

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF LOUISVILLE GAS AND	)	
ELECTRIC COMPANY FOR APPROVAL OF AN	)	
AMENDED COMPLIANCE PLAN FOR PURPOSES	)	CASE NO.
OF RECOVERING THE COSTS OF NEW AND	)	2000-386
ADDITIONAL POLLUTION CONTROL FACILITIES	)	
AND TO AMEND ITS ENVIRONMENTAL COST	)	
RECOVERY SURCHARGE TARIFF	)	

FIRST DATA REQUEST OF COMMISSION STAFF  
TO ROBERT L. MADISON

Robert L. Madison is requested, pursuant to 807 KAR 5:001, to file with the Commission the original and seven copies of the following information, with a copy to all parties of record. The information requested herein is due on or before February 16, 2001. 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 requested herein has been provided, in the format requested herein, reference may be made to the specific location of said information in responding to this information request.

For all of the following questions, refer to the Testimony of Robert L. Madison, dated January 19, 2001, page 2 of 3.

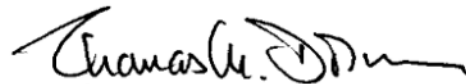
1. Given the current nitrogen oxide emission reductions required by the Environmental Protection Agency's regulations, explain why Mr. Madison believes that the Louisville Gas and Electric Company ("LG&E") should not install the proposed pollution control equipment.

2. Does Mr. Madison understand that the proposed rate of return of 11.5 percent only applies to the equity portion of capital, and that the overall rate of return on LG&E's capitalization would be a different rate?

3. How did Mr. Madison determine his recommended rate of return of 8.0 percent? Include any analysis Mr. Madison performed to support his recommendation.

4. Is Mr. Madison suggesting that his recommended rate of return of 8.0 percent be substituted for LG&E's proposed 11.5 percent rate of return on common equity, or that the 8.0 percent should be the overall rate of return on capitalization?

5. Was Mr. Madison aware that under the environmental surcharge mechanism, LG&E cannot earn a return greater than the Commission authorized rate of return?



---

Thomas M. Dorman  
Executive Director  
Public Service Commission  
211 Sower Boulevard  
P. O. Box 615  
Frankfort, Kentucky 40602

DATED February 2, 2001

cc: All Parties