

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE JOINT APPLICATION OF E.ON AG,)	
POWERGEN PLC, LG&E ENERGY CORP.,)	
LOUISVILLE GAS AND ELECTRIC COMPANY, AND)	CASE NO.
KENTUCKY UTILITIES COMPANY FOR APPROVAL)	2001-104
OF AN ACQUISITION)	

FIRST DATA REQUEST OF COMMISSION STAFF TO
THE JOINT APPLICANTS

E.ON AG (“E.ON”), PowerGen plc (“PowerGen”), LG&E Energy Corp. (“LEC”), Louisville Gas and Electric Company (“LG&E”), and Kentucky Utilities Company (“KU”) (collectively “Joint Applicants”) are 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 May 14, 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. Provide a description of the corporate structure of E.ON, including all subsidiaries and affiliates as of May 1, 2001. This description should include, but not be limited to, the following information:

a. For each subsidiary or affiliate a description of the nature of that entity's business.

b. The ownership percentage of E.ON in each subsidiary or affiliate.

c. A description of the degree of government regulation over E.ON and each subsidiary or affiliate.

d. The location of each subsidiary or affiliate, both the corporate office and actual operations.

e. The number of customers of each subsidiary or affiliate.

f. The number of employees, for E.ON in total and for each subsidiary or affiliate.

g. A listing of the senior executive officers of E.ON and each subsidiary or affiliate, showing the corresponding corporate reporting relationships.

2. Provide a narrative discussing the history of E.ON and its predecessor companies VEBA AG ("VEBA") and VIAG AG ("VIAG"). This narrative should include, but not be limited to, the following subjects:

a. The extent of any German government ownership of E.ON, VEBA, and VIAG. Include a discussion of the change in German government ownership over the history of the companies. Also provide this information if other governments had an ownership interest in E.ON, VEBA, or VIAG.

b. A brief discussion of each acquisition made by E.ON, VEBA, or VIAG since 1991, including the date of acquisition, acquired from, acquisition price, method of financing, and, where not previously discussed, the nature of the acquisition's business.

c. A brief description of each business liquidated or disposed of by E.ON, VEBA, or VIAG since 1991, including the date of liquidation or disposal, selling price, acquiring entity, the nature of the business, and the reason(s) for liquidation or disposal.

d. A brief description of all joint ventures E.ON, VEBA, or VIAG is participating in, or has participated in, since 1991. Include the name(s) of the business partners and the nature of the business.

3. Refer to E.ON's 2000 Annual Report, English version. For each of the schedules and tables referenced below, provide that schedule or table in United States dollars:

a. Page 42 – E.ON Share Key Figures.

b. Page 44 – E.ON Group Return on Capital Employed ("ROCE").

c. Page 45 – ROCE by Division.

d. Page 74 – Consolidated Statements of Income (pro forma). For all statements identified as "pro forma," explain the difference between pro forma and actual operating results.

e. Page 75 – E.ON Group Consolidated Balance Sheet (pro forma) and Statement of Cash Flows (pro forma).

f. Pages 76 and 77 – Segment Information by Division (pro forma).

g. Pages 79 through 82 – E.ON and Subsidiaries Consolidated Statements of Income; E.ON and Subsidiaries Consolidated Balance Sheets; E.ON and Subsidiaries Consolidated Statements of Cash Flow; and E.ON and Subsidiaries Consolidated Statements of Changes in Stockholders' Equity.

h. Page 99 – Deferred Tax Assets and Liabilities.

i. Page 104 – Intangible Assets.

j. Page 105 – Property, Plant and Equipment.

k. Page 107 – Financial Assets.

l. Page 120 – Liabilities.

m. Pages 129 and 130 – Total Volume of Oil-, Metal-, Gas-, and Electricity-related Financial Derivatives during the 2000 Financial Year and as of December 31, 1999.

n. Page 134 – Segment Information by Division.

o. Page 135 – Geographic Segment Information.

p. Page 136 – Earnings per Share.

