commission Staff's First Request for Information
Dated September 13, 2022**

Case No. 2022-00266

Question No. 7

Responding Witness: Charles R. Schram

- Q-7. For the period under review, state whether there were any instances in which a natural gas generating unit could not be operated when it otherwise would have run due to pipeline constraints or natural gas being unavailable.
- A-7. There were no instances of generating unit restrictions due to pipeline constraints or natural gas unavailability.

LOUISVILLE GAS AND ELECTRIC COMPANY

**Response to Commission Staff's First Request for Information
Dated September 13, 2022**

Case No. 2022-00266

Question No. 8

Responding Witness: Delbert Billiter / Charles R. Schram

- Q-8. State whether there have been any changes to hedging activities for coal or natural gas purchases used for generation since the previous FAC review proceeding. If so, describe the changes in detail.
- A-8. The Company does not engage in financial hedging activities for its coal or natural gas purchases.

There have been no changes to the physical hedging practices or guidelines since the previous review proceeding.

LOUISVILLE GAS AND ELECTRIC COMPANY

**Response to Commission Staff's First Request for Information
Dated September 13, 2022**

Case No. 2022-00266

Question No. 9

Responding Witness: Delbert Billiter / Charles R. Schram

- Q-9. State whether LG&E has audited any of its fuel or transportation contracts during the period under review. If so, for each audited contract:
- a. Identify the contract;
 - b. Identify the auditor; and
 - c. State the results of the audit, and describe the actions that LG&E took as a result of the audit.
- A-9. No. The Company has not conducted any financial audits of fuel or transportation contracts.

The Company's Manager Coal Services or Mining Engineer conducts scheduled on-site reviews and inspections of the mining operations, scales and sampling systems of each vendor up to twice a year, and likewise may conduct unscheduled visits. Additionally, Company employees may visit a vendor as needed to address problems and issues at any time.

LOUISVILLE GAS AND ELECTRIC COMPANY

**Response to Commission Staff's First Request for Information
Dated September 13, 2022**

Case No. 2022-00266

Question No. 10

Responding Witness: Delbert Billiter / Charles R. Schram

Q-10.

- a. State whether LG&E is currently involved in any litigation with its current or former fuel suppliers or transportation vendors. If so, for each litigation:
 - (1) Identify the supplier or vendor;
 - (2) Identify the contract involved;
 - (3) State the potential liability or recovery to LG&E;
 - (4) List the issues presented; and
 - (5) Provide a copy of the complaint or other legal pleading that initiated the litigation and any answers or counterclaims. If a copy has previously been filed with the Commission, provide the date on which it was filed and the case in which it was filed.
- b. State the current status of all litigation with suppliers or vendors.

A-10. The Company is not currently involved in litigation with any fuel suppliers or transportation vendors.

LOUISVILLE GAS AND ELECTRIC COMPANY

**Response to Commission Staff's First Request for Information
Dated September 13, 2022**

Case No. 2022-00266

Question No. 11

Responding Witness: Delbert Billiter / Charles R. Schram

Q-11.

- a. For the period under review, state whether there have been any changes to LG&E's written policies and procedures regarding its fuel procurement. If yes:
 - (1) Describe the changes;
 - (2) Provide the written policies and procedures as changed;
 - (3) State the date(s) the changes were made; and
 - (4) Explain why the changes were made.
- b. If no, provide the date LG&E's current fuel procurement policies and procedures were last changed, provide the date when they were last provided to the Commission, and identify the proceeding in which they were provided.

A-11.

- a. No.
- b. The Power Supply Commodity Policy – Natural Gas Fuel for Generation was last updated January 1, 2020 and was provided to the Commission in Case No. 2020-00248 in response to Question No. 1-11.

The Coal Supply and By-Products Marketing Procedures were last updated January 17, 2022 and were provided to the Commission in Case No. 2022-00039 in response to Question No. 1-11.

LOUISVILLE GAS AND ELECTRIC COMPANY

**Response to Commission Staff's First Request for Information
Dated September 13, 2022**

Case No. 2022-00266

Question No. 12

Responding Witness: Stuart A. Wilson

Q-12. For the period under review, list all firm power commitments for (a) purchases and (b) sales. This list shall identify the electric utility, the amount of commitment in megawatts, and the purpose of the commitment (i.e., peaking, emergency).

A-12.

a. Firm Purchases

The firm purchases from Ohio Valley Electric Corporation (OVEC) for the review period are shown in the table below. The Company purchased its participation ratio (5.63%) of the OVEC released capacity for each month of the period under review.

<u>Utility</u>	<u>Period</u>	<u>Companies' Amt (MW)</u>	<u>LG&E Portion (MW)</u>	<u>Purpose</u>
OVEC	Nov 2021	~ 154	~ 107	Baseload
OVEC	Dec 2021	~ 158	~ 109	Baseload
OVEC	Jan 2022	~ 158	~ 109	Baseload
OVEC	Feb 2022	~ 158	~ 109	Baseload
OVEC	Mar 2022	~ 158	~ 109	Baseload
OVEC	Apr 2022	~ 117	~ 81	Baseload

b. Firm Sales

None.

