

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC TARIFF FILINGS OF LOUISVILLE )  
GAS AND ELECTRIC COMPANY AND )  
KENTUCKY UTILITIES COMPANY TO REVISE )  
PURCHASE RATES FOR SMALL CAPACITY ) CASE NO. 2023-00404  
AND LARGE CAPACITY COGENERATION AND )  
POWER PRODUCTION QUALIFYING )  
FACILITIES AND NET METERING SERVICE-2 )  
CREDIT RATES )

**SUPPLEMENTAL REQUESTS TO LOUISVILLE GAS AND ELECTRIC  
COMPANY AND KENTUCKY UTILITIES FOR INFORMATION FROM  
JOINT INTERVENORS KENTUCKY SOLAR ENERGY SOCIETY AND  
MOUNTAIN ASSOCIATION**

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Dated: February 08, 2024

## DEFINITIONS

1. "Document" means the original and all copies (regardless of origin and whether or not including additional writing thereon or attached thereto) of any memoranda, reports, books, manuals, instructions, directives, records, forms, notes, letters, or notices, in whatever form, stored or contained in or on whatever medium, including digital media.
2. "Study" means any written, recorded, transcribed, taped, filmed, or graphic matter, however produced or reproduced, either formally or informally, a particular issue or situation, in whatever detail, whether or not the consideration of the issue or situation is in a preliminary stage, and whether or not the consideration was discontinued prior to completion.
3. "Person" means any natural person, corporation, professional corporation, partnership, association, joint venture, proprietorship, firm, or the other business enterprise or legal entity.
4. A request to identify a natural person means to state his or her full name and business address, and last known position and business affiliation at the time in question.
5. A request to identify a document means to state the date or dates, author or originator, subject matter, all addressees and recipients, type of document (e.g., letter, memorandum, telegram, chart, etc.), identifying number, and its present location and custodian. If any such document was but is no longer in the Company's possession or subject to its control, state what disposition was made of it and why it was so disposed.
6. A request to identify a person other than a natural person means to state its full name, the address of its principal office, and the type of entity.
7. "And" and "or" should be considered to be both conjunctive and disjunctive, unless specifically stated otherwise.
8. "Each" and "any" should be considered to be both singular and plural, unless specifically stated otherwise.

9. Words in the past tense should be considered to include the present, and words in the present tense include the past, unless specifically stated otherwise.
10. "You" or "your" means the person whose filed testimony is the subject of these data requests and, to the extent relevant and necessary to provide full and complete answers to any request, "you" or "your" may be deemed to include any other person with information relevant to any interrogatory who is or was employed by or otherwise associated with the witness or who assisted, in any way, in the preparation of the witness' testimony.
11. "Company", "Companies", "LG&E", "LGE", or "KU" means Louisville Gas and Electric Company and Kentucky Utilities, jointly and/or separately, and/or any of their officers, directors, employees or agents who may have knowledge of the particular matter addressed, and affiliated companies including Pennsylvania Power and Light.
12. "Joint Intervenors" means the Kentucky Solar Energy Society and Mountain Association, who have been granted the status of full intervention as joint intervenors in this matter.
13. Unless otherwise specified in each individual request the term "tariff" means the tariff as filed in this matter by Companies.

## **INSTRUCTIONS**

1. If any matter is evidenced by, referenced to, reflected by, represented by, or recorded in any document, please identify and produce for discovery and inspection each such document.
2. These requests for information are continuing in nature, and information which the responding party later becomes aware of, or has access to, and which is responsive to any request is to be made available to Joint Intervenors. Any studies, documents, or other subject matter not yet completed that will be relied upon during the course of this case should be so identified and provided as soon as they are completed. The Respondent is

obliged to change, supplement and correct all answers to interrogatories to conform to available information, including such information as it first becomes available to the Respondent after the answers hereto are served.

3. Unless otherwise expressly provided, each data request should be construed independently and not with reference to any other interrogatory herein for purpose of limitation.
4. The answers provided should first restate the question asked and also identify the person(s) supplying the information.
5. Please answer each designated part of each information request separately. If you do not have complete information with respect to any interrogatory, so state and give as much information as you do have with respect to the matter inquired about and identify each person whom you believe may have additional information with respect thereto.
6. In the case of multiple witnesses, each interrogatory should be considered to apply to each witness who will testify to the information requested. Where copies of testimony, transcripts or depositions are requested, each witness should respond individually to the information request.
7. Wherever the response to a request consists of a statement that the requested information is already available to Joint Intervenors, please 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/table/figure number(s).
8. 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 discovery request, please describe the basis for your claim of privilege in sufficient detail so as to permit Joint Intervenors or the Commission to evaluate the validity of the claim. With respect to documents for which a privilege is claimed, please 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 Joint Intervenors or the Commission to evaluate the validity of such claims.

