

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

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 FIFTH REQUEST FOR INFORMATION
TO LOUISVILLE GAS AND ELECTRIC COMPANY

Louisville Gas and Electric Company (LG&E), 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 LG&E 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.

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.

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 shall make timely amendment to any prior response if LG&E 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 LG&E fails or refuses to furnish all or part of the requested information, LG&E 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 shall, in accordance with 807 KAR 5:001, Section 4(10), encrypt or redact the paper so that personal information cannot be read.

1. Provide the date in which LG&E officially made its decision to propose, as part of the instant rate application, to shorten the remaining useful lives of LG&E's coal-fired generation units for depreciation purposes.

2. Refer to the Application, Tab 59, Schedule F-6 Professional Service Expenses, page 8 of 10. Provide a detailed analysis of the budgeted legal fees for the forecasted test period.

3. Refer to the Direct Testimony of Adrian M. McKenzie, pages 14–18. There have been recent ROE awards to electric utilities with only transmission and distribution assets that have been below 9.0 percent.

a. Everything else being equal, explain generally whether “wires only” utilities are less risky than vertically integrated electric utilities that own and operate generation facilities. If so, explain the risk factors associated with the ownership and operation of generation facilities that enhances the utilities’ risk.

b. Provide a detailed explanation of how each of the risk factors enumerated above relate specifically to LG&E. Include in the response an explanation of how the well-established rate recovery mechanisms and regulatory processes fail to alleviate any additional risk such that a higher awarded ROE is warranted.

4. Refer to the Direct Testimony of Lonnie E. Bellar (Bellar Testimony), Exhibit LEB-2, pages 8–9 of 16 and TFS2020–00270.² Explain why the document reflecting planned capacity retirements and additions filed with the tariff filing did not reflect the retirements and additions contained in Exhibit LEB-2, Tables 2–5.

5. Refer to the Bellar Testimony, Exhibit LEB-2, page 9 of 16. Confirm that LG&E plans to add two combustion turbines in 2028 and that this is the only planned generation addition.

² TFS2020-00270, Louisville Gas & Electric Company revised tariff updating the Purchase Rates for Small Capacity Co-generation and Small Power Production Qualifying Facilities (SQF), (filed May 28, 2020).

6. Refer to the Bellar Testimony, Exhibit LEB-2, page 10 of 16. For Mill Creek Unit 2, provide the average environmental compliance costs per MW of capacity.

7. Regarding the proposed AMI project, provide responses to the following items.

a. Explain in detail why LG&E considers its existing non-AMI meters to be obsolete.

b. State whether LG&E is willing to guarantee the level of benefits as set forth in the economic analysis will inure to its customers.

c. If approved, state whether LG&E is willing to implement a floor in connection with the establishment of any regulatory liabilities which floor would equal the amount of the benefits that were projected in KU's economic analysis.

d. If approved, state whether LG&E is willing to implement a ceiling in connection with the establishment of any regulatory assets which ceiling would equal the amount of the capital cost of the AMI project as estimated in KU's economic analysis.

8. Refer to LG&E's Response to Commission Staff's Third Request for Information, Item 9, which discussed disconnections and reconnections. For the past two calendar years and for the year to date, provide the following:

a. The percentage of disconnection/reconnections performed by contract labor;

b. The percentage of disconnection/reconnections performed by employees; and

c. The percentage of disconnection/reconnections performed after hours.

9. Refer to LG&E's Response to Commission Staff's Third Request for Information, Item 22, which explains that increases or decreases in the number of disconnect and reconnects would result in increased or decreased contract labor expense.

a. Explain whether LG&E experienced a decrease in contract labor expenses during the moratorium on disconnections or whether the contract laborers that would normally perform those services were repurposed to other tasks.

b. Explain whether LG&E experienced a decrease in employee labor expenses during the moratorium on disconnections or whether the employees that would normally perform those services were repurposed to other tasks.

10. Refer LG&E's Response to Metropolitan Housing Coalition, Kentuckians for the Commonwealth, and Kentucky Solar Energy Society's Second Request for Information, Item 2(d), which explains that, from March 16, 2020, through December 31, 2020, LG&E tracked the number of customers who would have been assessed a late fee on their bill if not for the moratorium on late payment fees. For 2018 through present, provide the percentage of customers, broken down by year, month, and class of customer, who were charged a late payment fee. From March 16, 2020, through December 31, 2020, the percentage included should reflect the percentage of customers who would have been charged a late payment fee if not for the moratorium on late payment fees.

