

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)	

COMMISSION STAFF'S REQUEST TO THE
JOINT APPLICANTS TO CURE DEFICIENCIES

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, which was omitted from either the joint application or the Commission Staff's first data request, with a copy to all parties of record. The information requested herein is due on or before May 23, 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 page 19 of the Application, which was missing from the copies filed with the Commission.

2. Refer to Appendix E of the Application, PowerGen's Articles of Association. Provide pages 37, 42, 52, 57, and 62 of this document, which were missing from the copy in the Appendix.

3. Refer to the Response to the Commission Staff's 1st Data Request dated May 4, 2001, Item 2. Provide the first page of the history and development of VEBA AG ("VEBA"), which was omitted from the response.

4. Refer to the Response to the Commission Staff's 1st Data Request dated May 4, 2001, Item 3(d). Item 3(d) requested the following information:

For all statements identified as "pro forma," explain the difference between pro forma and actual operating results.

The requested explanation was not provided. Provide the information originally requested of E.ON.

5. Refer to the Response to the Commission Staff's 1st Data Request dated May 4, 2001, Item 4.

a. Items 4(b)(1) and (b)(2) requested the following information:

(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.ON did not provide the requested information, did not explain why the information was unavailable, and did not request an extension of time to file the information on May 18,

2001. Provide the originally requested information and a detailed explanation as to why the information was not submitted with the responses due on May 14, 2001.

b. Item 4(d) requested the following information:

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.ON did not provide the requested information, did not explain why the information was unavailable, and did not request an extension of time to file the information on May 18, 2001. Provide the originally requested information and a detailed explanation as to why the information was not submitted with the responses due on May 14, 2001.

c. Item 4(e) requested the following information:

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.

Only one stock chart for E.ON was provided. The chart did not identify the appropriate stock exchange. No charts were provided for the VEBA and VIAG AG ("VIAG") stock. A chart for the American Depository Receipts ("ADR") on the New York Stock Exchange for E.ON was not provided. No reasons were provided for significant movements in the stock prices. Provide the originally requested information. Explanations for significant movements in stock prices can be submitted in the format used in the response to Item 7(g), page 1 of 2.

6. Refer to the Response to the Commission Staff's 1st Data Request dated May 4, 2001, Item 7.

a. Item 7(b) requested the following information:

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.

PowerGen did not provide its Securities and Exchange Commission ("SEC") Form 20-F, did not explain why the information was unavailable, and did not provide a date when the information would be provided. Provide the originally requested information and a detailed explanation as to why the information was not submitted with the responses due on May 14, 2001.

b. Item 7(g) requested the following information:

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.

The reason(s) for significant movements in the ADR stock prices for PowerGen were not provided. Provide the originally requested information.

7. Refer to the Response to the Commission Staff's 1st Data Request dated May 4, 2001, Item 10(d). Item 10(d) requested the following information:

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.

E.ON stated that the request required original work, was not available, and would be provided to the Commission as soon as it was available. The request concerns disposals of business units that may be required by the SEC, a possibility repeatedly acknowledged in the testimony of E.ON's witnesses. E.ON did not explain why the information was unavailable or provide a date when the information would be provided. Provide the originally requested information and a detailed explanation as to why the information was not submitted with the responses due on May 14, 2001.

8. Refer to the Response to the Commission Staff's 1st Data Request dated May 4, 2001, Items 14(a) and (d). E.ON's responses refer to specific pages in its SEC Form 20-F concerning information about its Supervisory Board and Board of Management. In other data responses E.ON included copies of the applicable pages of this report, which is not part of the record. Provide copies of the pages from E.ON's SEC Form 20-F referenced in Items 14(a) and (d).

9. Refer to the Response to the Commission Staff's 1st Data Request dated May 4, 2001, Item 18. Item 18 requested the following information:

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.

E.ON responded, "The global market is the applicable market for evaluation of E.ON's competitive position. Germany is only a part of their global market." E.ON's response

did not provide the information requested or explain why the information was not provided. Provide the originally requested information.

10. Refer to the Response to the Commission Staff's 1st Data Request dated May 4, 2001, Items 19(d), (e), (f), and (h). The following information was requested:

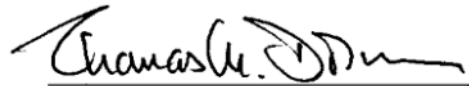
(d) The expected annual savings from each workforce reduction in detail, presenting the salaries and the primary benefit savings separately. This estimate should present information separately for LEC, LG&E, and KU. Show the expected savings for the first year, first 5 years, and first 10 years for each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

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

LG&E's and KU's response states that most of the requested information will be provided in another application to be filed with the Commission in a separate docket on or before June 1, 2001. Provide the originally requested information.



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DATED 5/18/01

cc: All Parties