9. Whenever the documents responsive to a discovery request consist of modeling files (including inputs or output) and/or workpapers, the files and workpapers should be provided in machine-readable electronic format (e.g., Microsoft Excel), with all formulas and cell references intact.
10. The interrogatories are to be answered under oath by the witness(es) responsible for the answer.

**SUPPLEMENTAL REQUESTS FOR INFORMATION PROPOUNDED TO LOUISVILLE GAS AND ELECTRIC COMPANY AND KENTUCKY UTILITIES COMPANY BY JOINT INTERVENORS**

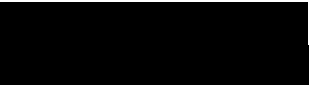

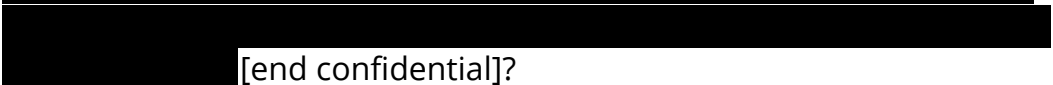
Joint Intervenors hereby submit the following initial requests for information to Companies:

- 1.1. Please refer to the recent final rulemaking from U.S. EPA announced on February 7, 2024 lowering the annual fine particulate matter (PM<sub>2.5</sub>) annual National Ambient Air Quality Standard (NAAQS) from 12 µg/m<sup>3</sup> to 9 µg/m<sup>3</sup>.<sup>1</sup>
  - a. Have the Companies conducted any analysis of the impact of this rule on resource planning? If so, please provide any such analysis, related reports and workpapers.
  - b. If yes, what impact will the rule have on avoided costs related to the tariffs proposed for change in this case?
  - c. If no, why not?
  - d. Please provide any comments submitted by the Companies to the U.S. EPA concerning the proposed rulemaking finalized on February 7, 2024, and any analysis, related reports, and workpapers on the anticipated impact of the lowering of the PM<sub>2.5</sub> standard on resource planning and on the utilization of the existing generation units.

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<sup>1</sup> Prepublication version *available* at <https://www.epa.gov/pm-pollution/national-ambient-air-quality-standards-naaqs-pm>.

- 1.2. Please refer to the Companies' Response to Commission Staff's First Request for Information in this case, A-1:
  - a. Why was capacity need shifted from 2032 to 2030?
  - b. Please refer to the sentence beginning "[t]hus, for the purposes of this response[ ]," along with footnote 2:
    - i. Confirm whether it is the Company's *intent* to build the natural gas combined cycle (NGCC) unit referred to as "Brown 12," or only an *assumption* for purposes of the response.
    - ii. In either case, is the intent or assumption based on the same specifications for Brown 12 as described in the application for a certificate of public convenience and necessity (CPCN) as in Case No. 2022-00402?
    - iii. Does the Company agree that prior to construction of any such unit it would be required to file a new application for a CPCN?
    - iv. Would the Company need to reapply for or seek any environmental permits for such a unit? Why or why not?
    - v. Does the Company anticipate issuing a new request for proposals (RFP) prior to seeking approvals to construct such a unit?
    - vi. Confirm whether it is the Company's *intent* to retire Brown 3 by 2030 and Ghent 2 by 2034, or whether these retirements were only assumed for purposes of the response.
    - vii. If the Company intends to retire these units on this timeline, is it dependent on construction of Brown 12 or an equivalent unit, or are other options for assuring adequate reliability being considered, such as a new RFP for additional capacity or additional demand side management (DSM) or energy efficiency (EE) measures to reduce need?
  - c. Please refer to footnote 3 to this response:
    - i. List the depreciable lives of all fossil resources used for purposes of this calculation.
    - ii. Confirm for each whether it is the Company's intent to retire each on these dates, or if it was only assumed for purposes of this response.
    - iii. Provide the rationale for this assumption for each resource.
    - iv. Was the same assumption made for non-fossil resources?
- 1.3. Has the Company evaluated the potential impact of the recently introduced 2024 Kentucky Legislature Regular Session House Bill 445 (HB445)? If so, how would the passage of the bill affect resource decisions, retirement projections, and associated avoided and other costs?

- 1.4. Please refer to the Companies' Response to Commission Staff's First Request for Information, A-2.b.:
  - a. Do the Companies exclude off-system sales ("OSS") from consideration in all resource decisions? If not, why not?
  - b. Were OSS excluded from the PROSYM runs in determining an "economically optimized" portfolio in Case No. 2022-00402? If not, why not?
  
- 1.5. Please refer to the Companies' Response to Commission Staff's First Request for Information, A-3.:
  - a. Would battery storage fall into the "other technologies" category?
  - b. Is it the Companies' position that qualifying facilities ("QFs") are permitted under current and proposed tariffs to be compensated under different tariffs at a single facility? Would such compensation be cumulative, or would one offset the other in any fashion?
  
