

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

JOINT APPLICATION OF LOUISVILLE GAS	)	CASE NO.
AND ELECTRIC COMPANY AND KENTUCKY	)	2013-00067
UTILITIES COMPANY FOR THE REVIEW AND	)	
APPROVAL OF A TWO-YEAR DEMAND SIDE	)	
PROGRAM RELATED TO SCHOOL ENERGY	)	
MANAGEMENT AND ASSOCIATED COST	)	
RECOVERY	)	

COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION TO  
LOUISVILLE GAS AND ELECTRIC COMPANY AND  
KENTUCKY UTILITIES COMPANY

Louisville Gas and Electric Company ("LG&E") and Kentucky Utilities Company ("KU") (collectively "Joint Applicants"), pursuant to 807 KAR 5:001, are to file with the Commission one electronic copy and a paper copy of the following information, with a copy to all parties of record. The information requested herein is due no later than April 2, 2013. Responses to requests for information shall be filed in accordance with the electronic filing procedures set forth in 807 KAR 5:001, Section 8. Responses to requests for information shall be appropriately 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, they 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.

1. Refer to page 1 of the Joint Application ("Application"), where it states, "This application is made pursuant to KRS 278.285 and in compliance with the Settlement Agreement reached in Case Nos. 2012-00221 and 2012-00222." Refer to paragraph 7, page 4, of the Application, where it states the following:

The Kentucky Public Service Commission ("Commission") approved the Settlement in its Orders issued on December 20, 2012, including the terms pertaining to the Demand Side Management Program Proposal (as outlined in Article IV, Section 4.6). Specifically, the Settlement provides that LG&E and KU will "propose a two-year demand-side management program to help fund energy management programs for schools affected by KRS 160.325. The annual levels of funding to be proposed are \$500,000 for KU and \$225,000 for LG&E." LG&E and KU agreed to file an application with the Commission no later than February 28, 2013, seeking approval by May 31, 2013.

Also, refer to Section 4.6 of the Settlement Agreement, Stipulation, and Recommendation, Appendix A in the Final Order in Case Nos. 2012-00221<sup>1</sup> and 2012-00222,<sup>2</sup> which states the following:

The Utilities commit to propose a two-year demand-side management program to help fund energy management programs for schools affected by KRS 160.325. The annual levels of funding to be proposed are \$500,000 for KU and \$225,000 for LG&E. With input from KSBA and other stakeholders, the Utilities commit to file an application with the Commission no later than February 28, 2013, seeking approval of such a program by May 31, 2013.

a. State whether the proposed two-year annual levels of \$500,000 for KU and the \$225,000 for LG&E are to be recovered through the respective company's Demand-Side Management ("DSM") Cost Recovery Mechanism or base rates.

b. If the answer to part a. is the DSM Cost Recovery Mechanism, state to which DSM program the \$500,000 for KU and \$225,000 for LG&E are to be charged.

2. Refer to paragraph 8, page 5, of the Application. It states the following:

Pursuant to the Commission's November 31, 2011 Order in Case No. 2011-00134, the Companies are currently operating a Development and Administration Program. In this filing the Companies are also sharing its *[sic]* intent to utilize the approved Development and Administration Program to support the Fayette County Schools Facility Automation Project.

Also, refer to page 5 of the Application, it states the following:

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<sup>1</sup> Case No. 2012-00221, Application of Kentucky Utilities Company for an Adjustment of Its Electric Rates (Ky. PSC Dec. 20, 2012).

<sup>2</sup> Case No. 2012-00222, Application of Louisville Gas and Electric Company for an Adjustment of Its Electric and Gas Rates, a Certificate of Public Convenience and Necessity, Approval of Ownership of Gas Service Lines, and Risers, and a Gas Line Surcharge (Ky. PSC Dec. 20, 2012).

The Fayette County Schools Facility Automation Project initiative, to be funded by means of the currently approved Development and Administration Program through Case No. 2011-00134 in the amount of \$160,000 allows LG&E and KU to monitor school utilization of energy monitoring equipment that enables energy managers to demonstrate the results of their comprehensive energy conservation programs.<sup>3</sup>

a. State whether the 2013 budget amount for the Development and Administration Program includes support for the Fayette County Schools Facility Automation Project.

b. If the answer to part a. is no, state whether the \$160,000 is to be recovered through the DSM Cost Recovery Mechanism of KU in this proceeding.

