

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC TARIFF FILINGS OF LOUISVILLE	)	
GAS AND ELECTRIC COMPANY AND	)	
KENTUCKY UTILITIES COMPANY TO REVISE	)	
PURCHASE RATES FOR SMALL CAPACITY	)	CASE NO.
AND LARGE CAPACITY COGENERATION AND	)	2023-00404
POWER PRODUCTION QUALIFYING FACILITIES	)	
AND NET METERING SERVICE-2 CREDIT	)	
RATES	)	

COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION  
TO KENTUCKY UTILITIES COMPANY AND  
LOUISVILLE GAS AND ELECTRIC COMPANY

Kentucky Utilities Company (KU) and Louisville Gas and Electric Company (LG&E) (collectively, LG&E/KU), pursuant to 807 KAR 5:001, shall file with the Commission an electronic version of the following information. The information requested is due on January 25, 2024. The Commission directs LG&E/KU to the Commission's July 22, 2021, Order in Case No. 2020-00085<sup>1</sup> 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

---

<sup>1</sup> 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).

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/KU shall make timely amendment to any prior response if LG&E/KU obtain 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 LG&E/KU fail or refuse to furnish all or part of the requested information, LG&E/KU shall provide a written explanation of the specific grounds for their 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, LG&E/KU 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 attachments to LG&E/KU's October 31, 2023 tariff filings, Generation and Planning Analysis, October 2023 (October 2023 Planning Analysis),

page 3. Explain how the Commission’s Order in Case 2022-00402<sup>2</sup> affects LG&E/KU’s avoided energy cost or avoided capacity cost analysis and the resulting qualifying facility (QF) rates. Provide an explanation of those changes and where those changes occur. Include any resulting rate impact.

2. Refer to the October 2023 Planning Analysis, page 3.

a. Explain how PROSYM treats off-system sales.

b. Explain why PROSYM excluded off-system sales from consideration

and focused the model on forecasted hourly energy costs.

3. Refer to the October 2023 Planning Analysis, Table 1, page 4, and Table 2, page 5.

a. Explain what technologies comprise the “Other Technologies” category.

b. Explain how the annual Avoided Energy Cost in Table 2 is calculated for the “Other Technologies” category. Include any supporting calculation or workpapers in Excel spreadsheet format with all formulas, rows, and columns unprotected and fully accessible.

4. Refer to the October 2023 Planning Analysis, page 7. In Case No. 2022-00402, LG&E/KU based the avoided cost of new capacity on a natural gas combined cycle (NGCC) unit and the November 6, 2023 final Order approved the addition of such a unit at the Mill Creek generating station.<sup>3</sup>

---

<sup>2</sup> See Case No. 2022-00402, *Electronic Joint Application of Kentucky Utilities Company and Louisville Gas and Electric Company for Certificates of Public Convenience and Necessity and Site Compatibility Certificates and Approval of a Demand Side Management Plan and Approval of Fossil Fuel-Fired Generating Unit Retirements* (Ky. PSC Nov. 6, 2023), Order.

<sup>3</sup> Case No. 2022-00402, Nov. 6, 2023 Order at 178.

a. Explain why a simple cycle combustion turbine (CT) was used in the avoided cost analysis.

b. Provide an update to the avoided cost analysis using the NGCC unit characteristics and estimated in-service date approved in Case No. 2022-00402 as the avoided cost benchmark. Include in the updated analysis, the Seasonal Capacity Need as reflected in Case No. 2022-00402 rather than the Seasonal Capacity need that was reflected in the October 2023 Planning Analysis, Table 4, page 7.

5. Refer to the October 2023 Planning Analysis, pages 14–15.

a. LG&E/KU utilized avoided cost rates based on the Levelized Cost of a CT methodology for both their 2032 and 2034 capacity need scenarios. Provide the avoided cost rates based on an NGCC unit and provide the updated QF capacity rates with the NGCC unit's avoided costs.

b. Explain whether changing the avoided capacity rates based on an NGCC unit rather than a CT would also change the net metering rates. If so, provide updated net metering rates.

c. Considering the Commission's final Order in Case No. 2022-00402, explain whether LG&E/KU are anticipating a capacity deficit at any time prior to 2032. If so, provide the anticipated year for the capacity deficit date and the expected MW deficit.



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

DATED       JAN 11 2024      

cc: Parties of Record

Case No. 2023-00404

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

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

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

\*Ashley Wilmes  
Kentucky Resources Council, Inc.  
Post Office Box 1070  
Frankfort, KENTUCKY 40602

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

\*Kentucky Utilities Company  
220 W. Main Street  
P. O. Box 32010  
Louisville, KY 40232-2010

\*Honorable Allyson K Sturgeon  
Managing Senior Counsel - Regulatory &  
LG&E and KU Energy LLC  
220 West Main Street  
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

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

\*Byron Gary  
Kentucky Resources Council, Inc.  
Post Office Box 1070  
Frankfort, KENTUCKY 40602

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

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

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

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

\*Honorable W. Duncan Crosby III  
Attorney at Law  
Stoll Keenon Ogden, PLLC  
2000 PNC Plaza  
500 W Jefferson Street  
Louisville, KENTUCKY 40202-2828

\*Michael Hornung  
Manager, Pricing/Tariffs  
Louisville Gas and Electric Company  
220 W. Main Street  
P. O. Box 32010  
Louisville, KY 40202

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

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