

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

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PUBLIC SERVICE  
COMMISSION

In the Matter of:

JOINT APPLICATION OF LOUISVILLE GAS )  
AND ELECTRIC COMPANY AND KENTUCKY )  
UTILITIES COMPANY FOR A CERTIFICATE )  
OF PUBLIC CONVENIENCE AND NECESSITY ) Case No. 2004-00507  
AND A SITE COMPATIBILITY CERTIFICATE )  
FOR THE EXPANSION OF THE TRIMBLE )  
COUNTY GENERATING STATION )

**SUPPLEMENTAL REQUEST FOR INFORMATION  
POSED BY THE ATTORNEY GENERAL**

Comes now the intervenor, the Attorney General of the Commonwealth of Kentucky, by and through his Office of Rate Intervention, and submits this Supplemental Request for Information to Louisville Gas and Electric Company and Kentucky Utilities Company to be answered by the date specified in the Commission's Order of Procedure, and in accord with the following:

- (1) In each case where a request seeks data provided in response to a staff request, reference to the appropriate request item will be deemed a satisfactory response.
- (2) Please identify the witness who will be prepared to answer questions concerning each request.
- (3) These requests shall be deemed continuing so as to require further and supplemental responses if the company receives or generates additional information within the scope of these requests between the time of the response and the time of any hearing conducted hereon.
- (4) If any request appears confusing, please request clarification directly from the Office of Attorney General.
- (5) To the extent that the specific document, workpaper or information as requested does not exist, but a similar document, workpaper or information does exist, provide the similar document, workpaper, or information.

(6) To the extent that any request may be answered by way of a computer printout, please identify each variable contained in the printout which would not be self evident to a person not familiar with the printout.

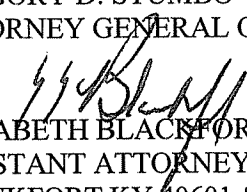
(7) If the company has objections to any request on the grounds that the requested information is proprietary in nature, or for any other reason, please notify the Office of the Attorney General as soon as possible.

(8) For any document withheld on the basis of privilege, state the following: date; author; addressee; indicated or blind copies; all persons to whom distributed, shown, or explained; and, the nature and legal basis for the privilege asserted.

(9) In the event any document called for has been destroyed or transferred beyond the control of the company, please state: the identity of the person by whom it was destroyed or transferred, and the person authorizing the destruction or transfer; the time, place, and method of destruction or transfer; and, the reason(s) for its destruction or transfer. If destroyed or disposed of by operation of a retention policy, state the retention policy.

Respectfully submitted,

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CERTIFICATE OF SERVICE AND NOTICE OF FILING

I hereby give notice that this the 16th day of March, 2005, I have filed the original and seven copies of the foregoing Request for Information with the Kentucky Public Service Commission at 211 Sower Boulevard, Frankfort, Kentucky, 40601 and certify that this same day I have served the parties by mailing a true copy of same, postage prepaid, to those listed below.

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Attorney General's Supplemental Request for Information  
Posed to Louisville Gas and Electric Company and Kentucky Utilities Company  
Case No. 2004-507

- 2-1. Follow-up to Question 5. Please provide this next load forecast as soon as it is available.
- 2-2. Follow-up to Question 6 and PSC Question 17. With respect to the Winter Peak figures shown on the charts on page 2 of 3 of the response to PSC Question 17:
- a. For a given year, for example 2004, does the 2004 Winter Peak figure represent the highest winter peak during the 2004 calendar year, the highest winter peak in the 2003-2004 winter, or the highest winter peak for the 2004-2005 winter?
  - b. For KU, please provide the Winter Peak for the 2004-2005 winter, if it is not the figure that is represented by the 2004 Winter Peak on this chart.
  - c. For LG&E, please provide the Winter Peak for the 2004-2005 winter, if it is not the figure that is represented by the 2004 Winter Peak on this chart.
- 2-3. Follow-up to Question 7. This response states that forecasts “are not anchored to any particular year.” Please refer to Mr. Sinclair’s forecast in Exhibit DSS-1.
- a. Isn’t it true that this forecast that starts in 2004, is anchored to 2003 actual or weather corrected actual data, since, for example, next to the 2004 Summer Peak of 6,532 MW is a Growth Rate of 2.8%?
  - b. Doesn’t the 2.8% growth rate indicate that this 2004 Summer Peak is anchored to the 2003 actual figures? If not, please explain why not and what the 2.8% is referring to and what figure it is referencing.
  - c. If the DSS-1 forecast is “not anchored to any particular year,” please provide all calculations, assumptions and workpapers that develop the starting point from which the 2.8% growth is applied to achieve the 2004 first year of the forecast.
  - d. Are the Companies not concerned if the starting point of their load forecast is different from what is actually experienced on the system, weather normalized? Why should the Companies rely on projections that failed to materialize instead of what has actually occurred?
- 2-4. Follow-up to Question 12 (d).
- a) By what date do the Companies expect to make this decision?
  - b) Please provide this “final firm pricing” when it becomes available.
  - b) Please provide the Companies’ analysis based on this “final firm pricing” when it becomes available.
- 2-5. Follow-up to Question 17. Please provide a revised Exhibit JPM-1 Appendix A, based on current the fuel and allowance prices provided in this response (TC2 coal \$1.60 per mmBtu; gas \$6.00 per mmBtu, SO<sub>2</sub> allowances \$650 per ton, and NO<sub>x</sub> prices \$2500 per ton).
- 2-6. Follow-up to Question 19. Why does the OVEC figure drop by 30 MW in 2006?

