

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

|                                      |   |            |
|--------------------------------------|---|------------|
| ELECTRONIC EXAMINATION OF THE        | ) |            |
| APPLICATION OF THE FUEL ADJUSTMENT   | ) | CASE NO.   |
| CLAUSE OF KENTUCKY UTILITIES COMPANY | ) | 2016-00232 |
| FROM NOVEMBER 1, 2015 THROUGH APRIL  | ) |            |
| 30, 2016                             |   |            |

COMMISSION STAFF'S THIRD REQUEST FOR INFORMATION  
TO KENTUCKY UTILITIES COMPANY

Kentucky Utilities Company ("KU"), pursuant to 807 KAR 5:001, is to file with the Commission an original, six copies in paper medium and an electronic version of the following information. The information requested herein is due within seven days of the date of this request. 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 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.

KU shall make timely amendment to any prior response if it obtains 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 KU fails or

refuses to furnish all or part of the requested information, it shall provide a written explanation of the specific grounds for its 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. When applicable, the requested information shall be separately provided for total company operations and jurisdictional operations. When filing a paper containing personal information, KU shall, in accordance with 807 KAR 5:001, Section 4(10), encrypt or redact the paper so that personal information cannot be read.

1. Refer to KU's response to Commission Staff's Second Request for Information ("Staff's Second Request"), Item 1.d.

a. Confirm that the response as it relates to fuel oil indicates that KU does not provide individual transaction detail for fuel oil purchases. If this can be confirmed, provide the information for each month of the review period.

b. On a going forward basis, state whether KU plans to file individual transaction detail for fuel oil purchases with its fuel contract filings. If not, explain.

2. Refer to KU's response to Staff's Second Request, Item 2.b, Step 3. State whether the reason KU calculates the remaining substitute generation costs using the cost of all other KU units operating during the forced outage, rather than using the cost of a specific unit (or units), is because KU is not able to determine whether a specific unit(s) was either brought on-line or ramped up to cover the forced outage. If yes, explain why KU is unable to determine changes in dispatch when a forced outage

occurs. If KU is able to determine dispatch changes, explain why it does not use the costs of the specific unit(s) ramped up or brought on-line to calculate substitute generation costs.

3. Refer to KU's response to Staff's Second Request, Item 3.

a. Refer to the response to Part b.(2). The last paragraph states that "[e]ach of the other smaller variable charges listed above in response to part a.1, above, is included in AFB and allocated to native load or off-system sales, consistent with other variable fuel costs." State whether "the other smaller variable charges" refers only to the pipeline charge. If not, list the other charges to which the phrase refers.

b. Refer to the response to Part c.(2). The response states "[a]ll of the firm natural gas transportation fees were allocated to native load customers during the review period." Reconcile that statement with the statement provided in response to Part b.(2) quoted in Part a. above.

c. Refer to the response to Part c.(3).

(1) The response states "[t]here were no off-system sales assigned to Cane Run 7 or the Trimble County CTs during the review period." State whether there were any off-system sales assigned to these units during the period November 1, 2014, through October 30, 2015.

(2) For each month of the review period, state which generating units had off-system sales assigned to them.

(3) The response states "[t]he potential for large fixed charges to be spread over relatively small amounts of generation from peaking units could result in an extremely high \$/MWh cost for peaking units like the Trimble County CTs." State the

current \$/MWh cost for the Trimble County combustion turbines and what the \$/MWh cost would be if firm natural gas transportation fees were included in the calculation.



Talina R. Mathews  
Executive Director  
Kentucky Public Service Commission  
P.O. Box 615  
Frankfort, Kentucky 40601

DATED OCT 18 2016

cc: Parties of Record

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

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

\*Robert Conroy  
LG&E and KU Energy LLC  
220 West Main Street  
Louisville, KENTUCKY 40202

\*Kentucky Utilities Company  
220 W. Main Street  
P. O. Box 32010  
Louisville, KY 40232-2010