

BOEHM, KURTZ & LOWRY

ATTORNEYS AT LAW
36 EAST SEVENTH STREET
SUITE 2110
CINCINNATI, OHIO 45202
TELEPHONE (513) 421-2255
TELECOPIER (513) 421-2764

VIA OVERNIGHT MAIL

March 1, 2004

RECEIVED

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**PUBLIC SERVICE
COMMISSION**

Thomas M. Dorman, Esq.
Executive Director
Kentucky Public Service Commission
211 Sower Boulevard
Frankfort, Kentucky 40602

Re: Case No. 2003-00433

Dear Mr. Dorman:

Please find enclosed the original and twelve copies of the Second Set of Data Requests of Kentucky Industrial Utility Customers, Inc. to Louisville Gas & Electric Company filed in the above-referenced matter.

By copy of this letter, all parties listed on the attached Certificate of Service been served. Please place this document of file.

Very Truly Yours,



Michael L. Kurtz, Esq.

BOEHM, KURTZ & LOWRY

MLKkew
Attachment

cc: Certificate of Service
Richard Raff, Esq.

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing was served by mailing a true and correct copy, by regular U.S. mail (unless otherwise noted) to all parties on the 1st day of March, 2004.

Michael S. Beer
Vice President, Rates & Regulatory
Louisville Gas and Electric Company
220 W. Main Street, P. O. Box 32010
Louisville, KY 40232-2010

Honorable Elizabeth E. Blackford
Assistant Attorney General
Office of the Attorney General
Utility & Rate Intervention Division
1024 Capital Center Drive, Suite 200
Frankfort, KY 40601-8204
betsy.blackford@law.state.ky.us

Honorable David R. Brown
Stites & Harbison
421 West Main Street
P. O. Box 634
Frankfort, KY 40602-0634

Honorable Joe F. Childers
201 West Short Street, Suite 310
Lexington, KY 40507
childerslaw@yahoo.com

Honorable Lisa Kilkelly
Legal Aid Society
425 West Muhammad Ali Boulevard
Louisville, KY 40202
lkilkelly@laslou.org

David A. McCormick, Esq.
DAJA-RL 4118
901 N. Stuart Street, Room 700
Arlington, VA 22203-1837

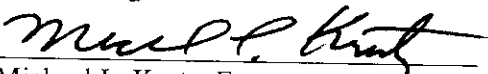
Honorable Linda S. Portasik
Senior Corporate Attorney
Louisville Gas and Electric Company
220 W. Main Street
P. O. Box 32010
Louisville, KY 40232-2010
linda.portasik@lgeenergy.com
(VIA ELECTRONIC MAIL)

Honorable Kendrick R. Riggs
Ogden, Newell & Welch, PLLC
1700 Citizens Plaza
500 West Jefferson Street
Louisville, KY 40202
kriggs@ogdenlaw.com
(VIA ELECTRONIC MAIL)

Honorable Iris Skidmore
Office of Legal Services
Natural Resources and Environmental
Protection Cabinet
5th Floor, Capital Plaza Tower
500 Mero Street
Frankfort, KY 40601
iris.skidmore@ky.gov

Honorable Robert M. Watt, III
Stoll, Keenon & Park, LLP
300 West Vine Street, Suite 2100
Lexington, KY 40507-1801
watt@skp.com

John Wolfram
Manager, Regulatory Policy/Strategy
Louisville Gas and Electric Company
220 W. Main Street
P. O. Box 32010
Louisville, KY 40232-2010


Michael L. Kurtz, Esq.

**COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION**

In The Matter Of Adjustment of Gas & Electric Rates of
Louisville Gas & Electric Company

:
:

