

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE ANNUAL EARNINGS SHARING)	
MECHANISM FILING OF THE LOUISVILLE)	CASE NO. 2001-054
GAS AND ELECTRIC COMPANY)	

FIRST DATA REQUEST OF COMMISSION STAFF
TO LOUISVILLE GAS AND ELECTRIC COMPANY

Louisville Gas and Electric Company (“LG&E”) is requested, pursuant to 807 KAR 5:001, to file with the Commission the original and 10 copies of the following information, with a copy to all parties of record. The information requested herein is due on or before April 20, 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.

1. Refer to Form 1(a) of the March 1, 2001 filing. Explain why this form contains references to estimated revenues, when the Commission’s June 1, 2000 Order

in Case No. 98-426¹ requires the use of actual revenues in the calculation of the Earnings Sharing Mechanism (“ESM”) factor.

2. Refer to Form 3(f) of the March 1, 2001 filing. The information presented on Form 3(f) has been compared with the monthly environmental surcharge (“ES”) reports filed with the Commission by LG&E. Most of the items contained in the operating statement could not be traced to the corresponding amounts from the monthly ES filings. For each operating statement item listed below, provide a reconciliation of the amount presented on Form 3(f) with the total from the monthly ES filings for the 12 expense months ending December 31, 2000.

a. Surcharge Revenues – Form 3(f) shows \$3,924,817 while ES Form 3.0 supports \$483,352.

b. Depreciation Expense – Form 3(f) shows \$2,191,886 while ES Form 2.1 supports \$2,629,676.

c. Property Taxes – Form 3(f) shows \$67,264 while ES Form 2.1 supports \$81,264.

d. Insurance Expense – Form 3(f) shows \$12,840 while ES Form 2.1 supports \$15,540.

3. If LG&E determines that the ES amounts included in the March 1, 2001 ESM filing are not correct, resubmit the Annual ESM Filing reflecting the correct amounts for the environmental surcharge.

4. Refer to Form 3 and Form 3(d) of the March 1, 2001 filing.

¹ Case No. 98-426, Application of Louisville Gas and Electric Company for Approval of an Alternative Method of Regulation of Its Rates and Service.

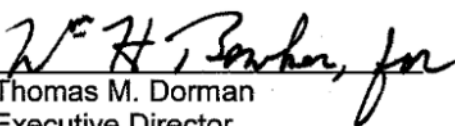
a. Describe the terms and conditions of the financial instruments and transactions reported as Notes Payable to Associated Companies in the amount of \$114,588,692. Provide for each note outstanding the date of issuance and expected date of payoff.

b. Explain the reasons why intra-company financing is being utilized and how the Commission can readily and objectively determine that this financing will be less costly than other available forms of short-term financing.

c. Explain in detail why LG&E believes these Notes Payable to Associated Companies should be classified as Short-Term Debt in its Capitalization.

d. Provide citations to LG&E proceedings in which the Commission has included Notes Payable to Associated Companies as Short-Term Debt in its Capitalization.

5. Provide a revised version of the Annual ESM Filing reflecting the exclusion of Notes Payable to Associated Companies from LG&E's Capitalization. Include the effects of the response to Item 3 above.


Thomas M. Dorman
Executive Director
Public Service Commission
211 Sower Boulevard
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DATED April 5, 2001

cc: All Parties