COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE JOINT INTEGRATED RESOURCE PLAN)	CASE NO.
OF LOUISVILLE GAS AND ELECTRIC COMPANY)	2002-00367
AND KENTUCKY UTILITIES COMPANY)	

THIRD DATA REQUEST OF COMMISSION STAFF TO LOUISVILLE GAS AND ELECTRIC COMPANY AND KENTUCKY UTILITIES COMPANY

Louisville Gas and Electric Company and Kentucky Utilities Company (LG&E and KU), pursuant to 807 KAR 5:001, are requested 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 April 11, 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 Integrated Resource Plan (IRP), Volume I, page 5-39. Provide copies of the Trimble County Unit 1 sales agreements, along with a cover sheet

that lists every reference in those agreements to the joint ownership of Trimble County Unit 2 with Illinois Municipal Electric Agency and Indiana Municipal Power Agency.

- 2. Were the Trimble County Unit 1 sales agreements approved by the Commission? If yes, provide the docket number and date of the Order granting approval. If no, explain in detail why Commission approval was not requested.
- 3. Is LG&E aware of any Order of the Commission authorizing LG&E to sell a joint ownership interest in a future coal-fired generating unit to be known as Trimble County Unit 2? If yes, provide the docket number and the date of the Order granting the authorization. If no, explain in detail why Commission authorization was not requested.
- 4. Assume that LG&E decides to submit an application to the Commission for appropriate certificates to construct Trimble County Unit 2. Does LG&E intend to apply for a Certificate of Public Convenience and Necessity to construct:
- a. 549 megawatts (MW), which is the amount shown in Table 5(4) as needed by LG&E, or
- b. 732 MW, which is the amount shown on Table 5(4) as needed by LG&E plus the additional 25 percent to be sold?
- 5. Refer to the response to Item 8 of the Commission Staff's Supplemental Data Request dated February 21, 2003, concerning the installation of SCRs at ten OVEC generating units.
- a. Describe how the addition of SCRs with a cost in excess of \$350 million is expected to impact the cost incurred by LG&E and KU for OVEC power.
 - b. Provide the schedule for completing the installation of the SCRs.

- c. Explain whether part (b) of the response is correctly interpreted to mean that the remaining useful lives of OVEC s generating units are 20 years or more.
- 6. Refer to the response to Item 9 of the Commission Staff's Supplemental Data Request dated February 21, 2003 regarding LG&E's and KU's refinancing of long-term debt. Cost rates of 5.14 percent and 5.81 percent for LG&E and KU, respectively, were shown in Item 18 of the response to the Staff's December 11, 2002 Initial Data Request, and cost rates of 3.81 and 3.23 percent at year-end 2002, for LG&E and KU, respectively, are shown in this response. Explain why KU's long-term debt cost rate decreased substantially more than LG&E's long-term debt cost rate in 2002.
- 7. Refer to the response to Item 10 of the Commission Staff's Supplemental Data Request dated February 21, 2003. The response indicated that LG&E and KU could not analyze the impact of the Midwest Independent System Operator's Schedules 10, 16 and 17 on the retail price of electricity. Provide estimates of the annual costs LG&E and KU will incur under Schedules 10, 16 and 17 individually and in total for the forecast period of the IRP. Include a narrative description of all assumptions that must be made in order to estimate these costs.
- 8. Refer to the response to Item 2 of the Attorney General's Supplemental Data Request dated February 21, 2003 regarding the development of a Green Power pricing program.
- a. Explain whether LG&E and KU are familiar with East Kentucky Power Cooperative, Inc. (East Kentucky) and its implementation of a Green Power program based on the purchase of such power from another entity.

b. Explain whether LG&E and KU would object to a small scale pilot Green Power program under an arrangement similar to East Kentucky's which could be used to ascertain the degree interest on the part of customers.

Thomas M. Dorman Executive Director

Public Service Commission

P. O. Box 615

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DATED: <u>April 3, 2003</u>

cc: All parties