4. Provide the following financial information concerning E.ON:

a. Financial performance measures and ratios for the most recent reporting quarter and annual or fiscal year. The measures and ratios do not have to be restated based on United States dollars. Include, but do not limit the response to, the following measures and ratios:

(1) P/E Ratio (price divided by earnings per share).

(2) Dividend Yield (dividend yield based on present cash dividend rate).

(3) Payout Ratio (primary or basic earnings per share excluding extraordinary items paid to common shareholders in the form of cash dividends).

(4) Quick Ratio (cash plus short-term investments plus accounts receivable, divided by total current liabilities).

(5) Current Ratio (total current assets divided by total current liabilities).

(6) Interest Coverage (earnings before interest and taxes divided by interest expense).

(7) Equity Ratio (total common equity divided by total capitalization).

(8) Return on Equity (income available to common shareholders divided by common equity).

b. Current bond and/or debt ratings, for both E.ON debt instruments and any separately issued debt instruments issued by subsidiaries or affiliates. Identify the rating agency or institution.

(1) If any of the bond and/or debt ratings have changed since January 1, 1996, describe the change and the reasons cited by the rating agency or institution for the change.

(2) If any rating agency or institution has any of the bond and/or debt ratings on a credit watch or similar review that may lead to a change in any rating, describe in detail.

c. A comparison of E.ON's current financial performance measures and ratios and bond/debt ratings with other diversified utilities operating in Germany and the European Community.

d. The dividend history of E.ON, VEBA, and VIAG since 1991, as well as the dividend history of each subsidiary and affiliate since 1991.

e. Charts showing the stock price activity for E.ON, VEBA, and VIAG since 1991, from the applicable European stock exchanges and the New York Stock Exchange. Explain the reason(s) for any significant movements in the stock price during the period.

f. Where not already provided, investor ratings of E.ON, VEBA, and VIAG and any subsidiary or affiliate since 1991. If any of these ratings are currently under review, describe in detail.

g. List each entity or individual that holds 5 percent or more of E.ON's outstanding capital stock as of May 1, 2001. Show the percentage of capital stock held by each entity or individual.

5. Provide a description of the corporate structure of PowerGen, including all subsidiaries and affiliates as of May 1, 2001. To the extent the requested information is the same as that filed in the Securities and Exchange Commission's ("SEC") Form U5B, dated March 8, 2001, reference may be made to the appropriate section of that SEC filing. This description should include, but not be limited to, the following information:

a. For each subsidiary or affiliate a description of the nature of that entity's business.

- b. The ownership percentage of PowerGen in each subsidiary or affiliate.
- c. A description of the degree of government regulation over the subsidiary or affiliate.
- d. The location of each subsidiary or affiliate, both the corporate office and actual operations.
- e. The number of customers of each subsidiary or affiliate.
- f. The number of employees, for PowerGen in total and for each subsidiary or affiliate.
- g. A listing of the senior executive officers for PowerGen and each subsidiary or affiliate, showing the corresponding corporate reporting relationships.

6. Provide the following information concerning PowerGen's history since January 1, 2000:

- a. A brief discussion of each acquisition made by PowerGen, including the date of acquisition, acquired from, acquisition price, method of financing, and, where not previously discussed, the nature of the acquisition's business.
- b. A brief description of each business liquidated or disposed of by PowerGen, including the date of liquidation or disposal, selling price, acquiring entity, the nature of the business, and the reason(s) for liquidation or disposal.
- c. A brief description of all joint ventures PowerGen is participating in, or has participated in. Include the name(s) of the business partners and the nature of the business.