11. Refer to LG&E's Response to Commission Staff's Third Request for Information, Item 44(a), which explains the circumstances under which LG&E foresees it

would use vaporized liquefied petroleum gas and air and liquefied natural gas to supplement its gas supply.

a. Given that LG&E has not developed any scenarios, volumes, or costs for a propane air plant because a propane air plant is not flexible enough to be used in a variety of supply requirement scenarios and locations, explain why it is reasonable for LG&E's tariff to contain a provision allowing it to supplement its supply of natural gas with a mixture of vaporized liquefied petroleum gas and air.

b. Regarding liquefied natural gas, indicate the type of demand-like or set-up facility charges that would be associated with liquefied natural gas and indicate whether LG&E has any immediate plans to incur that kind of cost in order to meet a "just in case" situation.

12. Regarding the Bullitt County gas pipeline, provide responses to the following items.

a. Provide an update on the projected capital cost to construct the pipeline as well as a break-out of the estimated capital costs.

b. State whether there are any amounts associated with cost in aid of construction will be applied towards the capital cost of the Bullitt County gas pipeline project. If so, provide a break-out of those amounts and the associated entities that will be providing those costs.

c. Provide the names and addresses of the 400 potential customers that have been denied gas service due to lack of gas service in the area that the Bullitt County gas pipeline will be providing gas service.

d. Out of those 400 potential customers, state when the first potential customer was denied gas service.

e. Provide the annual throughput for the last seven years of the gas pipelines in the area where the Bullitt Count Pipeline project is to be constructed.

13. The percentage increase to the base demand charge for rate classes TODS, TODP, RTS, and FLS is increased significantly as compared to the percentage increases proposed for the energy charge and intermediate and peak demand components. Provide an explanation for this proposed rate design.

14. Refer to the Direct Testimony of Kent W. Blake in Case No. 2017-00415.³ Provide an update of Exhibit KWB–1 for each of the years 2018, 2019, and 2020.

15. Refer to the Direct Testimony of William Steven Seelye (Seelye Testimony), page 43, lines 11–12.

a. State when the avoided cost calculation methodology for Rider SQF was most recently approved.

b. Provide a citation to the Order approving the avoided cost methodology.

c. Provide the avoided cost data and workpapers associated with the Rider SQF rate and the testimony explaining and supporting the methodology.

16. Refer to the Seelye Testimony, page 53, line 53, through page 54, line 2. Mr. Seelye refers to a small sample size and in footnote 19 states that the “data is intended to be illustrative.” Confirm that KU/LG&E are not implying that the sample was

³ Case No. 2017-00415, *Electronic Joint Application of PPL Corporation, PPL Subsidiary Holdings, LLC, PPL Energy Holdings, LLC, LG&E and KU Energy LLC, Louisville Gas and Electric Company and Kentucky Utilities Company for Approval of an Indirect Change of Control of Louisville Gas and Electric Company and Kentucky Utilities Company* (filed Mar. 13, 2018).

sampled using a formal statistical sampling approach, such as those used for load research. If a formal statistical sampling approach was used, provide all analysis used in the development of sampling process, including communications from any consultants that were relied upon.

17. Refer to the Seelye Testimony in general. Provide KU/LG&E's distribution system planning guidelines and manuals used for planning, sizing, and replacing distribution system equipment. Include in this response, but do not limit it to, the KU/LG&E's forecasting methodology and how forecasts are relied upon for upgrading distribution equipment, including substations.

18. Refer to the Seelye Testimony in general. Provide KU/LG&E's distribution system planning criteria used for determining whether equipment requires replacement for thermal violations.

19. Refer to the Seelye Testimony in general. For the most recent three years available, provide KU/LG&E's 8,760 hours of load at each distribution substation for each year. Provide the response in Excel format with all formulas, columns, and rows unprotected and fully accessible. If 8,760 load profiles are not available, provide each substation's peak hour for each year.

20. Reference KU/LG&E's response to Strategen question Item 4. State whether either KU or LG&E has conducted any empirical analysis using its own or proxy data to evaluate the distributed energy resource generation, transmission, and distribution avoided capacity values using LOLP, LOLE, LOLH, or EUE. If yes, provide all documents related to the analysis in Excel format with all formulas, columns, and rows unprotected and fully accessible, where applicable.

21. Provide time-differentiated, or marginal, transmission and distribution loss factors and all underlying workpapers for KU/LG&E. Provide workpapers in Excel format with all formulas, columns, and rows unprotected and fully accessible.

A handwritten signature in blue ink that reads "Linda C. Bridwell". The signature is written in a cursive style and is positioned above a horizontal line.

