

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF KENTUCKY)	
UTILITIES COMPANY FOR APPROVAL OF)	CASE NO.
SPECIAL CONTRACT BETWEEN KENTUCKY)	2023-00123
UTILITIES COMPANY AND BLUEOVAL SK, LLC)	

COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION
TO KENTUCKY UTILITIES COMPANY

Kentucky Utilities Company (KU), pursuant to 807 KAR 5:001E, shall file with the Commission an electronic version of the following information. The information requested is due on June 23, 2023. The Commission directs KU to the Commission's July 22, 2021 Order in Case No. 2020-00085¹ regarding filings with the Commission. Electronic documents shall be in portable document format (PDF), shall be searchable, and shall be appropriately bookmarked.

Each response shall include the question to which the response is made and 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

¹ Case No. 2020-00085, *Electronic Emergency Docket Related to the Novel Coronavirus COVID-19* (Ky. PSC July 22, 2021), Order (in which the Commission ordered that for case filings made on and after March 16, 2020, filers are NOT required to file the original physical copies of the filings required by 807 KAR 5:001, Section 8).

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 or incomplete when made or, though correct or complete when made, is now incorrect or incomplete 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 and scanned 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 5:001E, Section 4(10), encrypt or redact the paper so that personal information cannot be read.

1. Refer to the Direct Testimony of Michael E. Hornung, (Hornung Direct Testimony), generally. Provide a sample bill for BlueOval SK, LLC (BlueOval SK) for a single month in 2026 once the special contract is in full force. Include in the response an explanation of any assumptions.

2. Refer to the Hornung Direct Testimony, page 7, lines 13–16 and page 8, lines 1–2.

- a. Confirm that the stated 300 MW refers to solar nameplate capacity.

b. To the extent that a contract for the full 300 MW of solar generation is approved and solar energy is provided to BlueOval SK, explain and provide a sample bill illustrating for both the summer and winter season how the bill might change from before the solar energy was provided. Include in the response an explanation of any assumptions.

c. Confirm that it is KU's intent that all of its other customers will be held harmless as a result of KU entering into a bilateral contract to provide solar energy to BlueOval SK. If this cannot be confirmed, explain.

d. Explain the rationale for entering into a bilateral contract for up to 300 MW when BlueOval SK's demand is only 260 MW.

3. Refer to the Hornung Direct Testimony, page 9, lines 13–20. From the explanation, it is still not clear why the special contract was not filed under KU's Economic Development Rider (EDR). Provide a specific explanation as to why the special contract does not fit within the parameters of KU's EDR.

4. Refer to the Direct Testimony of Stuart A. Wilson, (Wilson Direct Testimony), Table 1, page 5. Provide all supporting calculations and documentation in Excel spreadsheet format, with all formulas, columns, and rows unprotected and fully accessible.

5. Refer to the Wilson Direct Testimony, page 6, lines 1–4.

a. Explain if KU would propose increasing the 0.5 percent annual escalation for the net present value revenue requirements (NPVRR) if BlueOval SK's demand revenues, under the proposed special contract, drastically exceed its marginal production by 2028.

- b. Explain the impact the economic environment has on KU's NPVRR.
- 6. Refer to the Application, Exhibit 1, Article VI.
 - a. Explain why KU proposes to limit any increases in the demand charges to the percentage increase for Rate Retail Transmission Service (RTS) demand charges, given that the stated reason for the special contract demand rates is that BlueOval SK and Rate RTS customers' load and consumption characteristics are significantly different.
 - b. Explain whether KU anticipates including BlueOval SK in future cost-of-service studies .
- 7. Refer to the Application, Exhibit 1, Article VIII. Explain why the renewable energy is not provided under KU's Green Tariff Option #3.
- 8. Refer to the Application, Exhibit 1, Article VIII, subsection 8.03. Explain why KU proposes to offset intermediate and peak demand, given the explicit denial of this provision from KU's Green Tariff Option #3 in Case No. 2020-00016.²
- 9. Refer to the Application, Exhibit 1, Appendix A, page 1. Explain how the proposed demand rates were determined.
- 10. Refer to the Application, Exhibit 1, Appendix A, page 2. Explain why the late payment fee is 1 percent as compared to KU's standard late payment fee of 3 percent.

² Case No. 2020-00016, *Electronic Application of Louisville Gas and Electric Company and Kentucky Utilities Company for Approval of a Solar Power Contract and Two Renewable Power Agreements to Satisfy Customer Requests for a Renewable Energy Source Under Green Tariff Option #3* (Ky. PSC May 8, 2020). May 8, 2020 Order at 21-22 and June 18, 2020 Order at 5–15.

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cc: Parties of Record

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