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PUBLIC SERVICE
COMMISSION

**COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION**

In the Matter of:

**Joint Application Of Louisville Gas And Electric Company)
and Kentucky Utilities Company for Certificates of Public)
Convenience and Necessity for the Construction of a Combined)
Cycle Combustion Turbine at the Cane Run Generating) CASE NO. 2011-00375
Station and the Purchase of Existing Simple Cycle Combustion)
Turbine Facilities from Bluegrass Generation Company, LLC)
in LaGrange, Kentucky)**

**FIRST SET OF REQUESTS FOR INFORMATION OF THE SIERRA CLUB AND
NATURAL RESOURCES DEFENSE COUNCIL**

Proposed Intervenor Natural Resources Defense Council and Sierra Club, pursuant to the Kentucky Public Service Commission's ("Commission") October 18, 2011 Order ("October 18 Order"), propound the following interrogatories and requests for production of documents on Louisville Gas and Electric Company and Kentucky Utilities Company (collectively, "Companies") regarding the Companies' Certificate of Public Convenience and Necessity application that is the subject of the above-captioned proceeding.

These interrogatories and requests shall be answered in the manner set forth in the October 18 Order and by the December 6, 2011 deadline set forth in the Appendix to the October 18 Order. Please produce the requested documents in electronic format at the offices of the Natural Resources Defense Council, 2 N. Riverside Plaza, Suite 2250, Chicago, Illinois 60606 or at such other location as may be mutually agreed upon between counsel of record.

Wherever the response to an interrogatory or request consists of a statement that the requested information is already available to the Proposed Intervenor, provide a detailed citation to the document where the information can be found. 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).

In the event that any document referred to in response to any interrogatory or request has

been destroyed, specify the date and the manner of such destruction, the reason for such destruction, the person authorizing the destruction and the custodian of the document at the time of its destruction.

The Proposed Intervenors reserve the right to serve supplemental, revised, or additional discovery requests as permitted in this proceeding.

DEFINITIONS

Unless otherwise specified in each individual interrogatory or request, “you,” “your,” or “Companies” refers to Louisville Gas & Electric and Kentucky Utility Company, and their affiliates, employees, and authorized agents.

“And” and “or” shall be construed either conjunctively or disjunctively as required by the context to bring within the scope of these interrogatories and requests for production of documents any information which might be deemed outside their scope by another construction.

“Any” means all or each and every example of the requested information.

“Communication” means any transmission or exchange of information between two or more persons, whether orally or in writing, and includes, without limitation, any conversation or discussion by means of letter, telephone, note, memorandum, telegraph, telex, telecopy, cable, email, or any other electronic or other medium.

“CO2” means carbon dioxide.

“CPCN” means the Companies’ September 16, 2011 filing of Louisville Gas and Electric Company and Kentucky Utility Company in the above-captioned proceeding, and any amendments, supplements, or revisions to that filing.

“Document” refers to written matter of any kind, regardless of its form, and to information recorded on any storage medium, whether in electrical, optical or electromagnetic form, and capable of reduction to writing by the use of computer hardware and software, and includes all copies, drafts, proofs, both originals and copies either (1) in the possession, custody or control of the Companies regardless of where located, or (2) produced or generated by, known to or seen by the Companies, but not now in their possession, custody or control, regardless of where located whether or not still in existence.

Such “documents” shall include, but are not limited to, applications, permits, monitoring reports, computer printouts, contracts, leases, agreements, papers, photographs, tape recordings, transcripts, letters or other forms of correspondence, folders or similar containers, programs, telex, TWX and other teletype communications, memoranda, reports, studies, summaries, minutes, minute books, circulars, notes (whether typewritten, handwritten or otherwise), agenda, bulletins, notices, announcements, instructions, charts, tables, manuals, brochures, magazines, pamphlets, lists, logs, telegrams, drawings, sketches, plans, specifications, diagrams, drafts, books and records, formal records, notebooks, diaries, registers, analyses, projections, email correspondence or communications and other data compilations from which information can be

obtained (including matter used in data processing) or translated, and any other printed, written, recorded, stenographic, computer-generated, computer-stored, or electronically stored matter, however and by whomever produced, prepared, reproduced, disseminated or made.

