

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ADJUSTMENT OF GAS AND ELECTRIC)	
RATES OF LOUISVILLE GAS AND)	CASE NO. 90-158
ELECTRIC COMPANY)	

O R D E R

IT IS ORDERED that the Attorney General, by and through his Utility and Rate Intervention Division ("AG"), shall file the original and 12 copies of the following information with the Commission, with a copy to all parties of record, on or before April 11, 1991. Each item of the data requested should be tabbed and numbered. When several sheets are required for an item, each sheet should be appropriately indexed, for example, Item 1(a), Sheet 2 of 6. Include with each response the name of the person who will be responsible for responding to questions relating to the information provided. Careful attention should be given to copied material to ensure that it is legible.

1. Provide copies of regulatory commission orders, authoritative studies, literature, or research which support the position described on page 4 of the rehearing direct testimony of Thomas C. DeWard concerning the need to adjust a utility's capitalization to reflect a test-year adjustment to depreciation expense.

2. Provide the rationale for Mr. DeWard's statement that LG&E will "[r]eceive a windfall as they will be able to recover

the full amount of depreciation expense without the proper corresponding reduction to revenue requirements."

3. Provide a detailed explanation of how a depreciation expense adjustment to capitalization would effect LG&E's ability to earn the rate of return on capitalization authorized by the Commission.

4. Provide the basis for Mr. DeWard's statement on page 8 of his responsive testimony which indicates "[t]he Commission has disallowed those expenses associated with EEI."

5. On page 5 of his responsive testimony, Mr. DeWard states, "[i]t would be relevant to review all of the cases where downsizing costs were requested and then to determine the ultimate Commission decision." Indicate whether Mr. DeWard has performed such a review and provide the results of the review.

6. Indicate whether Mr. DeWard has reviewed other Commission decisions concerning the amortization of costs already expensed in a test year. Provide the results of that review.

Done at Frankfort, Kentucky, this 28th day of March, 1991.

PUBLIC SERVICE COMMISSION


For the Commission

ATTEST:



Executive Director