3. If known, identify by school and/or school district the school districts in Joint Applicants' respective service territories which will benefit from the energy management program funds.

4. Refer to paragraph 9, page 7 of the Application. In discussing the School Energy Managers Project ("SEMP"), it states, "LG&E and KU have supported KSBA and the SEMP project through the Companies' Commercial Incentive Program. Through the end of 2012 the program has served 102 Kindergarten through 12th grade schools by contributing a total of \$400,000 toward energy efficiency retrofits." Also refer to the third to the last paragraph on page 23 of Exhibit 1 where it states, "WHEREAS, District is a publicly funded educational institution, grades 3 – 12, with a District Board of Education, pursuant to KRS 160.160, having the authority to enter into contracts on behalf of District . . . ."

a. Provide a list of schools, along with each one's associated amount of the \$400,000 contributed toward energy efficiency retrofits.

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<sup>3</sup> Application, p. 5, internal citation omitted.

b. Explain the discrepancy in the school grades stated in paragraph 9 on page 7 of the Application and page 23 of Exhibit 1.

5. Refer to paragraph 10, page 7, of the Application. It states, "The program will be available to the eighty-three public school districts served by the Companies under KRS 160.325 to develop and implement Energy Management Plans." For each respective company, provide a list showing which of the 83 public school districts it serves.

6. Refer to paragraph 12, pages 7-8, of the Application. It states, "The primary goal of the Energy Management Program for Schools is to support school districts in utilizing energy more wisely. The overall objective of Energy Management Program for Schools is for each school district to reduce consumption over time by an annual rate of 2.5 percent and achieve energy utilization indices ('EUI') of fifty or lower."<sup>4</sup>

a. If known, identify by school and/or school district, how much energy has been saved by the Energy Management Program for Schools by changing tariffs.

b. If known, identify by school and/or school district, how much energy has been saved by the Energy Management Program for Schools other than by changing tariffs.

7. Refer to paragraph 13, page 8, of the Application. It states, "The participation goal would be for all eighty-three districts served by either LG&E or KU to retain or employ an energy manager through at least FY2015 to maximize district response to KRS 160.325." State whether either the shareholders of LG&E and KU or

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<sup>4</sup> Application, ¶ 12, pp. 7-8, internal citation omitted.

their ratepayers will be encouraged to contribute support to the Energy Management Program for Schools beyond FY2015.

8. Refer to paragraph 15, page 8, of the Application. It states the following:

The KSBA will manage and operate the program. On an annual basis, upon KPSC order, KSBA will provide the Companies with a report for LG&E and a report for KU that provides district funding; initiatives implemented; EUI; consumption reduction; preceding and current year peak demand and annual energy use as well as associated energy and demand savings compared to the metrics within this application. Upon the Companies' review of initial reports, the Companies will note whether interim results are consistent with the program goals and objectives defined within this application.

- a. Explain how the Kentucky School Boards Association ("KSBA") will manage and operate the program.

- b. State whether KU will monitor the operation of the program for quality assurance.

9. Refer to page 9 of the Application. It states, "Not only will tax dollars be redirected from the utility companies to the classroom, there will be significant emission reductions through reduced energy demand." State how and which tax dollars will be redirected from the utility companies to the classroom.

10. Refer to pages 9-10 of the Application. It states the following:

To support the FCPS project, KU committed to supporting the purchase and installation of the required Digital Energy Monitoring (DEM) metering for live electric consumption monitoring at \$160,000. This is a sub-metering energy efficiency monitoring and management project. KU has committed to DEM meters for approximately 45 FCPS schools in the service territory.

a. State who will install the Digital Energy Monitoring ("DEM") metering.

b. Provide the number of DEM meters KU anticipates will be purchased and installed.

c. Provide the purchase price of a DEM meter.

d. Provide by type of cost, how the \$160,000 is to be expended.

11. Explain what type of experience LG&E and KU will gain with regards to sub-metering.

12. Refer to page 10 of the Application, where the Companies request that the Commission enter an Order "[a]pproving the proposed energy management program for schools and the associated cost recovery and tariff sheets (Exhibit 4)." Provide, for each respective company by the type of cost and the associated DSM rate, an explanation of how the various DSM components are expected to change in this proceeding.



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DATED MAR 21 2013

cc: Parties of Record

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