LOUISVILLE GAS AND ELECTRIC COMPANY

**Response to Commission Staff's First Request for Information
Dated September 13, 2022**

Case No. 2022-00266

Question No. 13

Responding Witness: Andrea M. Fackler

- Q-13. Provide a monthly billing summary of sales to all electric utilities for the period under review.
- A-13. See attached.



Month Ended: November-30-2021

Louisville Gas and Electric Company

Power Transaction Schedule

Company	Type of Transaction	KWH	Billing Components			Total Charges(\$)
			Demand(\$)	Fuel Charges(\$)	Other Charges(\$)	
Sales						
ETC ENDURE	ETC	Economy	89,000	\$ 3,614.17	\$ 5,789.47	\$ 9,403.64
EVERGY KANSAS CENTRAL, INC.	EVGY	Economy	5,092,000	\$ 181,933.65	\$ 291,436.28	\$ 473,369.93
ENERGY IMBALANCE	IMBL	Economy	963,000	\$ 15,571.55	\$ 24,890.12	\$ 40,461.67
MACQUARIECOOK	MACQUARIE	Economy	4,096,000	\$ 131,579.01	\$ 210,774.05	\$ 342,353.06
MIDCONTINENT INDEPENDENT SYSTEM OPERATOR, INC.	MISO	Economy	1,920,000	\$ 54,644.37	\$ 87,533.84	\$ 142,178.21
PJM INTERCONNECTION ASSOCIATION	PJM	Economy	1,353,000	\$ 50,212.30	\$ 80,434.30	\$ 130,646.60
RAINBOW ENERGY MARKETING CORP	REMC	Economy	1,630,000	\$ 54,093.46	\$ 86,651.36	\$ 140,744.82
THE ENERGY AUTHORITY	TEA	Economy	5,000	\$ 88.76	\$ 142.19	\$ 230.95
TENNESSEE VALLEY AUTHORITY	TVA	Economy	411,000	\$ 17,124.05	\$ 27,430.73	\$ 44,554.78
KENTUCKY UTILITIES COMPANY	KU	Economy	144,452,000	\$ 3,435,904.12	\$ 6.76	\$ 3,435,910.88
Total Sales			<u>160,011,000</u>	<u>\$ -</u>	<u>\$ 3,944,765.44</u>	<u>\$ 4,759,854.54</u>



Month Ended: December-31-2021

Louisville Gas and Electric Company

Power Transaction Schedule

Company	Type of Transaction	KWH	Billing Components			Total Charges(\$)
			Demand(\$)	Fuel Charges(\$)	Other Charges(\$)	
Sales						
ETC ENDURE	ETC	Economy		\$ 12,000.26	\$ 12,882.75	\$ 24,883.01
EVERGY KANSAS CENTRAL, INC.	EVGY	Economy		\$ 23,261.83	\$ 24,972.47	\$ 48,234.30
INDIANA MUNICIPAL POWER AGENCY	IMPA	Economy		\$ 185.88	\$ 199.56	\$ 385.44
ENERGY IMBALANCE	IMBL	Economy		\$ 8,869.44	\$ 9,461.96	\$ 18,331.40
MACQUARIECOOK	MACQUARIE	Economy		\$ 63,520.08	\$ 68,191.27	\$ 131,711.35
MIDCONTINENT INDEPENDENT SYSTEM OPERATOR, INC.	MISO	Economy		\$ 49,207.74	\$ 51,090.59	\$ 100,298.33
PJM INTERCONNECTION ASSOCIATION	PJM	Economy		\$ 38,642.83	\$ 41,484.58	\$ 80,127.41
RAINBOW ENERGY MARKETING CORP	REMC	Economy		\$ 14,717.21	\$ 15,799.49	\$ 30,516.70
KENTUCKY UTILITIES COMPANY	KU	Economy		\$ 2,424,730.96	\$ 781.48	\$ 2,425,512.44
Total Sales				<u>\$ -</u>	<u>\$ 224,864.15</u>	<u>\$ 2,860,000.38</u>

Louisville Gas and Electric Company

Power Transaction Schedule

<u>Company</u>	Type of Transaction	KWH	Billing Components			Total Charges(\$)
			Demand(\$)	Fuel Charges(\$)	Other Charges(\$)	
Sales						
DYNASTY POWER, INC.	DYNASTYPWR	Economy		\$ 12,285.63	\$ 17,619.07	\$ 29,904.70
ETC ENDURE	ETC	Economy		\$ 8,670.11	\$ 12,433.98	\$ 21,104.09
EVERGY KANSAS CENTRAL, INC.	EVGY	Economy	5,426,000	\$ 175,405.81	\$ 251,553.16	\$ 426,958.97
INDIANA MUNICIPAL POWER AGENCY	IMPA	Economy	13,000	\$ 263.09	\$ 377.30	\$ 640.39
ENERGY IMBALANCE	IMBL	Economy	859,000	\$ 16,290.06	\$ 23,325.07	\$ 39,615.13
MACQUARIECOOK	MACQUARIE	Economy	13,065,000	\$ 396,547.61	\$ 568,697.26	\$ 965,244.87
MIDCONTINENT INDEPENDENT SYSTEM OPERATOR, INC.	MISO	Economy	6,364,000	\$ 171,396.51	\$ 245,803.33	\$ 417,199.84
PJM INTERCONNECTION ASSOCIATION	PJM	Economy	11,900,000	\$ 408,763.23	\$ 586,215.92	\$ 994,979.15
RAINBOW ENERGY MARKETING CORP	REMC	Economy	1,935,000	\$ 57,144.29	\$ 81,951.83	\$ 139,096.12
THE ENERGY AUTHORITY	TEA	Economy	141,000	\$ 2,851.17	\$ 4,088.92	\$ 6,940.09
KENTUCKY UTILITIES COMPANY	KU	Economy	93,218,000	\$ 2,308,493.93	\$ 166.18	\$ 2,308,660.11
Total Sales			<u>133,616,000</u>	<u>\$ -</u>	<u>\$ 3,558,111.44</u>	<u>\$ 1,792,232.02</u>
						<u>\$ 5,350,343.46</u>

