

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF KENTUCKY UTILITIES)	CASE NO.
COMPANY AND LOUISVILLE GAS AND)	2009-00467
ELECTRIC COMPANY TO MODIFY THEIR GREEN)	
ENERGY PROGRAMS)	

COMMISSION STAFF'S FIRST DATA REQUEST

Pursuant to 807 KAR 5:001, Kentucky Utilities Company ("KU") and Louisville Gas and Electric Company ("LG&E") (collectively "Joint Applicants") are to file with the Commission the original and five copies of the following information, with a copy to all parties of record. The information requested herein is due on or before January 8, 2010. Responses to requests for information shall be appropriately bound, tabbed and indexed. Each response shall include the name of the witness responsible for responding to the questions related to the information provided.

Each response shall be answered under oath or, for representatives of a public or private corporation or a partnership or association or a governmental agency, be accompanied by a signed certification of the preparer or person supervising the preparation of the response on behalf of the entity that the response is true and accurate to the best of that person's knowledge, information, and belief formed after a reasonable inquiry.

Joint Applicants shall make timely amendment to any prior response if they obtain information which indicates that the response was incorrect when made or,

though correct when made, is now incorrect in any material respect. For any request to which Joint Applicants fail or refuse to furnish all or part of the requested information, Joint Applicants shall provide a written explanation of the specific grounds for their failure to completely and precisely respond.

Careful attention should be given to copied material to ensure that it is legible. When the requested information has been previously provided in this proceeding in the requested format, reference may be made to the specific location of that information in responding to this request. When applicable, the requested information shall be separately provided for total company operations and jurisdictional operations.

1. Has Joint Applicants' report for their Green Energy programs for the period June 2009 through November 2009 been filed? If no, when will the report be filed?

2. Refer to Joint Applicants' biannual periodic report for the period December 1, 2008 through May 31, 2009, filed June 30, 2009 in Case No. 2007-00067.¹ (If a more recent biannual report is available, use the corresponding updated amounts from that report in place of the amounts used below to answer questions 2a through 2c of this request.)

a. Provide a breakdown of the expenditures of \$4,183.31 for education and promotion and \$4,550.00 for KU administrative costs. Provide all necessary supporting calculations and workpapers.

¹ Case No. 2007-00067, Joint Application of Louisville Gas and Electric Company and Kentucky Utilities Company for Approval of Their Proposed Green Energy Riders (Ky. PSC May 31, 2007).

b. Provide a breakdown of the expenditures of \$4,060.71 for education and promotion and \$4,500.00 for LG&E administrative costs. Provide all necessary supporting calculations and workpapers.

c. For the reporting period in which KU and LG&E each paid 3Degrees Group, Inc. ("3Degrees") \$6,925.12 for support services:

(1) Provide the cost to KU and LG&E, individually, for support services if the services had been provided in-house as currently proposed by the Joint Applicants. If the costs are unavailable, provide an explanation of the potential cost savings for the support services.

(2) Explain why each company paid an identical amount for support services when expenditures for Renewable Energy Certificates ("RECs") for LG&E were approximately twice those of KU.

3. Explain whether any new marketing efforts, in addition to those identified in response to questions 2a and 2b above, are being considered for the proposed new programs. Include in the explanation whether the marketing efforts for the KU and LG&E programs are the same. If not the same, explain the differences in the marketing efforts and the reasons for making the differences.

4. Include copies of all marketing materials used in promoting the Green Energy programs since the inception of the programs. If copies are unavailable, provide a detailed narrative description of the marketing efforts.

5. Refer to page 6, paragraphs 11-13, of the application. Joint Applicants propose to move the REC acquisition function in-house after expiration of the current contract with 3Degrees on June 1, 2010.

a. A Request for Proposals (“RFP”) for REC procurement and support services was issued, for which two proposals were received. Provide the results of those proposals. A comparison of the proposals or copies of the proposals will suffice.

b. Joint Applicants refer to cost savings that are anticipated by moving the REC function in-house. Provide copies of all cost analyses conducted by the Joint Applicants that support the decision to bring the REC function in-house. Include copies of all correspondence and workpapers supporting the analyses.

c. Joint Applicants state that none of the RFP responses provide complete price protection from exposure to price risk. Explain whether any price protection is provided by outsourcing the REC acquisition function that will not be provided if the function is brought in-house.

6. Refer to page 8, paragraph 16, of the application. If approved, would the change in tariff language for both Small Green Energy and Large Green Energy Rider participants mean that the participants will no longer know how many kilowatt-hours of usage purchased are green power? If yes, explain whether loss of that knowledge is expected to affect participation in the proposed programs.

7. Refer to page 9, paragraph 18, of the application.

a. Explain whether enough Kentucky-generated RECs are available to accommodate KU and LG&E’s needs at the level necessary under the present programs. Include in the explanation whether the Kentucky-generated REC market shows the potential to provide more RECs in the future, if needed under the proposed programs.

b. Explain whether Kentucky-generated RECs are cost-competitive with regionally and nationally generated RECs. Include in the explanation:

(1) How many Kentucky-generated RECs have been purchased under the 2007-2009 plan.

(2) The percentage of Kentucky-generated RECs as compared to the total number of RECs purchased under the 2007-2009 plan.

8. Refer to page 9, paragraph 19, of the application. Joint Applicants propose to remove the obligation for participants in the Large Green Energy Rider to commit to make certain levels of contributions for 12 months, stating such a commitment is not necessary under the revised Green Energy programs. What changes are proposed in the revised programs, or have occurred in the Green Energy market, that affect the need for commitment by the participants?

9. Refer to page 9, paragraph 20, of the application. Joint Applicants propose to delete from their Green Energy Riders, paragraph (d) from each tariff sheet's "Terms and Conditions" section. Those sections require that the service under the Green Energy rate schedules coincide with the three-year contracts for the purchase of RECs. If Joint Applicants' request for authorization to bring the REC acquisition function in-house is denied, is it correct that paragraph (d) or similar language will still be required? Explain.

10. Is it correct that the RECs purchased under the Green Energy programs represent only the environmental attributes of the generation associated with the RECs purchased and do not substitute for the need for actual generation of the power?



Jeff Densuen
Executive Director
Public Service Commission
P.O. Box 615
Frankfort, KY 40602

DATED: DEC 23 2009

cc: Parties of Record

Case No. 2009-00467

Rick LoveKamp
Kentucky Utilities Company
220 W. Main Street
P. O. Box 32010
Louisville, KY 40202