

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

AN EXAMINATION OF THE APPLICATION OF THE)
FUEL ADJUSTMENT CLAUSE OF LOUISVILLE GAS) CASE NO. 2000-498
AND ELECTRIC COMPANY FROM NOVEMBER 1,)
1998 TO OCTOBER 31, 2000)

COMMISSION STAFF'S INTERROGATORIES AND REQUESTS
FOR PRODUCTION OF DOCUMENTS TO
KENTUCKY INDUSTRIAL UTILITY CUSTOMERS

Pursuant to Administrative Regulation 807 KAR 5:001, Commission Staff requests that Kentucky Industrial Utility Customers ("KIUC") file the original and 8 copies of the following information with the Commission within 14 days of the date of this request, with a copy to all parties of record. Each copy of the information 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 witness who will be responsible for responding to questions relating to the information provided. Careful attention should be given to copied material to ensure its legibility. 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 should be provided for total company operations and jurisdictional operations, separately.

1. Describe how, in KIUC's opinion, Louisville Gas and Electric Company ("LG&E") should determine if a power purchase is made on an economic dispatch basis.
2. a. State whether KIUC agrees with the following statement: "LG&E's present fuel adjustment accounting procedures assume that each of its economy energy purchases contains no capacity or demand charges and is subject to recovery through LG&E's fuel adjustment clause."
 - b. If KIUC disagrees with the statement, explain why.
3. a. Is the presumption that each of an electric utility's economy energy purchases contains no capacity or demand charges reasonable? Explain.
 - b. Explain how such presumption is consistent with Administrative Regulation 807 KAR 5:056.
4. Should the Commission permit the recovery through the uniform fuel adjustment clause of the cost of power purchases in which the electric utility is unable to demonstrate with some certainty the fuel cost portion of its power purchases? Explain.
5. In its Supplemental Response to Information Requested by KIUC during Hearing 2/9/01, LG&E proposes three methods for determining the fuel cost portion of a power purchase when the seller fails to identify this component. Are any of these methods consistent with the literal language of Administrative Regulation 807 KAR 5:056? Explain.
6. a. Are references in Administrative Regulation 807 KAR 5:056 to demand and capacity charges associated with energy purchases outdated as a result of recent structural changes to the wholesale energy market?

b. If yes, describe the revisions, if any, that are needed to make Administrative Regulation 807 KAR 5:056 current with the present structure of the wholesale energy market.



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DATED: 5/22/01

cc: Parties of Record