

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

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|---------------------------------------|---|------------|
| THE APPLICATION OF LOUISVILLE GAS AND |) | |
| ELECTRIC COMPANY FOR APPROVAL OF ITS |) | CASE NO. |
| 2002 COMPLIANCE PLAN FOR RECOVERY BY |) | 2002-00147 |
| ENVIRONMENTAL SURCHARGE |) | |

SECOND REHEARING DATA REQUEST OF COMMISSION STAFF
TO LOUISVILLE GAS AND ELECTRIC COMPANY

Louisville Gas and Electric Company (LG&E), pursuant to 807 KAR 5:001, is requested to file with the Commission the original and 7 copies of the following information, with a copy to all parties of record. The information requested herein is due on or before May 6, 2003. 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 herein has been previously 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 the response to the Commission Staff s First Rehearing Data Request dated March 24, 2003, Item 1, and the supplemental response filed April 21, 2003.

a. In the response to the March 24, 2003 data request, LG&E stated that the test year ended December 31, 1998 includes approximately \$150,000 in operation and maintenance expense associated with the reassigned operators. The supplemental response states the hourly wage rate for the reassigned operators was \$21.37 at December 31, 1998. If this hourly wage rate is multiplied by 2,000 hours and four employees, the result is \$170,960. Explain in detail why the information provided in the rehearing data responses does not agree.

b. Indicate whether the test-year wages for the operators was \$150,000 or \$170,960 and explain why the particular amount is the correct amount.

c. In the supplemental response LG&E states that a work year is 2,000 hours. Explain in detail why the work year was not the standard 2,080 hours (40-hour week times 52 weeks).

d. In the supplemental response, the detailed calculations shown do not equal either the \$262,240 or \$266,840 shown in that response. Provide a correction of LG&E's calculations and explain in detail why the conflicting amounts were submitted as the appropriate response.

e. Provide a detailed breakdown of the 54.34 percent overhead rate. Identify the specific types of costs included in the overhead rate and indicate the portion of the total overhead rate each type of cost represents.

2. There is some uncertainty concerning whether the \$175,000 in labor expenses reflect wages and salaries only or also includes overheads.

a. Provide the date(s) that reflect when the four operators were transferred to the new jobs.

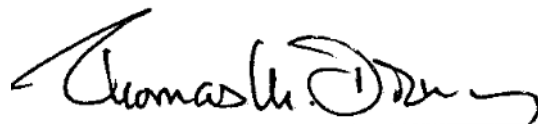
b. As of the transfer date, provide the following payroll information for each transferred operator:

(1) The hourly wage rate. Explain how the hourly wage rate was determined.

(2) The number of hours worked during the 12-month period prior to the transfer. If the hours worked are less than 2,080, explain in detail how the hours were determined.

(3) The overhead rate. Include a breakdown of the overhead rate, showing the specific type of costs included in the rate and indicate the portion of the total overhead rate each type of cost represents.

c. If the requested payroll information does not support the \$175,000 amount, explain in detail why the analysis performed to evaluate the Mill Creek project included \$175,000 as an estimate of labor costs.



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

DATED: April 29, 2003

cc: All Parties