Louisville Gas and Electric Company

Power Transaction Schedule

<u>Company</u>	Type of Transaction	KWH	Billing Components			Total Charges(\$)
			Demand(\$)	Fuel Charges(\$)	Other Charges(\$)	
Sales						
DYNASTY POWER, INC.	DYNASTYPWR	Economy		\$ 224,339.46	\$ 233,389.39	\$ 457,728.85
EVERGY KANSAS CENTRAL, INC.	EVGY	Economy		\$ 22,974.59	\$ 23,901.40	\$ 46,875.99
INDIANA MUNICIPAL POWER AGENCY	IMPA	Economy		\$ 2,382.62	\$ 2,478.73	\$ 4,861.35
ENERGY IMBALANCE	IMBL	Economy		\$ 11,140.52	\$ 11,465.07	\$ 22,605.59
MACQUARIECOOK	MACQUARIE	Economy		\$ 19,603.90	\$ 20,394.68	\$ 39,998.58
MIDCONTINENT INDEPENDENT SYSTEM OPERATOR, INC.	MISO	Economy		\$ 65,305.57	\$ 67,940.03	\$ 133,245.60
PJM INTERCONNECTION ASSOCIATION	PJM	Economy		\$ 136,370.49	\$ 141,871.73	\$ 278,242.22
RAINBOW ENERGY MARKETING CORP	REMC	Economy		\$ 17,689.46	\$ 18,403.06	\$ 36,092.52
THE ENERGY AUTHORITY	TEA	Economy		\$ 677.14	\$ 704.46	\$ 1,381.60
TENNESSEE VALLEY AUTHORITY	TVA	Economy		\$ 14,745.02	\$ 15,339.84	\$ 30,084.86
KENTUCKY UTILITIES COMPANY	KU	Economy		\$ 2,840,388.31	\$ -	\$ 2,840,388.31
Total Sales			<u>\$ -</u>	<u>\$ 3,355,617.08</u>	<u>\$ 535,888.39</u>	<u>\$ 3,891,505.47</u>

Louisville Gas and Electric Company

Power Transaction Schedule

<u>Company</u>	Type of Transaction	KWH	Billing Components			Total Charges(\$)
			Demand(\$)	Fuel Charges(\$)	Other Charges(\$)	
Sales						
EVERGY KANSAS CENTRAL, INC.	EVGY	Economy		\$ 6,076.01	\$ 7,923.99	\$ 14,000.00
INDIANA MUNICIPAL POWER AGENCY	IMPA	Economy		\$ 1,336.61	\$ 1,743.12	\$ 3,079.73
ENERGY IMBALANCE	IMBL	Economy		\$ 10,784.99	\$ 13,983.29	\$ 24,768.28
MACQUARIECOOK	MACQUARIE	Economy		\$ 36,130.51	\$ 47,119.49	\$ 83,250.00
MIDCONTINENT INDEPENDENT SYSTEM OPERATOR, INC.	MISO	Economy		\$ 481,913.16	\$ 629,907.48	\$ 1,111,820.64
PJM INTERCONNECTION ASSOCIATION	PJM	Economy		\$ 112,864.23	\$ 147,643.04	\$ 260,507.27
RAINBOW ENERGY MARKETING CORP	REMC	Economy		\$ 77,078.45	\$ 100,521.55	\$ 177,600.00
THE ENERGY AUTHORITY	TEA	Economy		\$ 1,002.46	\$ 1,307.35	\$ 2,309.81
TENASKA POWER SERVICES CO.	TPS	Economy		\$ 755.16	\$ 984.84	\$ 1,740.00
TENNESSEE VALLEY AUTHORITY	TVA	Economy		\$ 7,378.01	\$ 9,621.99	\$ 17,000.00
KENTUCKY UTILITIES COMPANY	KU	Economy		\$ 7,169,720.90	\$ -	\$ 7,169,720.90
Total Sales			<u>\$ -</u>	<u>\$ 7,905,040.49</u>	<u>\$ 960,756.14</u>	<u>\$ 8,865,796.63</u>