- 1.6. Please compare the Companies' Response to Commission Staff's First Request for Information A-4 and A-5:
  - a. Please provide the Mill Creek 5 Capital and Fixed Operating Costs from Table 5 to A-4.b. in real 2021 \$.
  - b. Do the Companies agree the [begin confidential]   
  
 [end confidential]?
  
- 1.7. Please refer to the statement in the Companies' Response to Attorney General's Initial Request for Information in this case, A1.a. that the NMS-2 generation capacity credit "utilizes the economic carrying charge for a combustion turbine, but this cost is adjusted downward to reflect the fact that solar and wind technologies are not fully available during the peak hour in all months," and explain how the cost is adjusted downward. Provide any associated calculations in Excel spreadsheet format with formulas intact and cells unlocked.
  
- 1.8. Please refer to the Companies' Response to Attorney General's Initial Request for Information in this case, A2:
  - a. Please provide the "profile developed by a respondent to the Companies' 2021 RFP for their proposed single-axis tracking solar facility in Hopkins

- County” used as the source for the capacity factor assumption for single-axis tracking solar.
- b. Were any sources aside from the “profile developed by a respondent to the Companies’ 2021 RFP for their proposed single-axis tracking solar facility in Hopkins County” evaluated for single-axis tracking solar? If so, please list and provide. If not, why not?
  - c. Why was the “profile developed by a respondent to the Companies’ 2021 RFP for their proposed single-axis tracking solar facility in Hopkins County” chosen as representative for such facilities throughout the Companies’ territory?
- 1.9. In the Final Order to Case No. 2020-00349 (September 24, 2021), p.58, the Commission stated: “The Commission directs LG&E/KU to evaluate job benefits and economic development as an export rate component for LG&E/KU’s next rate case filing.”
- a. Please describe all efforts the Companies have made to respond to this direction from the Commission, to evaluate the job and economic development benefits of net metering.
  - b. Please explain how this analysis concluded that the value is zero and provide all workpapers with formulas visible and unlocked. If no analysis was conducted, please explain why not.
- 1.10. In reference to KYSEIA DR-1, Q-4.b, the Companies responded, “The utility does not avoid costs in years 8-20.” Please explain this claim and how it could be true that solar and wind facilities, which typically have a service life well in excess of 20 years, would have no avoided cost value in years 8 – 20.
- 1.11. In the Final Order to Case No. 2020-00349 (September 24, 2021), p.29, the Commission ordered “LG&E/KU should submit, within 90 days of the entry of this Order, a filing that details how LG&E/KU will increase the transparency of their modeling to the Commission.”
- a. Please provide a copy of the filing prepared in response to this order.
  - b. Please explain all steps taken to increase the transparency of modelling in the present filing.
- 1.12. With reference to the Commission’s discussion of ‘Distribution Energy Resource Compensation and Integration’ in the Final Order to Case No. 2020-00349 (September 24, 2021), pp.45-46:



- a. What measures have the Companies implemented, and what steps are planned, to access and enable the beneficial functions of smart inverters?
  - b. Do the Companies have policies that encourage or require smart inverters to autonomously provide grid-supporting services?
- 1.13. With reference to DR1-JI- Q-1.8, for their NMS-2 rates, why did the Companies choose not to update the avoided transmission capacity, distribution capacity, ancillary services, carbon, environmental compliance, and jobs benefits avoided costs? Please provide all analyses and workpapers used to justify this decision for each avoided cost component.
- 1.14. Please refer to Companies' Response to Kentucky Solar Energy Society and Mountain Association's Initial Request for Information A-1.1.h. and A-1.5.a.i.:
- a. Please provide all calculations used to create the tables in these responses in Excel spreadsheet format with formulas intact and cells unlocked.
  - b. Do the Companies intend to continue offering service under Tariff NMS-2 once the "Ratio of EOY Solar Installed Capacity to Single Hour Peak Load" exceeds 1%?
    - i. What factors will be considered in determining whether service will be continued under NMS-2?
    - ii. What alternatives is the Company considering?
  - c. Please explain the basis for the statement in A-1.5.a.i. that after the 1% caps are reached "compensation for exported energy is assumed to fall from the NMS-2 rates to the SQF rate."
- 1.15. Please refer to Companies' Response to Kentucky Solar Energy Society and Mountain Association's Initial Request for Information, A-1.9.c., and explain what "system conditions" are taken into consideration in dispatching resources.

Respectfully Submitted,



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### **CERTIFICATE OF SERVICE**

In accordance with the Commission's July 22, 2021 Order in Case No. 2020-00085, *Electronic Emergency Docket Related to the Novel Coronavirus COVID-19*, this is to certify that the electronic filing was submitted to the Commission on February 08, 2024; that the documents in this electronic filing are a true representation of the materials prepared for the filing; and that the Commission has not excused any party from electronic filing procedures for this case at this time.



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