

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF KENTUCKY)	
UTILITIES COMPANY FOR APPROVAL OF)	CASE NO.
ITS 2020 COMPLIANCE PLAN FOR)	2020-00060
RECOVERY BY ENVIRONMENTAL)	
SURCHARGE)	

COMMISSION STAFF'S POST-HEARING REQUEST FOR INFORMATION
TO KENTUCKY UTILITIES COMPANY

Kentucky Utilities Company (KU), pursuant to 807 KAR 5:001, is to file with the Commission an electronic version of the following information. The information requested herein is due on September 18, 2020. The Commission directs KU to the Commission's March 16, 2020 and March 24, 2020 Orders in Case No. 2020-00085¹ regarding filings with the Commission. The Commission expects the original documents to be filed with the Commission within 30 days of the lifting of the current state of emergency. All responses 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

¹ Case No. 2020-00085, *Electronic Emergency Docket Related to the Novel Coronavirus COVID-19* (Ky. PSC Mar. 16, 2020), Order at 5–6. Case No. 2020-00085, *Electronic Emergency Docket Related to the Novel Coronavirus COVID-19* (Ky. PSC Mar 24, 2020), Order at 1–3.

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 KU obtains information that indicates 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, 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, 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. Confirm that the settlement and final Order in KU's 2018 rate case² did not specify that the authorized return on equity is to be used for the Environmental Surcharge.
2. Revise the economic analysis modeling, as provided in the Direct Testimony of Stuart A. Wilson, Exhibit SAW-1, to reflect the following assumptions:

² See Case No. 2018-00294, *Electronic Application of Kentucky Utilities Company for an Adjustment of Its Electric Rates* (Ky. PSC Apr. 30, 2019).

- a. Under the Fuel Price Scenarios, using the existing Low Gas Price scenario as the new Base Case scenario along with a revised Low Gas Price scenario that reflects gas prices being 25 percent lower than the new Base Case scenario.
- b. Reducing replacement capacity to reach an assumed reserve margin to 19 percent, without factoring the predetermined retirement of Mill Creek Unit 1.
- c. Under the Replacement Generation Resources assumption, the cost for the Natural Gas Combined Cycle (NGCC) capacity should reflect the NGCC capacity cost based upon the 2019 Annual Technology Baseline from the National Renewable Energy Laboratory of \$887/kW.
- d. Include the cost for the additional gas transmission pipeline that will be needed at the Ghent Generating Station associated with the NGCC alternative.
- e. Identify the carbon price that will result in the NGCC alternative being the least cost option.



Kent A. Chandler
Acting Executive Director
Public Service Commission
P.O. Box 615
Frankfort, KY 40602

DATED SEP 11, 2020

cc: Parties of Record

*Honorable Allyson K Sturgeon
Managing Senior Counsel - Regulatory &
LG&E and KU Energy LLC
220 West Main Street
Louisville, KENTUCKY 40202

*Andrea M. Fackler
Manager, Revenue Requirement
LG&E and KU Energy LLC
220 West Main Street
Louisville, KENTUCKY 40202

*Robert Conroy
Vice President, State Regulation and Rates
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