Louisville Gas and Electric Company

Power Transaction Schedule

Month Ended: April-30-2022

Company	Type of Transaction	KWH	Billing Components			Total Charges(\$)
			Demand(\$)	Fuel Charges(\$)	Other Charges(\$)	
Sales						
EVERGY KANSAS CENTRAL, INC.	EVGY	Economy		\$ 32,343.00	\$ 51,543.98	\$ 83,886.98
CONSTELLATION ENERGY GENERATION, LLC	CONSTGEN	Economy		\$ 78,094.57	\$ 124,456.74	\$ 202,551.31
ENERGY IMBALANCE	IMBL	Economy		\$ 21,613.48	\$ 34,383.43	\$ 55,996.91
MACQUARIECOOK	MACQUARIE	Economy		\$ 66,355.74	\$ 105,748.91	\$ 172,104.65
MIDCONTINENT INDEPENDENT SYSTEM OPERATOR, INC.	MISO	Economy		\$ 780,458.78	\$ 1,243,791.22	\$ 2,024,250.00
PJM INTERCONNECTION ASSOCIATION	PJM	Economy		\$ 633,136.30	\$ 1,009,008.29	\$ 1,642,144.59
RAINBOW ENERGY MARKETING CORP	REMC	Economy		\$ 31,756.37	\$ 50,609.07	\$ 82,365.44
THE ENERGY AUTHORITY	TEA	Economy		\$ 727.32	\$ 1,159.10	\$ 1,886.42
TENASKA POWER SERVICES CO.	TPS	Economy		\$ 4,751.90	\$ 7,572.94	\$ 12,324.84
TENNESSEE VALLEY AUTHORITY	TVA	Economy		\$ 33,492.23	\$ 53,375.45	\$ 86,867.68
KENTUCKY UTILITIES COMPANY	KU	Economy		\$ 7,556,460.52	\$ 0.02	\$ 7,556,460.54
Total Sales			<u>400,516,000</u>	<u>\$ -</u>	<u>\$ 9,239,190.21</u>	<u>\$ 2,681,649.15</u>
						<u>\$ 11,920,839.36</u>

LOUISVILLE GAS AND ELECTRIC COMPANY

**Response to Commission Staff's First Request for Information
Dated September 13, 2022**

Case No. 2022-00266

Question No. 14

Responding Witness: Andrea M. Fackler

- Q-14. Describe the effect on the FAC calculation of line losses related to:
- a. Intersystem sales when using a third-party transmission system; and
 - b. Intersystem sales when not using a third-party transmission system.
- A-14. Line losses related to inter-system sales are calculated using a loss factor of 0.5% whether the inter-system sale requires a third-party transmission system or not. This practice is consistent with the Commission's June 7, 2013 Amended Order in Case No. 2012-00553².

² *Electronic Examination of the Application of the Fuel Adjustment Clause of Louisville Gas and Electric Company From November 1, 2010 Through October 31, 2012, Kentucky Public Service Commission, Case No. 2012-00553, filed February 13, 2013, Amended Order June 7, 2013.*

LOUISVILLE GAS AND ELECTRIC COMPANY

**Response to Commission Staff's First Request for Information
Dated September 13, 2022**

Case No. 2022-00266

Question No. 15

Responding Witness: Michael P. Drake

- Q-15. Provide a list, in chronological order, showing by unit any scheduled, actual, and forced outages for the period under review.
- A-15. See attached.