7. Provide the following financial information concerning PowerGen:

- a. PowerGen's 2000 Annual Report.
- b. PowerGen's filings with the SEC of selected financial information stated in United States dollars and reflecting United States generally accepted accounting principles, for operations during 2000.
- c. Financial performance measures and ratios for the most recent reporting quarter and annual or fiscal year. The measures and ratios do not have to be restated based on United States dollars. Include, but do not limit the response to, the following measures and ratios:
 - (1) P/E Ratio (price divided by earnings per share).
 - (2) Dividend Yield (dividend yield based on present cash dividend rate).
 - (3) Payout Ratio (primary or basic earnings per share excluding extraordinary items paid to common shareholders in the form of cash dividends).
 - (4) Quick Ratio (cash plus short-term investments plus accounts receivable, divided by total current liabilities).
 - (5) Current Ratio (total current assets divided by total current liabilities).
 - (6) Interest Coverage (earnings before interest and taxes divided by interest expense).
 - (7) Equity Ratio (total common equity divided by total capitalization).
 - (8) Return on Equity (income available to common shareholders divided by common equity).

d. Current bond and/or debt ratings, for both PowerGen debt instruments and any separately issued debt instruments issued by subsidiaries or affiliates. Identify the rating agency or institution.

(1) If any of the bond and/or debt ratings have changed since January 1, 1996, describe the change and the reasons cited by the rating agency or institution for the change.

(2) If any rating agency or institution has any of the bond and/or debt ratings on a credit watch or similar review that may lead to a change in any rating, describe in detail.

e. A comparison of PowerGen's current financial performance measures and ratios and bond/debt ratings with other diversified utilities operating in the United Kingdom.

f. The dividend history of PowerGen since January 1, 2000, as well as the dividend history of each subsidiary and affiliate since January 1, 2000.

g. Charts showing the stock price activity for PowerGen since January 1, 2000, from both the London Stock Exchange and the New York Stock Exchange. Explain the reason(s) for any significant movements in the stock price during the period.

h. Where not already provided, investor ratings of PowerGen and any subsidiary or affiliate since January 1, 2000. If any of these ratings are currently under review, describe in detail.

i. List each entity or individual that holds 5 percent or more of PowerGen's outstanding capital stock as of May 1, 2001. Show the percentage of capital stock held by each entity or individual.

8. Provide a description of the corporate structure of LEC, including all subsidiaries and affiliates as of May 1, 2001. To the extent the requested information is the same as that filed in the SEC's Form U5B, dated March 8, 2001, reference may be made to the appropriate section of that SEC filing. This description should include, but not be limited to, the following information:

a. For each subsidiary or affiliate a description of the nature of that entity's business.

b. The ownership percentage of LEC in each subsidiary or affiliate.

c. A description of the degree of government regulation over the subsidiary or affiliate.

d. The location of each subsidiary or affiliate, both the corporate office and actual operations.

e. The number of customers of each subsidiary or affiliate.

f. The number of employees, for LEC in total and for each subsidiary or affiliate.

g. A listing of the senior executive officers for LEC and each subsidiary or affiliate, showing the corresponding corporate reporting relationships.

9. Provide the following financial information concerning LEC. To the extent the requested information is the same as that filed in the SEC's Form U5B, dated March 8, 2001, reference may be made to the appropriate section of that SEC filing.

a. A current balance sheet and income statement for the most recent reporting quarter and annual or fiscal year. This information should be provided for both LEC and all subsidiaries and affiliates, to the extent available.

b. The book value of all assets, for both LEC and all subsidiaries and affiliates, to the extent available.

c. LEC's Share of PowerGen's Total Assets, Operating Revenues, Operation and Maintenance Expenses, and Number of Employees.

d. Financial performance measures and ratios for the most recent reporting quarter and annual or fiscal year. Include, but do not limit the response to, the following measures and ratios:

(1) P/E Ratio (price divided by earnings per share).

(2) Dividend Yield (dividend yield based on present cash dividend rate).

(3) Payout Ratio (primary or basic earnings per share excluding extraordinary items paid to common shareholders in the form of cash dividends).

(4) Quick Ratio (cash plus short-term investments plus accounts receivable, divided by total current liabilities).

(5) Current Ratio (total current assets divided by total current liabilities).

(6) Interest Coverage (earnings before interest and taxes divided by interest expense).

