

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC JOINT APPLICATION OF	)	
KENTUCKY UTILITIES COMPANY AND	)	CASE NO.
LOUISVILLE GAS AND ELECTRIC COMPANY	)	2016-00274
FOR APPROVAL OF AN OPTIONAL SOLAR	)	
SHARE PROGRAM RIDER	)	

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

Kentucky Utilities Company and Louisville Gas and Electric Company (jointly "the Companies"), pursuant to 807 KAR 5:001, are to file with the Commission the original and six copies in paper medium and an electronic version of the following information. The information requested herein is due on or before September 6, 2016. Responses to requests for information in paper medium 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 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.

The Companies 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 the Companies 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. When applicable, the requested information shall be separately provided for total company operations and jurisdictional operations. When filing a document containing personal information, the Companies 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 the application, page 6, paragraph 12, which states that the number of kWh produced by a customer's subscribed capacity for which the customer may receive a credit is limited to the net kWh the customer consumes each month. Confirm it is the Companies' intent that the uncredited kWh do not carry forward to the following month.

2. Refer to the application, pages 6–7, which states that the Companies would require a five-year commitment for customers subscribing capacity of 50 kW or more and a 12-month commitment for those subscribing less than 50 kW. The top of page 6 states that the Solar Capacity Charge is expected to decrease over time. State

whether it is possible that customers could make a commitment of 12 months or five years and the Solar Capacity Charge increase in the middle of their commitment.

3. Refer to the application, page 8, paragraph 17, which states that the Companies plan to construct a Solar Share Facility ("Facility") in 500-kW sections on a 35-acre parcel of land in Simpsonville, Kentucky. State whether this land was already owned by the Companies prior to its plans for the Facility, or whether the land was purchased for the purpose of placing the Facility.

4. Refer to the application, Exhibit 1, page 1 of 1.

a. Provide any updates to the projected completion dates.

b. Explain why an Order is requested by November 1, 2016, when not all of the permits, permissions, and land rights will be completed by that date.

5. Refer to the application, Exhibit 4, the LG&E and KU Services Company Contract, page 2 of 37, Section 2.3.11. State whether this section indicates that all ongoing operations and maintenance ("O&M") for the Facility will be performed by Solar Energy Solutions, LLC ("Solar Energy") once each 500-kW section of the Facility is completed.

6. Refer to the application, Exhibit 3, page 2 of 9, and Exhibit 4, page 10 of 37. Exhibit 3 indicates that fencing and security is to be completed by the Companies, while Exhibit 4 indicates that Solar Energy will provide security fencing and gate. State which entity will provide fencing and security.

7. Refer to the application, Exhibit 3, page 3 of 9. Explain whether the Companies are planning to purchase any of the items listed at the bottom of the page

under “Additional Considerations.” If so, provide any updates to Exhibit WSS-2 and any other exhibits affected.

8. Refer to the application, Exhibit 3, pages 2–3 of 9, and Exhibit 5. Explain how the two redacted “Total Cost” amounts in Exhibit 3 relate to Exhibit 5.

9. Refer to the application, Exhibit 4, page 10 of 37, Ground Mount Projects, Item 8. Explain what is meant by “demand charge management reduction.”

10. Refer to the application, Exhibit 5.

a. State whether annual O&M for each 500-kW portion of the Facility is included in this exhibit, and if so, where it is located in the exhibit.

b. State whether total annual O&M for the completed 4-MW Facility is included in this exhibit.

c. Explain whether the use of the term “Variable Cost” in the first row was intended as it relates to “Each 500 kW DC Array.”

11. Refer to the application, Exhibits 6 and 7, Tariff Sheet No. 72.3 for each of the Companies. The “Term of Contract” section refers to a “non-transferrable, non-assignable contract between Subscriber and Company.” State whether this language means that a written contract will be executed. If so, provide a copy of the contract.

12. Refer to the application, Exhibits 6 and 7. Paragraph 14 of Terms and Conditions appears to contain a typographical error. State whether the intended text is:

Subscriber’s Solar Energy Credit and corresponding Solar FAC Adjustment will apply each billing cycle to the Subscriber’s pro rata amount of AC energy produced by the Solar Share Facilities (truncated to a whole kWh value) or

Subscriber's net energy consumption (kWh) for the billing period, whichever is less.

If not, provide the corrected text.

13. Refer to the application, Exhibit 8, page 2 of 2. Confirm that, for this particular sample bill, the customer would pay a net rate of 17.6 cents per kWh for the solar power produced from the Facility. If this cannot be confirmed, provide the net rate paid per kWh for the solar power and how it was calculated.

14. Refer to the application, Exhibit 9. Provide the basis for the \$14,000 shown as Subscription and Billing Processing Setup.

15. Refer to the application, Exhibit 9. Explain the difference between the columns titled "Rate" and "Burdened."

16. Refer to the application, the Direct Testimony of John P. Malloy ("Malloy Testimony"), page 7, lines 3–4.

a. Provide a list of those who attended the Consumer Advisory Panel meeting in December 2015.

b. Provide a copy of the presentation.

17. Refer to the Malloy Testimony, page 11.

a. Refer to lines 14–16. Explain how the energy produced and sold from the Facility will affect the monthly fuel adjustment clause ("FAC") calculation.

b. Refer to lines 18–20. Provide the amount of revenue expected to be generated annually from selling the renewable energy credits attributable to energy produced by unsubscribed portions of the Facility.

18. Refer to the Malloy Testimony, page 14, lines 1–12. Explain the delays, if any, that will occur in the project if the final Order is not issued by the requested November 1, 2016 date.