- 2-7. Follow-up to Question 20(a). The response to PSC Question 1(a) provided only the aggregate total input costs. Please provide all specific assumptions and inputs that were used for each of these cases.
- 2-8. Follow-up to Question 20(a) and PSC Question 1(a). The Attachment to PSC-1a did not provide sufficient details to compare the nine cases considered by the Companies. With respect to the Native Load Only Scenario (pages 1, 2, and 3 of 22), please provide each of these figures (for each year and for each case) on each of the three pages (capital costs, variable costs and fixed costs) broken down into these three subsets:
- a) Costs associated with coal-fired generation;
  - b) Costs associated with gas-fired generation; and
  - c) Costs associated with hydro generation.
- 2-9. Follow-up to Question 20(a) and PSC Question 1(a). The Attachment to PSC-1a did not provide sufficient details to compare the nine cases considered by the Companies. With respect to the High Generation Sensitivity Scenario (pages 10, 11, and 12 of 22), please provide each of these figures (for each year and for each case) on each of the three pages (capital costs, variable costs and fixed costs) broken down into these three subsets:
- a) Costs associated with coal-fired generation;
  - b) Costs associated with gas-fired generation; and
  - c) Costs associated with hydro generation.
- 2-10. Follow-up to Question 22 and 21(a). The scenarios provided in the response to Question 21(a), included transmission costs, which are different for each option considered. The response to Question 22 shows transmission costs and, in addition, financing costs that will have to be paid by ratepayers for the Trimble County 2 option. Both transmission and financing costs would already be rolled into the cost of purchases made from outside marketers. In order to obtain a comparison of the options with all costs that ratepayers will have to pay, please provide the analysis in response to Question 21(a) that includes both the transmission costs and the financing costs for Trimble County 2, which are provided in response to Question 22.
- 2-11. Follow-up to Question 22. Based on the figures provided in the attachment:
- a) Please provide a calculation of the impact on the base rates of KU customers associated with the addition of the Trimble Country 2 plant and associated CWIP to the KU ratebase.
  - b) Please provide a calculation of the impact on the base rates of LG&E customers associated with the addition of the Trimble Country 2 plant and associated CWIP to the LG&E ratebase.
- 2-12. Follow-up to Question 23. In this Table 2 of Reserve Margins, the Peak Loads are 100 MW higher than the forecast figures provided by Mr. Sinclair.
- a) Is it correct that this 100 MW difference is the CSR/Interruptible Load, and this load reduction is already included in Mr. Sinclair's forecast figures?
  - b) For each historic year in Mr. Sinclair's Exhibit DSS-3:
    - i) Please provide the amount of curtailable/interruptible load actually interrupted at the time of summer peak.

ii) Please provide the amount of curtailable/interruptible load available under contract that could have been interrupted at time of summer peak.

2-13. Follow-up to Question 25. This response states that the Companies assume that the offer to sell the hydro units has been withdrawn because there was no plant purchase offer in the October 14, 2004 letter. With respect to this response:

a) Have the Companies asked Marketer F why the offer to sell the units was not included in the October 14, 2004 letter? If so, what was Marketer F's response? If not, have the Companies determined why the offer to sell the units was not in the October 14, 2004, letter? If so, what reason was given?

b) Have the Companies gone back to Marketer F, since the October 14, 2004, letter, and requested an offer to purchase the hydro units outright? If so, what was Marketer F's response? If not, why haven't the Companies pursued the outright purchase of these units from Marketer F?

2-14. Follow-up to Question 26(a). Please provide an explanation as to why the Companies think it is "not prudent" to consider a low load growth scenario, especially in light of the low load growth in recent years and the failure of load to grow as fast as has been projected in the Companies' two most recent Integrated Resource Plans.

2-15. Follow-up to PSC Question 14(a).

a) The response states "A summary of that assessment is attached", referring to risk assessment associated with possible changes in environmental regulations, but the summary was not attached. Please provide the summary that was to be attached.

b) The response states "The Companies anticipate that this analysis will be included in the 2005 IRP filing," referring to analysis of regulation of carbon dioxide emissions. That analysis is being done presently. Please provide the "dollars per ton" cost of carbon dioxide assumption that is being used in that analysis.