

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF LOUISVILLE	)	
GAS AND ELECTRIC COMPANY FOR	)	CASE NO.
MODIFICATION OF ITS PERFORMANCE-	)	2021-00028
BASED RATEMAKING MECHANISM	)	

ORDER

On January 29, 2021, Louisville Gas and Electric Company (LG&E) filed an application requesting the modification and extension of its Performance-Based Ratemaking (PBR) mechanism, which is set to expire on March 31, 2021. LG&E filed testimony of J. Clay Murphy and the results of its PBR mechanism by component for November 2019 through December 2020 with its application. LG&E also references the evidence presented in the most recent case that addressed its PBR mechanism, Case No. 2019-00437;<sup>1</sup> indicates that it understood the record from that case would be incorporated herein, and requests that record be incorporated into the record of this case. LG&E proposes to modify its PBR mechanism effective April 1, 2021, as indicated in a tariff filed in this matter, and to extend it through October 31, 2025.

Having reviewed LG&E's application and being otherwise sufficiently advised, the Commission finds that a procedural schedule should be established to investigate LG&E's PBR mechanism and the reasonableness of the proposed modifications and extension. The procedural schedule is attached as an Appendix to this Order and incorporated

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<sup>1</sup> Case No. 2019-00437, *Electronic Application of Louisville Gas and Electric Company for Renewal and Proposed Modification of its Performance-Based Rate Mechanism*, Application (filed Dec. 27, 2019).

herein. The Commission further finds, as indicated by the procedural schedule, that it needs additional time beyond March 31, 2021, to review the proposed extension. Thus, pursuant to KRS 278.190(2), the Commission will suspend the effective date of the tariff proposing to modify the PBR mechanism for five months, up to and including September 1, 2021. LG&E's current PBR, as approved in Case No. 2019-00437, with no change to any aspect of its calculation, should be approved for continued use while this matter is pending.

IT IS THEREFORE ORDERED that:

1. LG&E's tariff proposing to extend and modify the PBR mechanism is hereby suspended for five months, up to and including September 1, 2021.
2. LG&E's current PBR is approved for continued use while this matter is pending.
3. The record of Case No. 2019-00437 is incorporated by reference into this matter.
4. The procedural schedule set forth in the Appendix to this Order shall be followed.
5. a. Responses to requests for information in paper medium shall be appropriately bound, tabbed, and indexed, with the original and an electronic version to the Commission. 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.

b. Each response shall be answered under oath or, for representatives of a public or private corporation or a partnership or an 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.

c. Any party shall make timely amendment to any prior response if it obtains information that indicates the response was incorrect when made or, though correct when made, is now incorrect in any material respect.

d. For any request to which a party fails or refuses to furnish all or part of the requested information, that party shall provide a written explanation of the specific grounds for its failure to completely and precisely respond.

e. 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.

f. A party filing a paper containing personal information shall, in accordance with 807 KAR 5:001, Section 4(10), encrypt or redact the paper so that personal information cannot be read.

6. Any party filing a paper with the Commission shall file an original in paper medium and an electronic copy in accordance with the electronic filing procedures set forth in 807 KAR 5:001, Section 8, and shall also file the original in paper medium, consistent with the requirements discussed in ordering paragraph 10 herein below. The

original 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.

7. As set forth in 807 KAR 5:001, Section 4(11)(a), a person requesting permissive intervention in a Commission proceeding is required to demonstrate either (1) a special interest in the proceeding which is not adequately represented in the case, or (2) that the person requesting permissive intervention is likely to present issues or develop facts that will assist the Commission in fully considering the matter without unduly complicating or disrupting the proceedings. Further, KRS 278.040(2) requires that a person seeking intervention must have an interest in the rates or service of a utility, as those are the only matters that are subject to the Commission's jurisdiction. Therefore, any person requesting to intervene in a Commission proceeding must state with specificity the person's special interest that is not otherwise adequately represented, or the issues and facts that the person will present that will assist the Commission in fully considering the matter. A mere recitation of the quantity of utility service consumed by the movant or a general statement regarding a potential impact of possible modification of rates will not be deemed sufficient to establish a special interest. In addition, any motion to intervene filed after February 17, 2021, shall also show good cause for being untimely. If the untimely motion is granted, the movant shall accept and abide by the existing procedural schedule.

8. LG&E shall give notice of the hearing in accordance with the provisions set out in 807 KAR 5:001, Section 9(2). In addition, the notice of hearing shall include the following statement: "This hearing will be streamed live and may be viewed on the PSC

website, psc.ky.gov”; and “Public comments may be made at the beginning of the hearing. Those wishing to make oral public comments may do so by following the instructions listed on the PSC website, psc.ky.gov.” At the time publication is requested, LG&E shall forward a duplicate of the notice and request to the Commission.

9. At any public hearing in this matter, neither opening statements nor summarization of direct testimonies shall be permitted.

10. Pursuant to KRS 278.360 and 807 KAR 5:001, Section 9(9), a digital video recording shall be made of any hearing.

11. The Commission does not look favorably upon motions for continuance. Accordingly, motions for extensions of time with respect to the schedule herein shall be made in writing and will granted only upon a showing of good cause.

12. The Commission directs the parties to the Commission’s March 16, 2020 and March 24, 2020 Orders in Case No. 2020-00085<sup>2</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.

13. Nothing contained herein shall prevent the Commission from entering further Orders in this matter.

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<sup>2</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.



APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE  
COMMISSION IN CASE NO. 2021-00028 DATED FEB 09 2021

A person interested in becoming a party to this proceeding shall file a motion to intervene with the Commission pursuant to 807 KAR 5:001, Section 4(11), no later than ..... 02/17/2021

All initial requests for information to LG&E shall be filed no later than ..... 03/03/2021

LG&E shall file responses to initial requests for information no later than ..... 03/17/2021

All supplemental requests for information to LG&E shall be filed no later than ..... 03/31/2021

LG&E shall file responses to supplemental requests for information no later than ..... 04/16/2021

Intervenor testimony, if any, in verified prepared form, shall be filed no later than..... 04/30/2021

All requests for information to Intervenors shall be filed no later than ..... 05/14/2021

Intervenors shall file responses to requests for information no later than ..... 05/28/2021

LG&E shall file, in verified form, its rebuttal testimony no later than ..... 06/11/2021

LG&E or any Intervenor shall request either a hearing or file a statement that this case may be submitted for a decision based on the existing record no later than ..... 06/25/2021

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