

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF LOUISVILLE )	
GAS AND ELECTRIC COMPANY AND )	
KENTUCKY UTILITIES COMPANY FOR )	
APPROVAL OF A SOLAR POWER )	CASE NO.
CONTRACT AND TWO RENEWABLE POWER )	2020-00016
AGREEMENTS TO SATISFY CUSTOMER )	
REQUESTS FOR A RENEWABLE ENERGY )	
SOURCE UNDER GREEN TARIFF OPTION #3 )	

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

Louisville Gas and Electric Company and Kentucky Utilities Company (jointly LG&E/KU), pursuant to 807 KAR 5:001, is to file with the Commission the original and an electronic version of the following information. The information requested herein is due on February 5, 2020. Responses to requests for information in paper medium shall be appropriately bound, tabbed, and indexed. Electronic documents shall be in portable document format (PDF), shall be searchable and shall be appropriately bookmarked.

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 LG&E/KU 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 LG&E/KU fails or refuses to furnish all or part of the requested information, LG&E/KU 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, LG&E/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 the Application, page 6, paragraph 11.b. Provide the projected life of the solar generation facility.

2. Refer to the Application, page 9, paragraph 18. Explain why LG&E/KU are incapable of satisfying the industrial customers' requests for renewable energy sources absent the current proposal. Include in the explanation a discussion of the reasons that LG&E/KU cannot build sufficient renewable generation to satisfy customers' requests.

3. Refer to the Application, page 9, paragraph 19. For one-hour increments over the past two years, provide LG&E/KU's marginal unit dispatch order and cost for

every unit. Provide the response in Excel spreadsheet format, with formulas intact and unprotected and all rows and columns accessible.

4. Refer to the Application, page 9, paragraph 19, and the Direct Testimony of David S. Sinclair (Sinclair Testimony), page 24, line 21, through page 25, line 1.

a. Explain whether other interested customers were given the opportunity to participate in this solar facility.

b. Explain why LG&E/KU would not contract the remaining 25 percent of this solar facility to an interested customer instead of issuing another request for proposals.

c. Refer also to Exhibits 4 and 5. Explain whether the minimum billing load requirement has precluded any interested customer from participating. If so, explain whether the minimum amount is still appropriate.

5. Refer to the Application, page 9, paragraph 19, and Case No. 2018-00348.<sup>1</sup> Provide LG&E/KU's actual and targeted reserve margins for 2019 and any updates from the projected reserve margin presented in Case No. 2018-00348.

6. Refer to the Application, Exhibit 2, page 3 of 12, and Exhibit 3, page 3 of 11. Section 1.4, PPA Pricing, specifies that the customers will pay KU's tariffed standard rate components. Explain the impact, if any, on these customers' billings for percentage of revenue or usage based riders and surcharges.

7. Refer to the Sinclair Testimony, page 6, lines 10–13. Explain why the Renewable Request for Proposals' focus on energy only, rather than on capacity, would increase the potential competitiveness of renewable generation.

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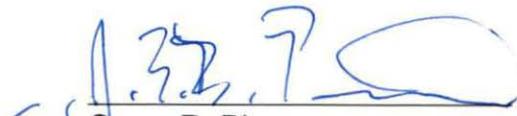
<sup>1</sup> Case No. 2018-00348, *Electronic 2018 Joint Integrated Resource Plan of Louisville Gas and Electric Company and Kentucky Utilities Company* (filed October 19, 2018).

8. Refer to the Sinclair Testimony, page 8, lines 3–10.
  - a. Provide the cost assumptions and analyses referenced for the proposal evaluations.
  - b. Provide an explanation of how each of the updated assumptions used in the analyses differ from those used in LG&E/KU's integrated resource plan in Case No. 2018-00348.
9. Refer to the Sinclair Testimony, page 12, lines 7–15. Fully explain why the size of a renewable generation project and the length of a purchase power agreement would impact the pricing.
10. Refer to the Sinclair Testimony, page 18, lines 4–10. Explain any impact on LG&E/KU's Fuel Adjustment Clause or Environmental Cost Recovery Surcharge.
11. Refer to the Direct Testimony of Robert M. Conroy, page 11, lines 22–24. In Case Nos. 2018-00294 and 2018-00295, LG&E/KU stated that an aggregated 100 MW of green power under Option 3 of the Green Tariff should be absorbable in the companies' system without material integration issues.<sup>2</sup>
  - a. If there were material integration issues, describe those issues and discuss LG&E/KU's mitigation processes.
  - b. As it has been less than one year since the Green Tariff was initially approved, explain why the megawatts that could be integrated with no material issues have increased 150 percent.

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<sup>2</sup> Case No. 2018-00294, *Application of Kentucky Utilities Company for an Adjustment of Its Rates* and Case No. 2018-00295, *Application of Louisville Gas and Electric Company for an Adjustment of Its Electric and Gas Rates*, Direct Testimony of Robert M. Conroy, page 22, lines 10-12.

- c. State whether 250 MW is now the upper limit that could be integrated with no material issues or if that amount is larger than 250 MW.
- d. If larger, provide the amount.

  
Gwen R. Pinson  
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Public Service Commission  
P.O. Box 615  
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DATED JAN 31 2020

cc: Parties of Record

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