

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF KENTUCKY)
UTILITIES COMPANY REGARDING)
THE TRANSFER OF ANY REAL)
PROPERTY ASSOCIATED WITH) CASE NO. 2005-00405
THE LOCK NO. 7 HYDROELECTRIC)
PROJECT, PROJECT NO. 539)
TO LOCK 7 HYDRO PARTNERS, LLC)

FIRST DATA REQUEST OF COMMISSION STAFF TO
KENTUCKY UTILITIES COMPANY

Kentucky Utilities Company (“KU”) is requested, pursuant to 807 KAR 5:001, to file with the Commission the original and five copies of the following information, with a copy to all parties of record. The information requested herein is due on or before November 22, 2005. 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. Provide the Initial Consultation Document, which is referenced in the correspondence included in Exhibit J, KU Stakeholder Correspondence.

2. Refer to KU's response to Item 1 of the Supplemental Data Request of the Attorney General, dated March 1, 2004, in Case No. 2003-00434.¹

a. Provide a complete copy of the referenced Duke Engineering & Services report ("Duke Report").

b. Provide an explanation of any economic analysis included in the Duke Report regarding the cost to renovate, rehabilitate, or rebuild the Lock No. 7 facility.

c. Provide an explanation of any economic analysis included in the Duke Report regarding the cost to decommission the Lock No. 7 facility.

3. Describe KU's consideration of renovating the Lock No. 7 facility itself and marketing the output as Green Power at a premium price.

4. Other than the information requested above, provide any other relevant information supporting KU's current decision to transfer the Lock No. 7 facility. Include information relating to current coal prices and natural gas prices or the current cost of electric energy in the wholesale market.

5. Provide the accounting entries KU will make if the proposed transaction is approved. Explain how KU will address any loss or gain associated with the transaction.

6. Refer to Attachment 1, FERC Application and Exhibits.

a. Provide a detailed description of Salt River Electric Cooperative's ("Salt River") role in the acquisition, renovation, and operation of the Lock No. 7 facility. Include a description of Salt River's capital contribution as a principal of Lock 7 Hydro

¹ Case No. 2003-00434, An Adjustment of the Electric Rates, Terms and Conditions of Kentucky Utilities Company.

Partners (“Lock 7 Partners”), its capital contribution to and its role in the renovation of the Lock No. 7 facility, and its role in the operation of the renovated facility.

b. Provide a detailed description of Shaker Landing Hydro Associates’ (“Shaker Landing”) role in the acquisition, renovation, and operation of the Lock No. 7 facility. Include a description of Shaker Landing’s capital contribution as a principal of Lock 7 Partners, its capital contribution to and its role in the renovation of the Lock No. 7 facility, and its role in the operation of the renovated facility.

c. Describe how the power generated from Lock No. 7 will be transmitted to Salt River. Include in the discussion the status of any negotiations relating to transmission service.



Beth O'Donnell
Executive Director
Public Service Commission
P. O. Box 615
Frankfort, KY 40602

DATED: November 10, 2005

cc: Parties of Record