

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

JOINT PETITION BY APPLICATION	)	
OF LOUISVILLE GAS AND ELECTRIC	)	
COMPANY AND KENTUCKY UTILITIES	)	CASE NO. 2006-00283
COMPANY FOR ENLARGEMENT OF	)	
TIME TO FILE DEPRECIATION STUDIES	)	

O R D E R

On June 9, 2006, Louisville Gas and Electric Company ("LG&E") and Kentucky Utilities Company ("KU") filed a joint application requesting a 6-month extension of time, from June 30, 2007 until December 31, 2007, to file new depreciation studies in accordance with the findings in the June 30, 2004 Orders in their last base rate cases, Case Nos. 2003-00433 and 2003-00434, respectively.<sup>1</sup> LG&E and KU also request authority to utilize the December 31, 2006 balances in plant-in-service accounts as the basis for the new depreciation studies. The application states that although they had agreed to file their new studies no later than June 30, 2007, they have traditionally performed such studies using year-end plant account data, which makes the studies administratively easier to conduct since their books and records are kept on a calendar year-end basis, not on a rolling 12-month basis. The application also states that they are in the process of performing asset life assessment studies for their generating units,

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<sup>1</sup> Case No. 2003-00433, An Adjustment of the Gas and Electric Rates, Terms, and Conditions of Louisville Gas and Electric Company; Case No. 2003-00434, An Adjustment of the Electric Rates, Terms, and Conditions of Kentucky Utilities Company.

that these studies are expected to be completed by the end of 2006, and that these studies are expected to have a material impact on their depreciation studies.

Finally, in response to a request for information, LG&E and KU stated that, due to the significant number of generating units on their respective systems, and the fact that the LG&E system includes both gas and electric plant, the depreciation studies cannot be completed within 6 months of the plant-in-service account balances.

Based on the application and being otherwise sufficiently advised, the Commission finds that LG&E and KU have shown good cause to extend by 6 months the date for filing new depreciation studies, and to allow those studies to be based on plant-in-service balances as of December 31, 2006.

IT IS THEREFORE ORDERED that LG&E and KU shall file new depreciation studies no later than December 31, 2007, based on plant-in-service account balances as of December 31, 2006.

Done at Frankfort, Kentucky, this 27<sup>th</sup> day of July, 2006.

By the Commission

ATTEST:

  
Executive Director