Case No. 2003-00433

**SECOND SET OF DATA REQUESTS OF
KENTUCKY INDUSTRIAL UTILITY CUSTOMERS, INC. to
LOUISVILLE GAS & ELECTRIC COMPANY**

Dated: March 1, 2004

DEFINITIONS

1. "Document" means the original and all copies (regardless of origin and whether or not including additional writing thereon or attached thereto) of memoranda, reports, books, manuals, instructions, directives, records, forms, notes, letters, notices, confirmations, telegrams, pamphlets, notations of any sort concerning conversations, telephone calls, meetings or other communications, bulletins, transcripts, diaries, analyses, summaries, correspondence investigations, questionnaires, surveys, worksheets, and all drafts, preliminary versions, alterations, modifications, revisions, changes, amendments and written comments concerning the foregoing, in whatever form, stored or contained in or on whatever medium, including computerized memory or magnetic media.
2. "Study" means any written, recorded, transcribed, taped, filmed, or graphic matter, however produced or reproduced, either formally or informally, a particular issue or situation, in whatever detail, whether or not the consideration of the issue or situation is in a preliminary stage, and whether or not the consideration was discontinued prior to completion.
3. "Person" means any natural person, corporation, professional corporation, partnership, association, joint venture, proprietorship, firm, or the other business enterprise or legal entity.
4. A request to identify a natural person means to state his or her full name and residence address, his or her present last known position and business affiliation at the time in question.
5. A request to identify a document means to state the date or dates, author or originator, subject matter, all addressees and recipients, type of document (e.g., letter, memorandum, telegram, chart, etc.), number of code number thereof or other means of identifying it, and its present location and custodian. If any such document was, but is no longer in the Company's possession or subject to its control, state what disposition was made of it.
6. A request to identify a person other than a natural person means to state its full name, the address of its principal office, and the type of entity.
7. "And" and "or" should be considered to be both conjunctive and disjunctive, unless specifically stated otherwise.
8. "Each" and "any" should be considered to be both singular and plural, unless specifically stated otherwise.
9. Words in the past tense should be considered to include the present, and words in the present tense include the past, unless specifically stated otherwise.
10. "You" or "your" means the person whose filed testimony is the subject of these interrogatories and, to the extent relevant and necessary to provide full and complete answers to any request, "you" or "your" may be deemed to include any person with information relevant to any interrogatory who is or was employed by or otherwise associated with the witness or who assisted, in any way, in the preparation of the witness' testimony.
12. "LG&E" means Louisville Gas & Electric Company, and/or any of their officers, directors, employees or agents who may have knowledge of the particular matter addressed.

INSTRUCTIONS

1. If any matter is evidenced by, referenced to, reflected by, represented by, or recorded in any document, please identify and produce for discovery and inspection each such document.
2. These interrogatories are continuing in nature, and information which the responding party later becomes aware of, or has access to, and which is responsive to any request is to be made available to Kentucky Industrial Utility Customers. Any studies, documents, or other subject matter not yet completed that will be relied upon during the course of this case should be so identified and provided as soon as they are completed. The Respondent is obliged to change, supplement and correct all answers to interrogatories to conform to available information, including such information as it first becomes available to the Respondent after the answers hereto are served.
3. Unless otherwise expressly provided, each interrogatory should be construed independently and not with reference to any other interrogatory herein for purpose of limitation.
4. The answers provided should first restate the question asked and also identify the person(s) supplying the information.
5. Please answer each designated part of each information request separately. If you do not have complete information with respect to any interrogatory, so state and give as much information as you do have with respect to the matter inquired about, and identify each person whom you believe may have additional information with respect thereto.
6. In the case of multiple witnesses, each interrogatory should be considered to apply to each witness who will testify to the information requested. Where copies of testimony, transcripts or depositions are requested, each witness should respond individually to the information request.
7. The interrogatories are to be answered under oath by the witness(es) responsible for the answer.
8. Responses to requests for revenue, expense and rate base data should provide data on the basis of Total company as well as Intrastate data, unless otherwise requested.

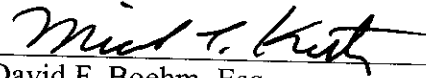
**KIUC's SECOND SET OF DATA REQUESTS TO LG&E
PSC CASE NO. 2003-00433**

