



a PPL company

Jeff DeRouen
Executive Director
Kentucky Public Service Commission
211 Sower Boulevard
Frankfort, Kentucky 40602-0615

October 25, 2012

**RE: *AN EXAMINATION OF THE APPLICATION OF
THE FUEL ADJUSTMENT CLAUSE OF KENTUCKY
UTILITIES COMPANY FROM NOVEMBER 1, 2011
THROUGH APRIL 30, 2012 – CASE NO. 2012-00320***

Dear Mr. DeRouen:

Enclosed please find an original and ten (10) copies of the Response of Kentucky Utilities Company to Information Requested at the Hearing dated October 11, 2012, in the above-referenced proceeding.

Please contact me if you have any questions concerning this filing.

Sincerely,

A handwritten signature in black ink, appearing to read 'R. M. Conroy', with a long, sweeping flourish extending to the right.

Robert M. Conroy

Enclosures

RECEIVED

OCT 25 2012

PUBLIC SERVICE
COMMISSION

Kentucky Utilities Company
State Regulation and Rates
220 West Main Street
PO Box 32010
Louisville, Kentucky 40232
www.lge-ku.com

Robert M. Conroy
Director - Rates
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**COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION**

In the Matter of:

**AN EXAMINATION OF THE APPLICATION)
OF THE FUEL ADJUSTMENT CLAUSE OF) CASE NO.
KENTUCKY UTILITIES COMPANY FROM) 2012-00320
NOVEMBER 1, 2011 THROUGH APRIL 30, 2012)**

**RESPONSE OF
KENTUCKY UTILITIES COMPANY
TO
COMMISSION STAFF'S
POST HEARING DATA REQUEST
DATED OCTOBER 11, 2012**

FILED: OCTOBER 25, 2012

KENTUCKY UTILITIES COMPANY

**Response to Commission Staff's Post Hearing Data Request
Dated October 11, 2012**

Case No. 2012-00320

Question No. 1

Witness: Gary H. Revlett

- Q-1. In reference to the Response to Information Requested in Appendix of Commission's Order Dated August 22, 2012, Question No. 24, does the federal EPA issue advisory opinions to help utilities determine whether certain generation efficiency efforts could trigger a New Source Review?
- A-1. Facility owners and operators assessing the potential application of New Source Review (NSR) requirements to particular projects typically rely on an existing body of judicial precedent, EPA policy memoranda and agency guidance regarding how NSR applies to certain factual situations. Upon request, the Kentucky Division for Air Quality or the US EPA will issue Applicability Determinations addressing the applicability of New Source Review (NSR) requirements to particular projects. However, obtaining such an Applicability Determination is not common practice for the Company or in the industry, due primarily to the time required (up to a year or more) to complete the process and receive a final agency determination. The process for obtaining such Applicability Determinations requires submittal of detailed information on the project, including the nature, purpose and cost, historic operations at the unit, any projected emissions caused by the project (after removal of any emissions increases attributable to factors unrelated to the project), and any possible "netting" through emissions reductions from other units at the facility. Due to the time constraints typically associated with the company's projects and ongoing engineering changes that are frequently incorporated as project design is finalized, the Company has generally found obtaining Applicability Determinations to be impractical. For projects such as planned generation efficiency projects, the Company generally relies on general EPA guidance documents and relevant judicial decisions in the NSR area, as well as its own experience regarding EPA's and KDAQ's treatment of similar projects, to conduct any necessary analyses and to determine whether NSR requirements may be implicated.

VERIFICATION

COMMONWEALTH OF KENTUCKY)
) SS:
COUNTY OF JEFFERSON)

The undersigned, **Gary H. Revlett**, being duly sworn, deposes and says that he is Director – Environmental Affairs for 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.

Gary H. Revlett

Gary H. Revlett

Subscribed and sworn to before me, a Notary Public in and before said County and State, this 25th day of October 2012.

Sheri L. Gardner (SEAL)

Notary Public

My Commission Expires:
SHERI L. GARDNER
Notary Public, State of **Largo, KY**
My commission expires **Dec. 24, 2013**