Louisville Gas & Electric Company
November 2021 through April 2022

Unit and Outage Type (F=Forced; S=Scheduled)	Scheduled		Actual*		HOURS OF DURATION		REASON FOR DEVIATION FROM SCHEDULED MAINTENANCE	
	FROM	TO	FROM	TO	Scheduled	Actual*	OR REASON FOR FORCED OUTAGE AS APPROPRIATE	
Mill Creek Unit 1 - Coal - 300 MW In-service August 1972	F		11/17/2021 21:20	11/20/2021 2:24		53:04	Boiler economizer leak repair	
	S	12/23/2021 22:13	12/24/2021 14:21	12/23/2021 22:13	12/24/2021 14:21	16:08	16:08	Condenser inspection and cleaning
	S	2/22/2022 10:22	2/23/2022 3:23	2/22/2022 10:22	2/23/2022 3:23	17:01	17:01	Condenser tube leak
	S	3/18/2022 19:45	3/19/2022 18:26	3/18/2022 19:45	3/19/2022 18:26	22:41	22:41	Baghouse systems
	S	4/30/2022 0:00	5/22/2022 0:00	4/29/2022 12:17	5/17/2022 19:13	528:00	438:56	FGD Absorber Module Floor Repair
Mill Creek Unit 2 - Coal - 295 MW In-service July 1974	F		2/19/2022 13:52	2/26/2022 14:35		168:43	Unit Controls Hardware	
	F		2/26/2022 14:35	2/27/2022 21:39		31:04	Blowdown piping leak repair	
	S	4/30/2022 0:00	5/29/2022 0:00	4/28/2022 23:02	5/27/2022 5:49	696:00	678:47	FGD Absorber Module Floor Repair
Mill Creek Unit 3 - Coal - 394 MW In-service August 1978	S	10/9/2021 0:00	11/21/2021 0:00	10/9/2021 23:29	11/1/2021 0:00	1032:00	528:31	Boiler Maintenance
	S	10/9/2021 0:00	11/21/2021 0:00	11/1/2021 0:00	11/22/2021 0:00	1032:00	504:00	Boiler Maintenance
	S	11/22/2021 0:00	11/29/2021 14:32	11/22/2021 0:00	11/29/2021 14:32	182:32	182:32	Boiler Maintenance
	F			11/29/2021 14:32	11/30/2021 11:45		21:13	Air Heater Gearbox Repair
	S	1/18/2022 7:00	1/19/2022 17:53	1/18/2022 7:00	1/19/2022 17:53	34:53	34:53	Turbine Valve Screens
	F			2/20/2022 21:00	2/21/2022 13:01		16:01	LP Turbine Rupture Disk
	F			4/20/2022 8:40	4/21/2022 16:05		31:25	Boiler economizer leak repair
	S	4/21/2022 16:05	4/23/2022 2:25	4/21/2022 16:05	4/23/2022 2:25	34:20	34:20	Air heater wash
Mill Creek Unit 4 - Coal - 486 MW In-service September 1982	S	12/3/2021 21:24	12/4/2021 16:42	12/3/2021 21:24	12/4/2021 16:42	19:18	19:18	Forced Draft Fan Repair
	S	4/23/2022 23:53	4/27/2022 19:49	4/23/2022 23:53	4/27/2022 19:49	91:56	91:56	Air heater wash
Trimble County Unit 1 - Coal - 370 MW In-service December 1990 75% ownership share of 511 MW	F		10/31/2021 16:35	11/2/2021 19:46		51:11	Generator Step Up (GSU) transformer oil leak repair	
	S	11/25/2021 1:45	11/28/2021 5:22	11/25/2021 1:45	11/28/2021 5:22	75:37	75:37	Turbine Valve Screens
Trimble County Unit 2 - Coal - 570 MW In-service January 2011 75% ownership share of 732 MW jointly owned with KU	F		2/14/2022 16:26	2/17/2022 10:01		65:35	Boiler waterwall tube leak repair	
	S	2/26/2022 0:00	4/3/2022 0:00	2/25/2022 23:33	4/3/2022 3:33	864:00	868:00	Boiler tube replacement
	S	4/3/2022 19:45	4/7/2022 19:23	4/3/2022 19:45	4/7/2022 19:23	95:38	95:38	Turbine Valve Screens
Cane Run Unit 7 - Gas - 683 MW In-service June 2015 Jointly owned with KU	S	10/30/2021 0:00	11/21/2021 0:00	10/29/2021 23:22	11/21/2021 16:24	528:00	545:02	HRSG Kettle Boiler Replacement
	S	1/14/2022 23:28	1/17/2022 10:56	1/14/2022 23:28	1/17/2022 10:56	59:28	59:28	HRSG Economizer Piping Repair
	S	4/9/2022 0:00	5/1/2022 0:00	4/8/2022 22:32	5/1/2022 13:47	528:00	543:15	Generator Scheduled Inspections
E. W. Brown Unit 5 - Gas CT - 130 MW In-service June 2001 Jointly owned with KU	S	12/10/2021 7:43	12/11/2021 1:45	12/10/2021 7:43	12/11/2021 1:45	18:02	18:02	Borescope inspection
	S	4/14/2022 6:33	4/14/2022 13:12	4/14/2022 6:33	4/14/2022 13:12	6:39	6:39	Gas Flow Meter Orifice Inspection
E. W. Brown Unit 6 - Gas CT - 171 MW In-service August 1999 Jointly owned with KU	S	12/17/2021 7:09	12/18/2021 3:21	12/17/2021 7:09	12/18/2021 3:21	20:12	20:12	Control System Upgrade
	F			1/17/2022 20:33	1/18/2022 14:20		17:47	Substation Fault
	F			3/5/2022 18:59	3/6/2022 1:32		6:33	Fire Protection System Maintenance
E. W. Brown Unit 7 - Gas CT - 171 MW In-service August 1999 Jointly owned with KU	S	10/23/2021 0:00	12/13/2021 0:00	10/23/2021 0:00	12/13/2021 12:24	1224:00	1236:24	Hot gas path inspection
	S	12/13/2021 19:00	12/15/2021 10:12	12/13/2021 19:00	12/15/2021 10:12	39:12	39:12	Hot Gas Path Inspection
	S	12/16/2021 21:34	12/18/2021 2:40	12/16/2021 21:34	12/18/2021 2:40	29:06	29:06	Hot Gas Path Inspection
	F			1/21/2022 8:26	1/21/2022 15:24		6:58	Combustion Turbine Vibration
Cane Run Unit 11 - Gas CT - 14 MW In-service June 1968		No outages > or = 6 hours						

*Actual outage dates and hours of duration include scheduled and forced outages.

