



LG&E Energy LLC  
220 West Main Street (40202)  
P.O. Box 32030  
Louisville, Kentucky 40232

APR 09 2005

April 6, 2005

Elizabeth O'Donnell  
Executive Director  
Kentucky Public Service Commission  
211 Sower Boulevard  
Frankfort, Kentucky 40601

**RE: The Application of Louisville Gas and Electric Company for Approval of its 2004 Compliance Plan for Recovery by Environmental Surcharge – Case No. 2004-00421**

*and*

**The Application of Kentucky Utilities Company for a Certificate of Public Convenience and Necessity to Construct Flue Gas Desulfurization Systems and Approval of its 2004 Compliance Plan for Recovery by Environmental Surcharge - Case No. 2004-00426**

Dear Ms. O'Donnell:

Enclosed please find and accept for filing the original and ten (10) copies of Louisville Gas and Electric Company's ("LG&E") and Kentucky Utilities Company's ("KU") Requests for Information to the Office of the Attorney General ("AG") in the above-referenced matters.

Should you have any questions or need any additional information, please contact me at 502-627-3324.

Sincerely,

Robert M. Conroy  
Manager, Rates

cc: Parties of Record

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

**In the Matter of:**

**THE APPLICATION OF LOUISVILLE GAS AND            )**  
**ELECTRIC COMPANY FOR APPROVAL OF ITS            )** **CASE NO. 2004-00421**  
**2004 COMPLIANCE PLAN FOR RECOVERY            )**  
**BY ENVIRONMENTAL SURCHARGE                    )**

and

**In the Matter of:**

**THE APPLICATION OF KENTUCKY UTILITIES            )**  
**COMPANY FOR A CERTIFICATE OF PUBLIC            )**  
**CONVENIENCE AND NECESSITY TO CONSTRUCT    )** **CASE NO. 2004-00426**  
**FLUE GAS DESULFURIZATION SYSTEMS AND        )**  
**APPROVAL OF ITS 2004 COMPLIANCE PLAN FOR    )**  
**RECOVERY BY ENVIRONMENTAL SURCHARGE        )**

**LOUISVILLE GAS AND ELECTRIC COMPANY’S AND  
KENTUCKY UTILITIES COMPANY’S  
REQUESTS FOR INFORMATION TO  
THE ATTORNEY GENERAL (“AG”)**

Louisville Gas and Electric Company (“LG&E”) and Kentucky Utilities Company (“KU”) (collectively, the “Companies”) submit their requests for information to the Attorney General (“AG”).

As used herein, “Documents” include all correspondence, memoranda, notes, maps, drawings, surveys or other written recorded materials, whether external or internal, of every kind or description, in the possession of or accessible to AG, its witnesses, consultants or its counsel.

Please identify by name, title, position and responsibility the person or persons answering each of these requests for information for AG at the bottom of each response.

## Testimony of Carl Weaver

1. In reference to Schedule 2, explain the significance of the dashed line and also explain why Dr. Weaver shows an average over the period 1994-2004.
2. In reference to Schedule 32, page 2, provide a copy of each source showing the growth projections.
3. In reference to Schedule 34, page 2, provide individual-company cost of equity calculations for each of the companies in Dr. Weaver's analysis.
4. In reference to Schedule 35, page 2:
  - (a) Provide a computer disc showing all data and calculations underlying the calculation of internal rate of return. (All formulas should be reflected on this computer disc, including those for the calculation of the present value of the perpetuity and the calculation of the internal rate of return.)
  - (b) Explain how the convergence from the current growth to growth in 2008 is derived and provide all assumptions and calculations used.
  - (c) If different convergence assumptions are used for different companies, explain why this is so.
  - (d) Explain how the 2004 growth rate is calculated and provide all assumptions and data underlying the calculation.
5. In reference to Schedules 3 and 5, provide a copy of the Value Line and CBO publications referred to as the source.
6. In reference to Schedule 36, page 2:
  - (a) Provide a copy of the source of all the data referenced, including the CBO, Value Line and Thompson sources.

- (b) Provide all calculations, data, regressions, adjustments, assumptions, etc., used by Dr. Weaver in performing the CAPM calculations.

7. In reference to Schedule 38:

- (a) Provide a computer disc with all the data and calculational formulas underlying this schedule.
- (b) Is it Dr. Weaver's opinion that investors would give the same weight to a return achieved, for example, between 1994-1995 compared with the return achieved in 2003-2004? Explain the response.
- (c) Explain why Dr. Weaver employed 1-year Treasury securities in this calculation, rather than some other maturity of Treasury securities.

8. In Dr. Weaver's opinion, has the risk of LG&E or KU changed since the filing of his ESM testimony in December 2003? If so, explain in detail how.

9. Provide on a computer disc, all of Dr. Weaver's data, calculations, spreadsheets, etc., with cell formulas in tact.

Dated: April 6, 2005

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Kendrick R. Riggs", written over a horizontal line.

Kendrick R. Riggs  
OGDEN NEWELL & WELCH PLLC  
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500 West Jefferson Street  
Louisville, Kentucky 40202  
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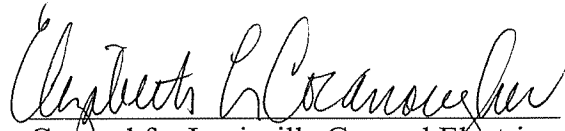
Counsel for Louisville Gas and Electric  
Company and Kentucky Utilities Company

**CERTIFICATE OF SERVICE**

I hereby certify that a true copy of the foregoing Requests for Information was served via first class U.S. mail, postage prepaid, this 6th day of April 2005, upon the following persons:

Elizabeth E. Blackford  
Assistant Attorney General  
Office of the Attorney General  
Utility & Rate Intervention Office  
1024 Capital Center Drive, Suite 200  
Frankfort, Kentucky 40601-8204

Michael L. Kurtz  
Boehm, Kurtz & Lowry  
36 East Seventh Street, Suite 2110  
Cincinnati, Ohio 45202

  
Counsel for Louisville Gas and Electric  
Company and Kentucky Utilities Company