

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	)	

COMMISSION STAFF'S FIRST 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 March 17, 2021. The Commission directs LG&E 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

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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.

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. Refer to the Supplemental Testimony of J. Clay Murphy (Murphy Testimony), Appendix D.

a. State whether the calculation of performance-based rate (PBR) cost savings for November and December 2020 were impacted in any way by the Commission's October 26, 2020 Order in Case No. 2019-00437.<sup>2</sup>

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<sup>2</sup> Case No. 2019-00437, *Electronic Application of Louisville Gas and Electric Company for Renewal and Proposed Modification of Its Performance-Based Ratemaking Mechanism* (Ky. PSC Oct. 26, 2020).

b. State whether LG&E's gas cost and supply arrangements were impacted in any way by the Commission's Order in Case No. 2019-00437, or whether those arrangements were previously made and not subject to change.

c. Provide PBR cost savings for January 2021.

d. Provide the calculation of customer and shareholder portions of PBR cost savings for the months of November, December, and January beginning November 2015 through January 2021.

2. Refer to LG&E's responses to Commission Staff's First Request for Information, Item 16, in Case No. 2019-00437 regarding LG&E's gas procurement methodology. Provide all updates to the information requested in Item 16 of that request for information through the date of this request and on a continuing basis during the pendency of this case.

3. State whether LG&E has performed an analysis that examines the extent to which its gas purchase or transportation costs beat market rates before it adopted a PBR mechanism as compared to after LG&E adopted a PBR mechanism. If so, identify and describe any such analysis, and provide a copy of any such analysis, if written. If not, explain whether it would be possible to perform such an analysis now.

4. Identify any economic or scientific studies of which LG&E is aware that support the contention that adopting a PBR mechanism reduces gas costs for customers of local gas distribution companies, and provide copies of any such studies.

5. Explain whether LG&E believes a PBR mechanism is still necessary in the current low-cost natural gas environment for Kentucky local distribution companies generally and LG&E specifically.

6. Explain whether LG&E competitively bids its supply contracts. If so, explain LG&E's process to competitively bid the contracts for the PBR mechanism.



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DATED MAR 03 2021

cc: Parties of Record

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