- Q1. Please provide a copy of all intercompany agreements between LG&E and KU.
- Q2. Please describe how power purchases from one Company by the other are reflected in the purchasing Company's FAC filings. Identify and describe all adjustments that are made to the actual purchase cost to determine the recoverable amount, if any.
- Q3. Please describe how power sales from one Company to the other are reflected in the selling Company's FAC filings. Identify and describe all adjustments that are made to the actual sales revenues to determine the net margin credits reflected in the recoverable amount, if any. Identify and describe all adjustments that are made to the reflect the actual cost of the sale to determine the net margin credits reflected in the recoverable amount, if any.
- Q4. Refer to the Company's responses to PSC 1-13 page 1 of 9 and to KIUC 1-86 page 2 of 35. Please describe the costs included in Account 163006 and how the amounts were derived.
- Q5. Refer to the Company's response to KIUC 1-88. Please provide the complete Mercer study requested. The response to PSC 2-16(e) does not appear to be the complete study. In addition, the column headings are illegible.
- Q6. Refer to the Company's response to KIUC 1-88. Please provide the complete Mercer study requested for the previous year. The response to PSC 2-16(e) does not provide any information for the previous year.
- Q7. Refer to the company's response to KIUC 1-89. Please confirm that the Company does not have a more recent actuarial study for pensions and other post retirement benefits costs than the Mercer study relied on for Schedule 1.13 of Rives Exhibit 1.
- Q8. Please provide the journal entries by month from December 2002 through December 2003 for the Company's minimum pension funding requirement recognized in OCI for purposes of the common equity outstanding at the end of each of those months. Also provide the supporting documentation relied on for the journal entries.
- Q9. Identify all generating units that were retired during the test year or subsequent to the test year. Provide the date at which each unit was removed from service.
- Q10. For each unit identified in response to the preceding question, please provide the amount of O&M expense, depreciation expense, and taxes other than income taxes expense incurred during the test year.
- Q11. Please provide by month during the test year the purchased power costs not recoverable through the FAC and included in the base revenue requirement. Provide all supporting documentation.

- Q12: Please provide by month during the test year the off-system sales revenue and related costs not reflected as a net credit in the FAC and included in the base revenue requirement. Provide all supporting documentation.
- Q13. Did the Company prepare any other class cost of service studies (whether or not ultimately used by the Company for any purpose), beyond the BIP study presented in its filing? If so, please identify the type of study prepared, list the differences between such study and the BIP study filed in this case and provide a copy of the study, including all supporting workpapers.
- Q14. Did the Company consider, but not prepare, any other class cost of service study beyond the BIP study filed in this case? If so, please identify the type of study and list the differences between such study and the BIP study filed in this case.
- Q15. Please provide for each cost of service rate class, monthly 12 CP kW demand data for the test year (i.e., each rate class or special contract that is separately included and analyzed in the Company's cost of service model, whether presented as a separate class or not in the Company's filing). This data should be provided in the same format as shown in the Company's workpapers that support the summer and winter CP data.
- Q16. For each of the following riders, please provide the total dollar amount paid by retail customers pursuant to the rider for the test year and the amount the Company estimates will be paid by such customers pursuant to the Company's proposed tariffs associated with each such rider. Please provide the actual dollar amounts, rather than referring to a workpaper or schedule. For each such dollar amount provided, then provide a reference to the supporting workpaper or schedule underlying the value.
- a. Redundant capacity rider
 - b. curtailable service rider
 - c. excess facilities rider
 - d. intermittent and fluctuating loads rider
- Q17. For each of the CT units included in the PROSYM production cost output for 2004, provided in response to KIUC Question 50, page 1 of 3, please provide the following information for the test year ending September 30, 2003:
- a. gross plant in service
 - b. accumulated depreciation
 - c. ADIT (if not available by unit, please provide: 1) the tax accelerated depreciation from the in-service date for the unit through September 30, 2003 and 2) the tax straight-line depreciation for the unit from the in-service date of the unit through September 30, 2003.
 - d. O&M expenses
 - e. book depreciation expense
 - f. property taxes

In the event that a unit shown for 2004 was not in-service for the entire test-year, please indicate the number of months during the test year that the unit was in-service. In the event that a unit shown for 2004 was not in-service at all for the test year, please provide the requested information on a projected basis for 2004.

Respectfully submitted,



David F. Boehm, Esq.

Michael L. Kurtz, Esq.

BOEHM, KURTZ & LOWRY

36 East Seventh Street, Suite 2110

Cincinnati, Ohio 45202

Ph: (513) 421-2255 Fax: (513) 421-2764

E-Mail: kiuc@aol.com

**COUNSEL FOR KENTUCKY INDUSTRIAL
UTILITY CUSTOMERS, INC.**

March 1, 2004