Paddys Run Unit 11 - Gas CT - 13 MW In-service June 1968		No outages > or = 6 hours						
Paddys Run Unit 12 - Gas CT - 28 MW In-service July 1968	S	3/16/2022 6:30	3/16/2022 14:42	3/16/2022 6:30	3/16/2022 14:42	8:12	8:12	Starting System Scheduled Service
Paddys Run Unit 13 - Gas CT - 175 MW In-service June 2001 Jointly owned with KU	S	11/9/2021 6:00	11/13/2021 10:29	11/9/2021 6:00	11/13/2021 10:29	100:29	100:29	Switchyard Maintenance - Transmission
	S	11/27/2021 0:00	12/5/2021 0:00	11/27/2021 6:12	12/5/2021 13:23	192:00	199:11	Borescope Inspection
	F			12/5/2021 13:23	12/12/2021 13:30		168:07	Generator Protection System
	F			1/17/2022 6:57	1/17/2022 14:08		7:11	Turbine Rotor Cooling System
	F			4/13/2022 22:45	4/16/2022 19:49		69:04	Switchgear/Breaker Failure
Trimble County Unit 5 - Gas CT - 179 MW In-service May 2002 Jointly owned with KU	S	12/13/2021 6:30	12/15/2021 19:53	12/13/2021 6:30	12/15/2021 19:53	61:23	61:23	CEMS Maintenance
	S	3/19/2022 0:00	4/10/2022 0:00	3/18/2022 7:00	4/8/2022 7:23	528:00	504:23	Gas turbine control system upgrades
	S	4/8/2022 10:01	4/10/2022 12:18	4/8/2022 10:01	4/10/2022 12:18	50:17	50:17	Combustion Controls
Trimble County Unit 6 - Gas CT - 179 MW In-service May 2002 Jointly owned with KU	S	12/13/2021 6:30	12/15/2021 19:53	12/13/2021 6:30	12/15/2021 19:53	61:23	61:23	CEMS Maintenance
	S	3/19/2022 0:00	4/10/2022 0:00	3/18/2022 7:00	4/11/2022 0:00	528:00	569:00	Gas turbine control system upgrades
	S	4/11/2022 0:00	4/18/2022 7:19	4/11/2022 0:00	4/18/2022 7:19	175:19	175:19	Combustion System Hardware
Trimble County Unit 7 - Gas CT - 179 MW In-service June 2004 Jointly owned with KU	S	10/16/2021 0:00	11/7/2021 0:00	10/15/2021 21:40	11/6/2021 7:59	528:00	514:19	Gas turbine control system upgrades
	S	3/15/2022 5:30	3/15/2022 13:10	3/15/2022 5:30	3/15/2022 13:10	7:40	7:40	Fuel System - Transmitter
Trimble County Unit 8 - Gas CT - 179 MW In-service June 2004 Jointly owned with KU	S	10/9/2021 0:00	11/21/2021 0:00	10/8/2021 23:15	11/21/2021 11:52	1032:00	1044:37	Hot Gas Path Inspection
	S	11/30/2021 0:00	12/1/2021 15:52	11/30/2021 0:00	12/1/2021 15:52	39:52	39:52	Fuel piping and valves
Trimble County Unit 9 - Gas CT - 179 MW In-service July 2004 Jointly owned with KU	S	11/20/2021 0:00	12/12/2021 0:00	11/23/2021 23:00	12/12/2021 8:25	528:00	441:25	Gas turbine control system upgrades
	F			2/20/2022 23:29	2/21/2022 11:16		11:47	Generator Relay Protection
	S	4/30/2022 0:00	5/8/2022 0:00	4/30/2022 0:01	5/8/2022 8:06	192:00	200:05	Borescope inspection
Trimble County Unit 10 - Gas CT - 179 MW In-service July 2004 Jointly owned with KU	S	11/20/2021 0:00	12/12/2021 0:00	11/23/2021 23:00	12/11/2021 13:45	528:00	422:45	Gas turbine control system upgrades
	S	4/30/2022 0:00	5/8/2022 0:00	4/29/2022 13:30	5/8/2022 6:41	192:00	209:11	Borescope inspection

*Actual outage dates and hours of duration include scheduled and forced outages.

LOUISVILLE GAS AND ELECTRIC COMPANY

**Response to Commission Staff's First Request for Information
Dated September 13, 2022**

Case No. 2022-00266

Question No. 16

Responding Witness: Andrea M. Fackler

- Q-16. For the period under review, provide the monthly supporting peaking unit equivalent calculations in electronic Excel spreadsheet format with all formulas, columns, and rows unprotected, fully accessible, and visible supporting the forced outage calculations. In addition, provide the corresponding amount, if any, of forced outage purchased power collected through the purchase power adjustment tariff.
- A-16. The Company does not utilize a peaking unit equivalent calculation for its fuel adjustment clause. The Company also does not have a purchase power adjustment tariff.

LOUISVILLE GAS AND ELECTRIC COMPANY

Response to Commission Staff's First Request for Information
Dated September 13, 2022

Case No. 2022-00266

Question No. 17

Responding Witness: Stuart A. Wilson

- Q-17. For the period under review, provide the monthly capacity factor at which each generating unit operated.
- A-17. See the table below for the monthly capacity factor at which each generating unit operated during November 2021 to April 2022.

