

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

**ELECTRONIC JOINT APPLICATION OF)
KENTUCKY UTILITIES COMPANY AND)
LOUISVILLE GAS AND ELECTRIC)
COMPANY FOR CERTIFICATES OF)
PUBLIC CONVENIENCE AND NECESSITY)
AND APPROVAL OF A DEMAND SIDE)
MANAGEMENT PLAN AND APPROVAL OF)
FOSSIL FUEL-FIRED GENERATING UNIT)
RETIREMENTS)**

CASE NO. 2022-00402

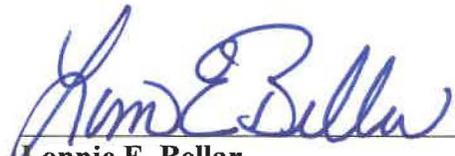
**JUNE 29, 2023 SUPPLEMENTAL RESPONSE OF
KENTUCKY UTILITIES COMPANY
AND
LOUISVILLE GAS AND ELECTRIC COMPANY
TO
THE KENTUCKY COAL ASSOCIATION'S
SUPPLEMENTAL REQUEST FOR INFORMATION
DATED APRIL 14, 2023**

FILED: JUNE 29, 2023

VERIFICATION

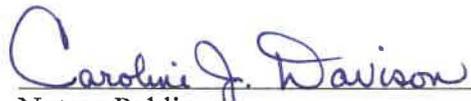
COMMONWEALTH OF KENTUCKY)
)
COUNTY OF JEFFERSON)

The undersigned, **Lonnie E. Bellar**, being duly sworn, deposes and says that he is Chief Operating Officer for Louisville Gas and Electric Company and Kentucky Utilities Company and an employee of LG&E and KU Services Company, 220 West Main Street, Louisville, KY 40202, 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.



Lonnie E. Bellar

Subscribed and sworn to before me, a Notary Public in and before said County and State, this 29th day of June 2023.



Notary Public

Notary Public ID No. KYNP 63286

My Commission Expires:

January 22, 2027



**KENTUCKY UTILITIES COMPANY
AND
LOUISVILLE GAS AND ELECTRIC COMPANY**

**June 29, 2023 Supplemental Response to Kentucky Coal Association's
Supplemental Request for Information
Dated April 14, 2023**

Case No. 2022-00402

Question No. 51

Responding Witness: Lonnie E. Bellar

- Q.51. In follow-up to Commission Staff First 1-1, Staff asked whether dual fuel capability was included in the cost estimate for the proposed NGCC units. The Companies' response was "dual fuel capability was not specifically included in the cost estimate developed for the proposed NGCC units. Dual fuel capability will be requested in the Request for Proposals to NGCC unit vendors as an alternative to single fuel capability." Please address the following:
- a. How the cost estimates for dual fuel capability in the CPCN were developed,
 - b. The expected date of the new RFP,
 - c. Will the NGCC filing be put on hold until there is better clarity as to the costs for the proposed NGCC's.
 - d. What the Companies expect to require vis-à-vis dual fuel capability (e.g., percentage blending capability, derates at maximum blending, and costs with and without blending), and
 - e. Why it is prudent for the Commission to approve a blank check for the NGCC's with dual-fuel capability when that information is obtainable now.
- A.51. **Original Response**
- a. Dual fuel capability was not a component of the initial estimate for either NGCC referenced in the CPCN. The estimates for both projects include prudent contingency, and this contingency may adequately fund this component dependent upon i) final decision as to the necessity for dual fuel as a component of fuel resiliency mitigation, ii) the quantity of on-site fuel oil and associated emission control demineralized water required for that mitigation, and iii) other project contingency requirements.

- b. The EPC RFP for the NGCC units was issued to the OEM bidders on 4/25/2023 with a due date of 8/28/2023. See attached.
- c. No. The current cost estimates are reasonable for purposes of this proceeding.
- d. If the Companies exercise a dual fuel option, the affected unit will either run on 100% natural gas or 100% fuel oil. The two are not blended. Fuel oil capability will likely carry a minor reduction across the load range when compared to performance on natural gas. The extent will not be known until the OEM's submit their proposals.
- e. The Companies are not asking for the Commission to "approve a blank check." The Companies are currently obtaining the necessary information via the RFP process. If a fuel oil option is deemed necessary and incremental funding is required to satisfy that option, the recovery of that cost would be the subject of a future rate proceeding and would not be addressed in this matter.

June 29, 2023 Supplemental Response

- b. See attachments being provided in separate files. The information requested is confidential and proprietary and is being provide under seal pursuant to a petition for confidential protection.