19. Refer to the Malloy Testimony, Exhibit JPM-3. Provide a list of RE100 companies that currently have an active business within the Companies' service territory.

20. Refer to the Malloy Testimony, Exhibit JPM-5.

a. State whether the Companies plan to pursue the Business Solar or Green Energy programs and whether they are requesting approval of these programs in this proceeding.

b. State whether the "proprietary online panel" used for the primary research consists only of residential customers or all customer classes.

21. Refer to the application, the Direct Testimony of David E. Huff ("Huff Testimony"), page 3, lines 5–10. Confirm that if the FAC is a credit during any month, the Solar FAC adjustment will be a charge to the Solar Share Program Rider ("Tariff SSR") customer.

22. Refer to the Huff Testimony, page 4, lines 12–14. State the cost of the Companies' net investment in the Facility after taking into account applicable tax credits.

23. Refer to the Huff Testimony, page 4, lines 15–17, which states that each 500-kW section of the Facility will produce approximately 700,000 kWh annually.

a. Provide a breakdown of this annual kWh amount by month.

b. Confirm that this annual kWh production results in a capacity factor for the Facility of approximately 16 percent. If this cannot be confirmed, provide the capacity factor.

24. Refer to the Huff Testimony, page 4, line 22, through page 5, line 1. State the amount of time it is expected to take to complete construction of a 500-kW section of the Facility once it is fully subscribed.

25. Refer to the Huff Testimony, page 5, lines 7–11. Provide a copy of the Request for Proposal (“RFP”) issued by the Companies and the responses received to the RFP.

26. Refer to the Huff Testimony, page 6, lines 6–9, and the application, Exhibit 5. Mr. Huff states that Exhibit 5 shows that approximately \$37,000 of annual operating costs consists of mowing, annual recommissioning, data service, landscaping, and service agreements. State where in Exhibit 5 the \$37,000 annual operating cost is shown.

27. Refer to the Huff Testimony, page 7.

a. Explain whether customer’s initially subscribing to 50 kW or more can increase their subscription at any time upon paying the applicable subscription fee.

b. Explain whether a customer initially subscribing to 50 kW or more may not reduce or cancel a subscription earlier than five years from the date of the most recent change to the customer’s subscription level, or if the customer may reduce or cancel a subscription any time after the five-year term of the original contract.

28. Refer to the Huff Testimony, page 7, line 18, through page 8, line 8.

a. State whether a customer who wishes to decrease subscribed capacity will continue to be billed for the original capacity subscribed for the original 12-month period (or five-year period for subscriptions of 50 kW or greater), or if the customer will be billed for the reduced subscribed capacity with the contract period starting over with the change in subscribed capacity.

b. State whether a customer who wishes to discontinue participation in Tariff SSR will continue to be billed at the tariffed rate until the end of the commitment period.

c. State whether a customer who closes his or her account in the middle of a Tariff SSR commitment would be billed in his or her final bill for the remainder of the commitment.

29. Refer to the Huff Testimony, page 11. Explain what it means for a Renewable Energy Certificate ("REC") to be "retired in the Companies' name."

30. Refer to the Huff Testimony, page 12, lines 12–17. State whether the \$40 subscription fee is due at the time a customer requests subscription to the next Facility or when the next Facility is fully subscribed.

31. Refer to the Huff Testimony, page 12.

a. Confirm that customers will be informed that their requested capacity is available or partially available at the time they subscribe to the program.

b. If part a. cannot be confirmed, explain how customers will receive notice that their requested capacity is available or partially available.

c. If part a. cannot be confirmed, explain whether there is any specified time frame a customer must accept or decline partial fulfillment.

d. Confirm that customers who accept partial fulfillment of their subscribed capacity will be billed the Solar Capacity Charge, Solar Energy Credit, and Solar FAC Adjustment only for the fulfilled amount.

e. Explain whether customers will receive advance notice that the Facility for which they have subscribed capacity has produced energy for the full billing period before the Solar Capacity Charge, Solar Energy Credit, and Solar FAC Adjustment are included in the customer's bill.

32. Refer to the Direct Testimony of Rick Lovekamp ("Lovekamp Testimony"), page 10, lines 4–7. Explain whether the Companies propose to file the reports for three years rather than until all sections of the facility are fully subscribed.

33. Refer to the Lovekamp Testimony, page 10, lines 4–7. State what is meant by "other relevant information."

34. Refer to the Lovekamp Testimony, page 11, lines 6–7, which state the allocation of the cost of the Facility between the Companies is based on the number of electric customers. State whether this allocation method will change in the future based on capacity subscription of customers from each of the Companies.

35. Refer to the Direct Testimony of William Steven Seelye ("Seelye Testimony"), page 7, line 22, through page 8, line 4. Confirm that 100 percent of the tax benefits referenced in the testimony are reflected in Exhibit WSS-2.

36. Refer to the Seelye Testimony, Exhibit WSS-2. Provide this exhibit and all work papers in Excel spreadsheet format with all formula intact and unprotected and with all columns and rows accessible.

37. Refer to the Seelye Testimony, Exhibit WSS-3. Explain why not all rate classes that are able to participate and receive a credit under Tariff SSR are included in this exhibit.

38. State whether non-participating customers will be paying for any costs of the Facility.

39. Confirm that the rate base associated with the Solar Share Facilities will not be included in general rate base because the costs are being recovered through the Solar Capacity Charge and not included in base rates.

40. Provide any estimates or studies that predict the timeframes for full subscription and subsequent construction of the Solar Share facilities.



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DATED     **AUG 26 2016**    

cc: Parties of Record

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