Without limitation, the term “control” as used in the preceding paragraphs means that a document is deemed to be in your control if you have the right to secure the document or a copy thereof from another person or public or private entity having actual possession thereof. If a document is responsive to a request, but is not in your possession or custody, identify the person with possession or custody. If any document was in your possession or subject to your control, and is no longer, state what disposition was made of it, by whom, the date on which such disposition was made, and why such disposition was made.

In the interest of efficiency during discovery and the hearing process, bates stamp all documents produced in response to these interrogatories and requests for production.

For purposes of the production of “documents,” the term shall include copies of all documents being produced, to the extent the copies are not identical to the original, thus requiring the production of copies that contain any markings, additions or deletions that make them different in any way from the original

“Identify” means:

- (a) With respect to a person, to state the person’s name, address and business relationship (e.g., “employee”) to the Companies;
- (b) With respect to a document, to state the nature of the document in sufficient detail for identification in a request for production, its date, its author, and to identify its custodian. If the information or document identified is recorded in electrical, optical or electromagnetic form, identification includes a description of the computer hardware or software required to reduce it to readable form.

“Relating to” or “concerning” means and includes pertaining to, referring to, or having as a subject matter, directly or indirectly, expressly or implied, the subject matter of the specific request

PRIVILEGE OR CONFIDENTIALITY

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 interrogatory or request for production, describe the basis for your claim of privilege in sufficient detail so as to permit the Commission to adjudicate the validity of the claim if called upon to do so. With respect to documents for which a privilege is claimed, 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 the Proposed Intervenors or the Commission to evaluate the validity of such claims.

To the extent that you can legitimately claim that any interrogatory response or responsive document is entitled to confidentiality, the Proposed Intervenors are willing to enter into a confidentiality agreement that would protect such response or document from public disclosure.

TIME

Unless otherwise provided, the applicable time period for each of these interrogatories and requests for production is January 1, 2009 to present.

REQUESTS FOR INFORMATION

1. Produce all discovery responses from the Companies to any other party in this proceeding.
2. Produce a non-redacted version of the CPCN filing.
3. Refer to page 8, lines 1-2 of the testimony of David Sinclair. State whether each of the Combined Company Energy Sales and Combined Company Peak Demand projections provided therein is weather-normalized. For each projection that is not weather-normalized, provide the weather-normalized projection.
4. Refer to page 8 line 14 to page 9 line 3 of the testimony of David Sinclair. State whether the potential for achieving greater than 500MW of load reduction through additional demand-side management or energy efficiency was evaluated as part of this CPCN process.
 - a. If the answer to the above request is no, explain why not.
 - b. If the answer to the above request is yes, identify the additional levels of demand-side management or energy efficiency load reduction evaluated and explain why such additional levels were not selected as part of this CPCN.

- c. Identify the expected cost per kilowatt hour of load reduced through the demand-side management referred to by Mr. Sinclair.
 - d. Identify the level of load reduction the Companies plan to achieve through demand side management and energy efficiency for each year of 2018 through 2025.
 - e. Produce any documents, studies, or analyses created by or for the Companies regarding the potential for demand-side management or energy efficiency within the Companies' service territories.
5. Produce any analysis or evaluation of the Companies' existing and proposed demand-side management or energy efficiency programs pursuant to the cost-benefit tests set out in the California Standard Practice Manual.
6. Identify any CO₂ prices assumed in the CPCN for each year of 2011 through 2040, and explain how any such CO₂ prices were factored into the CPCN analysis.
7. Identify the price of SO₂ and NO_x allowances that you assumed in the CPCN for each year of 2011 through 2040.
8. Refer to the Companies' response to the Commission Staff's First Information Request No. 26b, in which Gary Revlett states "the Cane Run account will continue to receive allocations associated with coal-fired units for four years following their shutdown per the FIP."
 - a. Identify the number of SO₂ and NO_x allocations for the Cane Run account the Companies expect to receive in each of the four years following the shutdown of Cane Run, and the expected price of each such allocation.
 - b. Provide the same information with regards to the Tyrone and Green River units that the Companies are proposing to retire.
9. Produce any workpaper, source document, and, in machine readable or txt format, input and output files for all modeling that you carried out regarding the CPCN.