(7) Equity Ratio (total common equity divided by total capitalization).

(8) Return on Equity (income available to common shareholders divided by common equity).

j. Current bond and/or debt ratings, for both LEC debt instruments and any separately issued debt instruments issued by subsidiaries or affiliates. Identify the rating agency or institution.

(1) If any of the bond and/or debt ratings have changed since January 1, 1996, describe the change and the reasons cited by the rating agency or institution for the change.

(2) If any rating agency or institution has any of the bond and/or debt ratings on a credit watch or similar review that may lead to a change in any rating, describe in detail.

k. A comparison of LEC's current financial performance measures and ratios and bond/debt ratings with other diversified utilities operating in the United States.

l. The dividends paid to PowerGen since January 1, 2000.

m. The dividends paid by LEC's subsidiaries and affiliates since January 1, 2000.

n. A schedule showing all infusions of capital by PowerGen into LEC, LG&E, or KU since May 15, 2000.

o. Where not already provided, investor ratings of LEC and any subsidiary or affiliate since January 1, 2000. If any of these ratings are currently under review, describe in detail.

p. A brief description of all joint ventures LEC is participating in, or has participated in, since January 1, 2000. Include the name(s) of the business partners and the nature of the business.

10. Concerning E.ON's proposed acquisition of PowerGen:

a. Provide a listing of all regulatory and governmental approvals that will be required. Separately list the approvals needed in the United States, the United Kingdom, Germany, and the European Community, if applicable.

b. Provide a timetable showing when each required approval will be sought and the expected date approval will be received.

c. Provide a list detailing any dispositions or liquidations of E.ON business segments which would be required by the current rules, regulations, or statutes in the United States, the United Kingdom, Germany, or the European Community, in order to secure the approval of E.ON's acquisition of PowerGen.

d. Assume for purposes of this request that any dispositions or liquidations of E.ON business segments required by current rules, regulations, or statutes in order to secure the approval of the acquisition of PowerGen occurred during 2000. Provide estimates of the impact those dispositions or liquidations would have had on E.ON's 2000 Annual Report, English version, by excluding the affected business segments from the following financial statements:

(1) Pages 76 and 77 – Segment Information by Division (pro forma).

(2) Page 79 – E.ON and Subsidiaries Consolidated Statements of Income.

(3) Page 80 – E.ON and Subsidiaries Consolidated Balance Sheets.

For purposes of this response, show only the 2000 information, in both Euros and United States dollars. Do not attempt to estimate the funds that would be received from the dispositions or liquidations.

11. Will the acquisition of PowerGen by E.ON result in “push down” accounting, where LG&E and KU would be required to record a portion of the goodwill resulting from the premium paid by E.ON for PowerGen’s stock? Explain the response.

12. Concerning the proposed acquisition of PowerGen by E.ON, describe the effects and impacts, if any, upon the following obligations:

- a. The contract between KU and Owensboro Municipal Utilities.
- b. The purchase power contracts between KU and certain Kentucky municipal utilities and Berea College.
- c. The lease agreement and associated obligations between Western Kentucky Energy Corp., certain LEC affiliates, and Big Rivers Electric Corporation.
- d. The purchase power agreements between LG&E Energy Marketing Inc., Kenergy Corp., Alcan Aluminum Corporation, and Southwire Company.
- e. The Power Supply System Agreement and the Transmission Coordination Agreement between KU and LG&E.

13. Will LG&E be required to file with the SEC an analysis demonstrating that it should remain a combined electric and gas utility, as a result of E.ON’s acquisition of PowerGen? Explain the response.

