

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matters of:

ELECTRONIC APPLICATION OF KENTUCKY	)	
UTILITIES COMPANY FOR AN ADJUSTMENT	)	
OF ITS ELECTRIC RATES, A CERTIFICATE	)	
OF PUBLIC CONVENIENCE AND NECESSITY	)	CASE NO.
TO DEPLOY ADVANCED METERING	)	2020-00349
INFRASTRUCTURE, APPROVAL OF	)	
CERTAIN REGULATORY AND ACCOUNTING	)	
TREATMENTS, AND ESTABLISHMENT OF A	)	
ONE-YEAR SURCREDIT	)	

ELECTRONIC APPLICATION OF LOUISVILLE	)	
GAS AND ELECTRIC COMPANY FOR AN	)	
ADJUSTMENT OF ITS ELECTRIC AND GAS	)	
RATES, A CERTIFICATE OF PUBLIC	)	
CONVENIENCE AND NECESSITY TO	)	CASE NO.
DEPLOY ADVANCED METERING	)	2020-00350
INFRASTRUCTURE, APPROVAL OF	)	
CERTAIN REGULATORY AND ACCOUNTING	)	
TREATMENTS, AND ESTABLISHMENT OF A	)	
ONE-YEAR SURCREDIT	)	

COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION  
TO KENTUCKY SOLAR INDUSTRIES ASSOCIATION, INC.

Kentucky Solar Industries Association, Inc. (KYSEIA), 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 April 1, 2021. The Commission directs KYSEIA to the Commission's March 16, 2020 and March 24, 2020 Orders in Case No. 2020-

00085<sup>1</sup> 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 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.

KYSEIA shall make timely amendment to any prior response if KYSEIA 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 KYSEIA fails or refuses to furnish all or part of the requested information, KYSEIA 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

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<sup>1</sup> 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.

separately provided for total company operations and jurisdictional operations. When filing a paper containing personal information, KYSEIA 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 Direct Testimony of Justin R. Barnes (Barnes Testimony), page 9, lines 1–20, which discusses States incorporating a hedging benefit into their avoided energy costs pricing model. Identify any other States that incorporate a hedging benefit into their avoided energy cost pricing model.

2. Refer to the Barnes Testimony, page 13, lines 3–9, which discusses Kentucky Utilities Company's (KU) and Louisville Gas and Electric Company's (LG&E) (jointly KU/LG&E) proposal to exclude from actual fuel expenses those expenses that it determines to be fixed and non-variable. Absent the open-endedness of the term fixed and non-variable, indicate whether natural gas transportation fees, fixed rail transportation costs, rail car leasing, and barge fleetings should be excluded from the calculation of KU/LG&E's avoided energy costs. If not, explain why not.

3. Refer to the Barnes Testimony, page 18, lines 3–16, which discusses KU's and LG&E's impending need for capacity, and page 20, lines 1–5, which discuss Mr. Barnes' recommendation for LQF capacity compensation when KU/LG&E is resource sufficient. Since KU and LG&E have indicated a need for capacity as early as 2025, explain whether KU and LG&E would be considered resource sufficient until 2025. If not, explain.

4. Refer to the Barnes Testimony, page 21, lines 20–22 and page 22, lines 1–2. Provide a proposed contract length for a QF.

5. Refer to the Barnes Testimony, page 23, lines 15–22, which reflects the recommendations regarding KU’s and LG&E’s avoided capacity cost calculations. Provide example tariff language that would reflect the recommendations regarding the avoided capacity cost calculation.

6. Refer to the Direct Testimony of Benjamin D. Inskeep (Inskeep Testimony), page 9, lines 1–5. Mr. Inskeep states that a factor the Commission should be considered as part of the revision to DG rates is consistency across all utilities.

a. Explain whether Mr. Inskeep agrees that rate structures among utilities can differ, especially between rural cooperatives and investor owned utilities.

b. If Mr. Inskeep agrees with (a) above, explain if the rate structure should still remain consistent among all utilities.

7. Refer to the Inskeep Testimony, page 22, lines 7–10. Mr. Inskeep states that the avoided cost rate fails to account for all of the benefits provided by net metering systems. Provide a list of these benefits and how each benefit should be valued.

8. Refer to the Inskeep Testimony, page 23, lines 11–13. Provide supporting calculations for the estimated 45 percent reduction in customer bill savings. Provide this in Excel spreadsheet format with all with all formulas, columns, and rows unprotected and fully accessible.

9. Refer to the Inskeep Testimony, page 26, line 10, regarding a cost of service study (COSS).

a. There are several NARUC approved approaches to a COSS, including but not limited to the 6-CP, 12 CP, BIP, and Peak and Excess. If Mr. Inskeep were to do a COSS, explain what NARUC approved approach he would use and why.

b. Explain if the estimated cost to serve net metering customers could change based upon the COSS approach utilized.

10. Refer to the Inskeep Testimony, page 30, lines 1–15, which explains that KU's and LG&E's Tariff NMS-2 language does not align with KU's and LG&E's interpretation of the tariff. Provide revised tariff language that would correct this issue.

11. Refer to the Inskeep Testimony, page 31, lines 9–10. Mr. Inskeep notes that support of an under-recovery of demand-related costs nor a justification for a rate design with demand charges has been filed.

a. Explain whether Mr. Inskeep has conducted a study that supports the inclusion or exclusion of demand charges.

b. Explain whether Mr. Inskeep believes that a study supporting the inclusion of demand charges should be included in the instant application if a residential net metering demand charge is not requested.

12. Refer to the Inskeep Testimony, page 45, lines 1–9.

a. Explain if there should be a limit to the number of modifications to a net metering system.

b. Provide proposed tariff language for modification or additions to a net metering system legacy rights.

c. Explain whether the proposed legacy rights of 25 years will reset with each modification or if it is 25 years from the initial installation.

13. Refer to the Inskeep Testimony, pages 59–60, Table 1, Comparison of Attributes of Modified Net Metering Policies in Selected States. For each state with a legacy rights term, explain what is covered by the legacy rights and indicate whether the

legacy rights term is required by law or whether it was imposed by the applicable regulatory agency. Refer to the Inskeep Testimony, page 61, lines 12–14 which states that quantitative analysis is key, specifically cost of service studies, cost-benefit analysis, and value of solar studies.

- a. Explain whether Mr. Inskeep conducted any of these studies.
- b. If not, explain why none of these studies were conducted.
- c. Explain whether the data necessary to conduct any of these studies are available.
- d. Explain how one or more of the above listed analysis would quantify reliability.



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DATED MAR 19 2021

cc: Parties of Record

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Case No. 2020-00350

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