	Capacity Factor (%) (Net MWh)/(period hours x MW rating)					
	Nov 2021	Dec 2021	Jan 2022	Feb 2022	Mar 2022	Apr 2022
Brown 5	4.1	0.0	2.1	0.3	0.2	0.0
Brown 6	22.7	6.3	12.7	0.0	2.7	0.9
Brown 7	0.0	3.1	18.4	1.4	0.6	1.8
Brown Solar	16.0	10.3	8.6	16.2	19.2	21.3
Cane Run 7	24.8	95.7	84.8	93.5	96.8	25.3
Mill Creek 1	71.9	40.9	58.4	73.0	78.8	82.8
Mill Creek 2	81.8	62.6	64.6	50.0	79.8	76.7
Mill Creek 3	0.0	66.5	16.8	20.0	65.7	72.5
Mill Creek 4	75.6	12.8	62.4	72.7	75.9	68.8
Ohio Falls 1	0.0	29.1	21.8	6.9	13.2	24.0
Ohio Falls 2	55.1	35.3	23.6	7.2	12.9	28.0
Ohio Falls 3	50.3	37.3	23.5	6.2	13.7	31.0
Ohio Falls 4	43.2	33.4	23.0	5.7	11.9	31.6
Ohio Falls 5	65.7	34.6	21.7	4.0	12.2	31.6
Ohio Falls 6	66.8	33.2	21.3	1.2	8.2	35.1
Ohio Falls 7	69.4	30.6	27.5	4.0	10.8	38.4
Ohio Falls 8	0.0	0.0	1.6	7.9	12.8	34.1
Paddys Run 12	0.0	0.0	0.0	0.0	0.0	0.0
Paddys Run 13	8.7	1.9	17.1	0.5	0.7	0.0
Trimble County 1	70.5	86.4	86.5	86.1	85.0	90.2
Trimble County 2	95.5	88.0	92.2	72.9	0.0	73.4
Trimble County 5	31.0	33.0	65.5	9.3	0.2	5.4
Trimble County 6	54.5	17.0	24.3	28.8	2.2	4.3
Trimble County 7	54.3	60.5	50.9	48.8	6.1	27.9
Trimble County 8	8.0	2.6	12.0	47.7	0.0	0.5
Trimble County 9	28.3	17.2	40.3	29.8	0.8	14.7
Trimble County 10	3.0	24.2	62.9	25.4	14.4	36.3
Zorn 1	0.0	N/A	N/A	N/A	N/A	N/A

Notes:

1 – Trimble County values reflect 100% of the unit. Trimble County 1 is owned by LG&E (75%), IMPA (12.88%), and IMEA (12.12%). Trimble County 2 is owned by KU (60.75%), LG&E (14.25%), IMPA (12.88%), and IMEA (12.12%).

2 – The North American Electric Reliability Council Generation Availability Data System defines capacity factor as the value equal to the net MWh produced divided by the product of the hours in the period and the unit rating.

3 – Jointly owned units are shown for both LG&E and KU and include Brown 5-7, Brown Solar, Cane Run 7, Paddy's Run 13, Trimble County 2, and Trimble County 5-10.

4 – Paddys Run 11 was retired 3/31/21.

5 – Zorn 1 placed in mothball status on 10/6/2020 and retired 11/30/21.

LOUISVILLE GAS AND ELECTRIC COMPANY

**Response to Commission Staff's First Request for Information
Dated September 13, 2022**

Case No. 2022-00266

Question No. 18

Responding Witness: Michael P. Drake

- Q-18. For the period under review, explain whether LG&E made any changes to its maintenance and operation practices or completed any specific generation efficiency improvements that affect fuel usage at LG&E's generation facilities. If so, describe the impact of these changes on LG&E's fuel usage.
- A-18. There have been no maintenance or operation practice changes that affect fuel usage during the period under review. LG&E strives to maintain unit efficiency through routine cyclic planned outage maintenance and performance monitoring. This maintenance work is focused on reestablishing expected turbine and equipment efficiency. This is verified through monitoring of all plant systems during operation and periodic equipment testing. LG&E utilizes multiple software and analytical tools in this process. In evaluating potential major component projects or replacements that may impact efficiency, LG&E must balance any potential efficiency benefit associated with the project against both costs and potential implications under the Clean Air Act. LG&E has not realized any efficiency improvements through major component projects during this period.

LOUISVILLE GAS AND ELECTRIC COMPANY

**Response to Commission Staff's First Request for Information
Dated September 13, 2022**

Case No. 2022-00266

Question No. 19

Responding Witness: Delbert Billiter / Charles R. Schram

- Q-19. State whether LG&E is aware of any violations of its policies and procedures regarding fuel procurement that occurred prior to or during the period under review.
- A-19. The Company is not aware of any violations of its policies and procedures regarding fuel procurement that occurred prior to or during the period under review.

LOUISVILLE GAS AND ELECTRIC COMPANY

**Response to Commission Staff's First Request for Information
Dated September 13, 2022**

Case No. 2022-00266

Question No. 20

Responding Witness: Andrea M. Fackler

- Q-20. State whether LG&E is aware of any violations of 807 KAR 5:056 that occurred prior to or during the period under review.
- A-20. The Company is not aware of any violations of 807 KAR 5:056 that occurred prior to or during the period under review.

LOUISVILLE GAS AND ELECTRIC COMPANY

**Response to Commission Staff's First Request for Information
Dated September 13, 2022**

Case No. 2022-00266

Question No. 21

Responding Witness: Andrea M. Fackler

- Q-21. State whether all fuel contracts related to commodity and transportation have been filed with the Commission. If any contracts have not been filed, explain why they have not been filed, and provide a copy.
- A-21. For the period under review, all fuel contracts related to commodity and/or transportation have been filed with the Commission.

LOUISVILLE GAS AND ELECTRIC COMPANY

**Response to Commission Staff’s First Request for Information
Dated September 13, 2022**

Case No. 2022-00266

Question No. 22

Responding Witness: Delbert Billiter

Q-22. Refer to KRS 278.277(1) which states that:

In any review by the commission of any fuel adjustment clause, for any contracts entered into on or after July 1, 2021, the commission shall, in determining the reasonableness of fuel costs in procurement contracts and fuel procurement practices, evaluate the reasonableness of fuel costs in contracts and competing bids based on the cost of the fuel less any coal severance tax imposed by any jurisdiction.

