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 AND LARGE CAPACITY COGENERATION AND POWER PRODUCTION QUALIFYING FACILITIES AND NET))) CASE NO. 2023-00404))
QUALIFYING FACILITIES AND NET METERING SERVICE-2 CREDIT RATES)

RESPONSE OF KENTUCKY UTILITIES COMPANY AND LOUISVILLE GAS AND ELECTRIC COMPANY TO THE COMMISSION STAFF'S SECOND REQUEST FOR INFORMATION

DATED FEBRUARY 7, 2024

FILED: February 22, 2024

VERIFICATION

COMMONWEALTH OF KENTUCKY)) COUNTY OF JEFFERSON)

The undersigned, **Michael E. Hornung**, being duly sworn, deposes and says that he is Manager of Pricing/Tariffs for Kentucky Utilities Company and Louisville Gas and Electric 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.

Michael E. Hornung

Subscribed and sworn to before me, a Notary Public in and before said County and State, this <u>14th</u> day of <u>February</u>, 2024.

Notary Public

Notary Public ID No. KYNP63286

My Commission Expires:

January 22, 2027



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 Kentucky Utilities Company and Louisville Gas and Electric 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.

Stuart A. Wilson

Subscribed and sworn to before me, a Notary Public in and before said County and State, this 14th day of <u>Jebuvary</u> 2024.

Notary Public

Notary Public ID No. KINP63286

My Commission Expires:

primary 22, 2027



Response to Commission Staff's Second Request for Information Dated February 7, 2024

Case No. 2023-00404

Question No. 1

Responding Witness: Stuart A. Wilson

- Q-1. Refer to LG&E/KU's response to Commission Staff's First Request for Information (Staff's First Request), Item 1. Provide the supporting calculation and workpapers in Excel spreadsheet format with all formulas, rows, and columns unprotected and fully accessible.
- A-1. See attachment being provided in a separate file for all workpapers updated in order to respond to PSC 1-1 (i.e., workpapers not provided here are unchanged and already provided in response to JI 1-3). Certain information requested is confidential and proprietary and is being provided under seal pursuant to a petition for confidential protection.

The attachments are being provided in separate files.

Response to Commission Staff's Second Request for Information Dated February 7, 2024

Case No. 2023-00404

Question No. 2

Responding Witness: Michael E. Hornung / Stuart A. Wilson

- Q-2. Refer to LG&E/KU's response to Staff's First Request, Item 4
 - a. Explain how many, if any, Qualified Facilities (QF) customers LG&E/KU currently have. If possible, include in the response the names and locations of the facilities.
 - b. Explain if the QF's operate at low-capacity factors similar to a combustion turbine (CT). Include in the response how many QF's operate as such and the MW capacity each QF provides.
 - c. During the 2-year period of procurement and construction of Mill Creek 5, explain why utilizing the cost of the Mill Creek 5 natural gas combustion turbine (NGCC) for avoided capacity costs would not be appropriate considering LG&E/KU have a 2-year avoided capacity cost of \$0.00 per MWh. Include in the response an explanation of how LG&E/KU would not be able to avoid a portion of the Mill Creek 5 NGCC.

A-2.

- a. See attachment being provided in a separate file for parts a and b of this request. The Companies are unaware of the names of the QF facilities, but their locations are provided in the attachment. See also the Companies' response to JI 1-2.
- b. See the response to a. Because all the Companies' QF customers are structured "As Available" with generation behind the meter, the Companies do not have or maintain the data to calculate capacity factors for these facilities. The Companies know only the amount of energy supplied to the grid as provided in response to JI 1-2(a) and do not know the amount of energy generated by the QF that was consumed by the customer.
- c. The Companies have substantively concluded negotiations on an agreement with the best evaluated bidder for Mill Creek 5. The net output for Mill Creek 5 is a fixed term of this agreement, so neither Mill Creek 5's output nor its cost will be impacted by the addition of QFs.

The attachment is being provided in a separate file in Excel format.

Response to Commission Staff's Second Request for Information Dated February 7, 2024

Case No. 2023-00404

Question No. 3

Responding Witness: Stuart A. Wilson

- Q-3. Refer to LG&E/KU's response to Staff's First Request, Item 4. Provide the supporting calculation and workpapers in Excel spreadsheet format with all formulas, rows, and columns unprotected and fully accessible.
- A-3. See attachment being provided in a separate file. The information requested 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.

Response to Commission Staff's Second Request for Information Dated February 7, 2024

Case No. 2023-00404

Question No. 4

Responding Witness: Stuart A. Wilson

- Q-4. Refer to LG&E/KU's response to Staff's First Request, Item 5. Provide the supporting calculation and workpapers in Excel spreadsheet format with all formulas, rows, and columns unprotected and fully accessible.
- A-4. See attachment being provided in a separate file. Certain information requested is confidential and proprietary and is being provided under seal pursuant to a petition for confidential protection.

The attachment is being provided in a separate file in Excel format.