14. Provide the following information concerning the boards of directors of E.ON and PowerGen and the Advisory Boards for LEC, LG&E, and KU as of May 1, 2001:

- a. The names and occupations of each board member.
 - b. Indicate how long the current board members have served on the respective board of directors. For the Advisory Boards, indicate how long the current members had served on the LEC, LG&E, or KU board of directors.
 - c. Indicate how the members of the board are selected and describe any eligibility requirements that a candidate must satisfy.
 - d. Indicate when the term expires for each board member.
15. Describe and explain E.ON's position on Kentucky retail electric restructuring. If E.ON's position differs from PowerGen's or LEC's position, explain the differences.
16. The federal debate over the restructuring of the electric industry in the United States has included the possible repeal or significant modification of the Public Utilities Holding Company Act of 1935 ("PUHCA"). Provide the viewpoints on PUHCA reform for E.ON, PowerGen, LEC, LG&E, and KU.
17. Refer to E.ON's 2000 Annual Report, English Version.
- a. On page 55, there is discussion of the German government's plan to end nuclear power production. If a date to end nuclear generation in Germany has been identified, provide the date proposed by the German government.
 - b. Explain how E.ON plans to replace its nuclear generation including any estimates of the related costs.
 - c. Identify and describe any impact that the planned termination of nuclear generation in Germany has on E.ON's decision to acquire PowerGen.

18. Identify the companies other than E.ON that provide electric power in Germany, the number of customers each serves, and the percentage of the total customer base served by each.

19. Provide the following information concerning workforce reductions at LEC, LG&E, and KU since the completion of the PowerGen acquisition in December 2000:

a. The date that each workforce reduction was publicly announced and the reason(s) for each reduction.

b. The number of employees expected to leave as a result of each workforce reduction. Show the expected number of departures for LEC, LG&E, and KU separately. In addition, for LG&E and KU, include a breakdown of the expected number of departures by functional or operational areas. Examples of functional or operational areas would be, but not limited to, power generation, gas supply, electric and gas transmission, electric and gas distribution, administrative, and central office.

c. The number of employees who actually left as a result of each workforce reduction. Show the actual number of departures for LEC, LG&E, and KU separately. In addition, for LG&E and KU, include a breakdown of the actual number of departures by functional or operational areas. Examples of functional or operational areas would be, but not limited to, power generation, gas supply, electric and gas transmission, electric and gas distribution, administrative, and central office.

d. The expected annual savings from each workforce reduction in detail, presenting the salaries and the primary benefit savings separately. This estimate should present information separately for LEC, LG&E, and KU. Show the expected savings for the first year, first 5 years, and first 10 years for each workforce reduction.

Include all assumptions, workpapers, and calculations used to determine the expected savings at the time each workforce reduction was offered by LEC, LG&E, and KU. If the expected savings were revised due to the response to the workforce reduction offer, also provide the assumptions, workpapers, and calculations used to determine the revised expected savings.

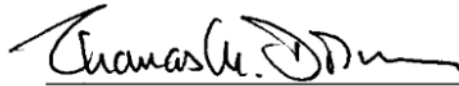
e. The expected annual costs from each workforce reduction in detail, presenting the salaries and the primary benefit costs separately. This estimate should present information separately for LEC, LG&E, and KU. Show the expected costs for the first year, first 5 years, and first 10 years for each workforce reduction. Include all assumptions, workpapers, and calculations used to determine the expected costs at the time each workforce reduction was offered by LEC, LG&E, and KU. If the expected costs were revised due to the response to the workforce reduction offer, also provide the assumptions, workpapers, and calculations used to determine the revised expected costs.

f. The number of new employees hired in each functional or operational area to replace those who departed (also referred to as “back-fill”) under each workforce reduction. Show the expected annual salaries and primary benefits costs separately. This information is to be presented separately for LEC, LG&E, and KU.

g. Describe in detail the extent that LG&E and KU intend to utilize contractors to perform services that have been previously performed by employees. For each functional or operational area, provide the number of contract workers utilized by LG&E and KU during 2000 and the anticipated number to be utilized during 2002.

h. Copies of any studies, reports, or analyses that discuss reducing employees and relying on contractors to perform the work of those employees.

i. Describe any additional workforce reductions anticipated by LEC, LG&E, and KU within the next 3 calendar years.



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DATED 5/4/2001

cc: All Parties