- a. Provide a listing of any new coal contracts entered into on or since November 1, 2021.
- b. For each bid solicitation or potential spot purchase that resulted in a new purchase contract on or after November 1, 2021, provide the bid evaluation sheets that include:
 - (1) The coal severance tax rate being levied, if any;
 - (2) The coal severance tax rate per ton or MMBTU, as appropriate, being levied;
 - (3) The cost per ton or MMBTU, as appropriate, including any severance tax; and
 - (4) The cost per ton or MMBTU, as appropriate, excluding any severance tax.

A-22.

a.

Solicitation Date	Contract #	Signature Date	Company
1/10/2022	J22013	2/14/2022	Alliance Coal, LLC
1/10/2022	J22014	2/15/2022	Coal Network, LLC
3/29/2022	J23005	6/8/2022	Arch Coal Sales Company, Inc.

- b. See attached.

The bid analysis information is confidential and proprietary and is being provided under seal pursuant to a petition for confidential protection.

The entire attachment is
Confidential and
provided separately
under seal.

LOUISVILLE GAS AND ELECTRIC COMPANY

**Response to Commission Staff's First Request for Information
Dated September 13, 2022**

Case No. 2022-00266

Question No. 23

Responding Witness: Andrea M. Fackler / Charles R. Schram

- Q-23. Explain how purchase power costs are accounted for in the calculation of the FAC when LG&E experiences a planned generation outage and purchases power to meet load (i.e., whether the entire amount of the purchase power recorded in the calculation, or there is a limit as to the amount recorded). If there is a limit, explain the basis for the limitation and how it is calculated. If there is no limit, explain the basis for including 100 percent of the purchase power costs.
- A-23. When the Company experiences a planned generation outage and purchases power to meet load, economic purchased power costs are accounted for in the calculation of the FAC. Non-economic purchased power costs (i.e., power that costs more than the Company's highest cost unit that was available to generate power), if any, are excluded from the FAC.

The inclusion of purchased power costs in the FAC is consistent with 807 KAR 5:056, which states "[f]uel costs (F) shall be the most recent actual monthly cost...of...the charges for economy energy purchases, the charges as a result of scheduled outage, and other charges for energy being purchased by the buyer to substitute for the buyer's own higher cost energy, may be included".

LOUISVILLE GAS AND ELECTRIC COMPANY

**Response to Commission Staff's First Request for Information
Dated September 13, 2022**

Case No. 2022-00266

Question No. 24

Responding Witness: Andrea M. Fackler / Charles R. Schram

- Q-24. Explain how purchase power costs are accounted for in the calculation of the FAC when LG&E is not experiencing a generation outage but must purchase power in order to meet demand (i.e., whether the entire amount of the purchase power recorded in the calculation, or there is a limit as to the amount recorded). If there is a limit, explain the basis for the limitation and how it is calculated. If there is no limit, explain the basis for including 100 percent of the purchase power costs.
- A-24. When the Company is not experiencing a generation outage and purchases power to meet load, economic purchased power costs are accounted for in the calculation of the FAC. Non-economic purchased power costs (i.e., power that costs more than what could be generated by the Company's highest cost unit that was available to generate power), if any, are excluded from the FAC.

The inclusion of purchased power costs in the FAC is consistent with 807 KAR 5:056, which states "[f]uel costs (F) shall be the most recent actual monthly cost...of...the charges for economy energy purchases, the charges as a result of scheduled outage, and other charges for energy being purchased by the buyer to substitute for the buyer's own higher cost energy, may be included".

LOUISVILLE GAS AND ELECTRIC COMPANY

**Response to Commission Staff's First Request for Information
Dated September 13, 2022**

Case No. 2022-00266

Question No. 25

Responding Witness: Andrea M. Fackler

- Q-25. Proved the amount, by month, of costs excluded from recovery from the FAC related to non-economy purchases.
- a. State whether LG&E otherwise recovers the excluded costs.
 - b. If LG&E does recover the excluded costs, explain in detail how those costs are recovered.

A-25.

	<u>Nov-21</u>	<u>Dec-21</u>	<u>Jan-22</u>	<u>Feb-22</u>	<u>Mar-22</u>	<u>Apr-22</u>	<u>Total</u>
Non-Economy Purchases Disallowed from Recovery in Fuel Adjustment Clause (FAC)	\$ -	\$ 5,688	\$ -	\$ -	\$ -	\$ -	\$ 5,688

The Company does not recover actual costs excluded from recovery in the FAC in another manner. However, the Company recovers through base rates an amount of non-economy purchases based on a three-year average of historical actual exclusion amounts disallowed from recovery in the Fuel Adjustment Clause pursuant to 807 KAR 5:056. For the period under review, the annual amount of non-economy purchase exclusion costs embedded in base rates was \$4,347³.

³ *Electronic Application of Louisville Gas and Electric Company for an Adjustment of Its Electric and Gas Rates, a Certificate of Public Convenience and Necessity to Deploy Advanced Metering Infrastructure, Approval of Certain Regulatory and Accounting Treatments, and Establishment of a One-Year Surcredit, Case No. 2020-00350, Order issued June 30, 2021 establishing base rates effective July 1, 2021.*