

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF LOUISVILLE GAS AND	)	
ELECTRIC COMPANY AND KENTUCKY UTILITIES	)	CASE NO.
COMPANY FOR A CERTIFICATE OF PUBLIC	)	2000-294
CONVENIENCE AND NECESSITY FOR THE	)	
ACQUISITION OF TWO COMBUSTION TURBINES	)	

SECOND DATA REQUEST OF COMMISSION STAFF TO LOUISVILLE GAS AND  
ELECTRIC COMPANY AND KENTUCKY UTILITIES COMPANY

Louisville Gas and Electric Company ("LG&E") and Kentucky Utilities Company ("KU") are requested, pursuant to 807 KAR 5:001, to file with the Commission the original and eight copies of the following information, with a copy to all parties of record. The information requested herein is due on or before August 18, 2000. Each copy of the data requested should be placed in a bound volume with each item tabbed. When a number of 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. Where information herein has been previously provided, in the format requested herein, reference may be made to the specific location of said information in responding to this information request.

1. Refer to the response to Item 8(a) of the Commission's July 21, 2000 Order. You stated, "The implementation of dual fuel capability increases the overall capital cost of the two CTs."

a. What would the incremental cost be to upgrade the two combustion turbines ("CTs") to have dual fuel capability?

b. Can you retrofit the two CTs after they are in operation to have dual fuel capability? If yes, provide the estimated cost and explain how it was derived.

2. Refer to the response to Item 2(b) of the Commission's July 21, 2000 Order. In the response, LG&E and KU have indicated that the construction on the two CTs began in May and June of 2000. In the Testimony of Ronald L. Willhite, at page 8, is the statement, "In this situation where the assets are being acquired by the affiliate for ultimate transfer to the utilities and most likely actual construction will have yet to begin by the date the Commission acts in the proceeding, such a comparison is unnecessary." As the actual construction of the CTs has begun before the Commission has ruled on the certificate application, explain in detail why LG&E and KU believe that there is no need for a comparison of the cost and market price of the combustion turbines.

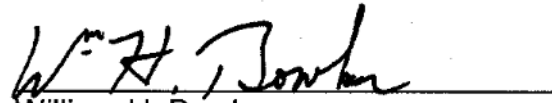
3. Refer to the Service Agreement included as Exhibit RLW-1 in the Willhite Testimony and the response to Item 7 of the Commission's July 21, 2000 Order.

a. Does the Service Agreement in Exhibit RLW-1 specify which party has the project oversight role?

b. Does the Service Agreement in Exhibit RLW-1 specify how changes in the project oversight role will be determined and documented?

c. Does the Service Agreement in Exhibit RLW-1 specify the rights of the parties if the appropriate party does not perform the project oversight responsibilities?

d. If the answers to parts (a), (b), or (c) are in the negative, explain how LG&E and KU can contend that the Service Agreement in Exhibit RLW-1 satisfies the Commission's July 23, 1999 Order in Case No. 99-056.<sup>1</sup>



William H. Bowker  
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Public Service Commission  
211 Sower Boulevard  
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Frankfort, Kentucky 40602

DATED 8/11/2000

cc: All Parties

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<sup>1</sup> Case No. 99-056, The Application of Louisville Gas and Electric Company and Kentucky Utilities Company for a Certificate of Public Convenience and Necessity for the Acquisition of Two 164 Megawatt Combustion Turbines.