

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

2014 JOINT INTEGRATED RESOURCE PLAN)	CASE NO.
OF LOUISVILLE GAS AND ELECTRIC COMPANY)	2014-00131
AND KENTUCKY UTILITIES COMPANY)	

COMMISSION STAFF'S SECOND 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 "LG&E/KU" or "the Companies"), pursuant to 807 KAR 5:001, are to file with the Commission the original and ten copies of the following information, with a copy to all parties of record. The information requested herein is due no later than December 23, 2014. 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 the 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.

LG&E/KU 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 LG&E/KU 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 shall 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 the 2014 Resource Assessment Addendum, page 4, where the request for a four-year capacity purchase and tolling agreement with Bluegrass Generation is discussed. Also refer to the Companies' application in Case No. 2014-00002,¹ page 23 of Exhibit DSS-1 to the Direct Testimony of David S. Sinclair. The paragraph immediately after Table 16 includes a confidential discussion about the cost of a transmission project associated with certain purchased power agreements. Refer also to the hearing in that case at 11:02:50–11:06:34 in the confidential video transcript in which the change in the cost of the transmission project was discussed by Mr. Sinclair. Explain in greater detail what caused the cost of the transmission project to change.

2. Refer to the response to Item 1 of Commission Staff's First Request for Information ("Staff's First Request") where it states, "However, since the filing of the IRP, recent events on LG&E and KU's transmission network and the interconnected

¹ Case No. 2014-00002, 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 Green River Generating Station and a Solar Photovoltaic Facility at the E.W. Brown Generating Station (filed Jan. 17, 2014).

utilities have raised concerns over reliability impacts created by the planned retirement of these units and triggered the need for additional study. These recent events include uncertain operations of the expanded Midcontinent Independent System Operator (“MISO”), recently announced news from Big Rivers Electric Corporation that all three generating units at its Coleman station could be offline for several years, and a real-time electric grid reliability operating condition that occurred in June 2014.”

a. Identify and explain the Companies’ concerns regarding uncertain operations of the expanded MISO.

b. Explain whether the Companies believe a Certificate of Public Convenience and Necessity will be required for the construction of the transmission reliability solutions.

3. Refer to the response to Item 2 of Staff’s First Request. Provide the actual summer 2014 peak demands for each of the Companies, the date and time of those peaks, and the actual summer 2014 combined peak demand for LG&E and KU, and its date and time.

4. Refer to the response to Item 9.a. of Staff’s First Request. Describe what consideration, if any, the Companies have given to using a period other than 20 years to represent average/normal weather patterns.

5. Refer to the response to Item 14 of Staff’s First Request. Based on the response describing KU’s higher losses percentage as consistent with its more expansive system, compared to LG&E’s losses percentage and system, explain what caused the losses percentages for the Companies to diverge from the norm in 2011.

6. Refer to the response to Item 26 of Staff’s First Request.

a. Confirm that the same price elasticity of demand inputs are used in both the LG&E and KU sales forecasts.

b. One perspective on the price elasticity of electricity, particularly for residential customers, is that response to increases in price in the short term is difficult, but that greater response is possible in the long term as decisions are made to upgrade or replace appliances and equipment. Explain why the Companies' model does not distinguish between short-term and long-term price elasticities of demand.

7. Refer to the Companies' *Attachment to Response to Sierra Club Question No. 1.27(d)*, the March 2013 Brown 1-2 Baghouse Retrofit Analysis, specifically, the references on pages 4, 5, and 9 of 13, to testing chemical additives to remove mercury from the Brown 1-2 emissions. Provide the status of this testing and the Companies' decision regarding continued operation of the units beyond April 16, 2015, or retirement of the units due to their non-compliance with the Mercury and Air Toxic Standards.



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

DATED DEC 08 2014

cc: Parties of Record

Honorable Kurt J Boehm
Attorney at Law
Boehm, Kurtz & Lowry
36 East Seventh Street
Suite 1510
Cincinnati, OHIO 45202

Rick E Lovekamp
Manager - Regulatory Affairs
LG&E and KU Energy LLC
220 West Main Street
Louisville, KENTUCKY 40202

Joe F Childers
Joe F. Childers & Associates
300 Lexington Building
201 West Short Street
Lexington, KENTUCKY 40507

Ed Staton
LG&E and KU Energy LLC
220 West Main Street
Louisville, KENTUCKY 40202

Jody Kyler Cohn
Boehm, Kurtz & Lowry
36 East Seventh Street
Suite 1510
Cincinnati, OHIO 45202

Honorable Allyson K Sturgeon
Senior Corporate Attorney
LG&E and KU Energy LLC
220 West Main Street
Louisville, KENTUCKY 40202

Lawrence W Cook
Assistant Attorney General
Office of the Attorney General Utility & Rate
1024 Capital Center Drive
Suite 200
Frankfort, KENTUCKY 40601-8204

Gregory T Dutton
Assistant Attorney General
Office of the Attorney General Utility & Rate
1024 Capital Center Drive
Suite 200
Frankfort, KENTUCKY 40601-8204

Angela M Goad
Assistant Attorney General
Office of the Attorney General Utility & Rate
1024 Capital Center Drive
Suite 200
Frankfort, KENTUCKY 40601-8204

Honorable Michael L Kurtz
Attorney at Law
Boehm, Kurtz & Lowry
36 East Seventh Street
Suite 1510
Cincinnati, OHIO 45202