Linda C. Bridwell, PE
Executive Director
Public Service Commission
P.O. Box 615
Frankfort, KY 40602

DATED MAR 19 2021

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

*Emily W Medlyn
General Attorney
U.S. Army Legal Services Agency Regul
9275 Gunston Road
Fort Belvoir, VIRGINIA 22060

*John Horne
Office of the Attorney General Office of Rate
700 Capitol Avenue
Suite 20
Frankfort, KENTUCKY 40601-8204

*Angela M Goad
Assistant Attorney General
Office of the Attorney General Office of Rate
700 Capitol Avenue
Suite 20
Frankfort, KENTUCKY 40601-8204

*Thomas J FitzGerald
Counsel & Director
Kentucky Resources Council, Inc.
Post Office Box 1070
Frankfort, KENTUCKY 40602

*Honorable Kurt J Boehm
Attorney at Law
Boehm, Kurtz & Lowry
36 East Seventh Street
Suite 1510
Cincinnati, OHIO 45202

*Barry Alan Naum
Spilman Thomas & Battle, PLLC
1100 Brent Creek Blvd., Suite 101
Mechanicsburg, PENNSYLVANIA 17050

*G. Houston Parrish
Labor Law Attorney
Office of the Staff Judge Advocate, B
50 3rd Avenue
Fort Knox, KENTUCKY 40121

*Honorable Kendrick R Riggs
Attorney at Law
Stoll Keenon Ogden, PLLC
2000 PNC Plaza
500 W Jefferson Street
Louisville, KENTUCKY 40202-2828

*Clay A. Barkley
Strobo Barkley PLLC
239 South 5th Street
Ste 917
Louisville, KENTUCKY 40202

*Jeff Derouen
200 S. 5th St. Suite 200 N
Louisville, KENTUCKY 40202

*Larry Cook
Assistant Attorney General
Office of the Attorney General Office of Rate
700 Capitol Avenue
Suite 20
Frankfort, KENTUCKY 40601-8204

*Carrie H Grundmann
Spilman Thomas & Battle, PLLC
110 Oakwood Drive, Suite 500
Winston-Salem, NORTH CAROLINA 27103

*James W Gardner
Sturgill, Turner, Barker & Moloney, PLLC
333 West Vine Street
Suite 1400
Lexington, KENTUCKY 40507

*Lauren Givhan
200 S. 5th St. Suite 200 N
Louisville, KENTUCKY 40202

*Don C A Parker
Spilman Thomas & Battle, PLLC
1100 Brent Creek Blvd., Suite 101
Mechanicsburg, PENNSYLVANIA 17050

*Jody M Kyler Cohn
Boehm, Kurtz & Lowry
36 East Seventh Street
Suite 1510
Cincinnati, OHIO 45202

*Matt Partymiller
President
Kentucky Solar Industries Association
1038 Brentwood Court
Suite B
Lexington, KENTUCKY 40511

*Honorable David Edward Spenard
Strobo Barkley PLLC
239 South 5th Street
Ste 917
Louisville, KENTUCKY 40202

*Joe F. Childers
Childers & Baxter PLLC
300 Lexington Building, 201 West Sho
Lexington, KENTUCKY 40507

*Matthew Miller
Sierra Club
50 F Street, NW, Eighth Floor
Washington, DISTRICT OF COLUMBIA 20001

*J. Michael West
Office of the Attorney General Office of Rate
700 Capitol Avenue
Suite 20
Frankfort, KENTUCKY 40601-8204

*Louisville Gas and Electric Company
220 W. Main Street
P. O. Box 32010
Louisville, KY 40232-2010

*Honorable Michael L Kurtz
Attorney at Law
Boehm, Kurtz & Lowry
36 East Seventh Street
Suite 1510
Cincinnati, OHIO 45202

*M. Todd Osterloh
Sturgill, Turner, Barker & Moloney, PLLC
333 West Vine Street
Suite 1400
Lexington, KENTUCKY 40507

*Rick LoveKamp
Kentucky Utilities Company
220 W. Main Street
P. O. Box 32010
Louisville, KY 40202

*Honorable Robert C Moore
Attorney At Law
Stites & Harbison
421 West Main Street
P. O. Box 634
Frankfort, KENTUCKY 40602-0634

*Robert Conroy
Vice President, State Regulation and Rates
LG&E and KU Energy LLC
220 West Main Street
Louisville, KENTUCKY 40202

*Randal A. Strobo
Strobo Barkley PLLC
239 South 5th Street
Ste 917
Louisville, KENTUCKY 40202

*Sara Judd
Senior Corporate Attorney
LG&E and KU Energy LLC
220 West Main Street
Louisville, KENTUCKY 40202