10. Produce a copy of any documents, studies, or analyses regarding the potential for or cost of renewable energy resources within the Companies' service territory, in the State of Kentucky, or in one of the states contiguous to Kentucky created by or for the Companies.

11. Produce a copy of any documents, studies, or analyses regarding the potential for or cost of combined heat and power within the Companies' service territory, in the State of Kentucky, or in one of the states contiguous to Kentucky created by or for the Companies.

12. Produce a copy of any documents, studies, or analyses regarding the economics of constructing company-owned solar resources that have been created by or for the Companies.

13. Produce a copy of any documents, studies, or analyses regarding the economics of constructing company-owned wind power resources that have been prepared by or for the Companies.

14. Produce any workpaper, source document, and, in machine readable or txt format, input and output files, used in or developed as part of the screening of supply-side resources for the CPCN.

15. Produce any workpaper, source document, and, in machine readable or txt format, input and output files, used in or developed as part of the screening of demand-side resources for the CPCN.

16. Identify the annual natural gas prices that you assumed in the CPCN process for each year of 2011 through 2040.

17. Identify the annual coal prices that you assumed in the CPCN process for each year of 2011 through 2040.

18. Identify the Companies' assumed forward market prices of energy and capacity through the analysis period and any source for those market price assumptions. Produce any documentation or workpapers that support these assumptions.

19. Identify whether any sensitivity analyses were performed by or for the Companies with regards to any of the following factors. For each sensitivity analysis that was performed, provide the results of that analysis, along with any workpaper, source document, and, in machine readable or txt format, input and output files used in or developed for such analysis. For each factor for which no sensitivity analysis was performed, explain why no such analysis was performed:
 - a. Total energy sales
 - b. Peak demand
 - c. Load forecast
 - d. Natural gas prices
 - e. Coal prices
 - f. Natural gas combined cycle plant construction costs
 - g. CO2 cost
 - h. Cost of renewable energy sources
 - i. Demand growth reductions through demand side management or energy efficiency
 - j. Forward market prices of energy or capacity

20. Refer to the LG&E and KU 2011 Reserve Margin Study, dated April 8, 2011, created by Astrape Consulting, which was filed with the Commission as part of the Companies' 2011 Integrated Resource Plan in Case No. 2011-00140.
 - a. Refer to Figure ES3 on page 6 of the Study. For each of the 10%, 11%, 12%, 13%, 14%, 15%, 16%, 17%, 18%, 19%, and 20% reserve margin, identify the amount of the reliability energy costs for each of the following:
 - i. Cost of unserved energy
 - ii. Reliability purchases above the dispatch cost of a CT

- iii. Peaking resources above the dispatch cost of a CT
- b. Refer to the Appendix of the Study. Explain how the Loss of Load Expectation (“LOLE”) curve set forth therein was developed, and produce any support for the LOLE curve.
- c. State whether demand side resources were factored into the evaluation of the reserve margin for the Companies. If so, explain how. If not, explain why not.
- d. State whether the Companies’ Contingency Reserve Sharing Group agreement with the Tennessee Valley Authority and East Kentucky Power Company was factored into the evaluation of the reserve margin for the Companies. If so, explain how. If not, explain why not.

Respectfully submitted,



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Dated: November 22, 2011

CERTIFICATE OF SERVICE

I certify that served a copy of this First Set of Requests for Information via first class mail on November 22, 2011 on the following:

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