

A. NAME/ADDRESS: Consol Energy / Contract No. LGE05012
1800 Washington Road
Pittsburgh, Pennsylvania 15241

B. PRODUCTION FACILITY:
OPERATOR Consolidated Coal Company
MINE McElroy and Shoemaker
LOCATION Marshall County, West Virginia

C. CONTRACT EXECUTED DATE: December 21, 2004

D. CONTRACT DURATION: January 1, 2005 - December 31, 2008

E. CONTRACT AMENDMENTS: None

F. ANNUAL TONNAGE REQUIREMENTS:

2005	841,500 tons (Reflects force majeure tonnage of 33,500 tons)
2006	875,000 tons
2007	1,000,000 tons
2008	1,000,000 tons

G. ACTUAL TONNAGE RECEIVED:

2005	189,121 tons (through 4/30/05)
------	--------------------------------

H. PERCENT OF ANNUAL REQUIREMENTS

2005	22.5% (through 4/30/05)
------	-------------------------

I. BASE PRICE (FOB Barge):

<u>Quality A</u>	
2005	121.926 cents/MMBtu
2006	124.385 cents/MMBtu
2007	126.844 cents/MMBtu
2008	129.385 cents/MMBtu
<u>Quality B</u>	
2005	119.877 cents/MMBtu
2006	122.295 cents/MMBtu
2007	124.713 cents/MMBtu
2008	127.213 cents/MMBtu

J. ESCALATIONS TO DATE: None

K. CURRENT CONTRACT PRICE:	Quality A	121.926 cents/MMBtu
	Quality B	119.877 cents/MMBtu

A. NAME/ADDRESS: Hopkins County Coal, LLC / LGE02014
1717 South Boulder Avenue
Tulsa, Oklahoma 74119-4886

B. PRODUCTION FACILITY:
OPERATOR Warrior Coal, LLC and Webster County
Coal, LLC
MINE Seller's Mines
LOCATION Western Kentucky

C. CONTRACT EXECUTED DATE: December 21, 2002

D. CONTRACT DURATION: January 1, 2002 - December 31, 2007

E. CONTRACT AMENDMENTS: Amendment No. 1 effective October 1, 2003
adding an additional source
Amendment No. 2 effective January 1, 2004
amending tonnage, term, quality and price.

F. ANNUAL TONNAGE REQUIREMENTS:

2002	Up to 2,250,000 tons (Total with Synfuel Solutions Operating Contract)
2003	Up to 2,250,000 tons (Total with Synfuel Solutions Operating Contract)
2004	Up to 2,250,000 tons (Total with Synfuel Solutions Operating Contract)
2005	Up to 2,500,000 tons (Total with Synfuel Solutions Operating Contract)
2006	Up to 2,250,000 tons (Total with Synfuel Solutions Operating Contract)
2007	Up to 2,250,000 tons (Total with Synfuel Solutions Operating Contract)

G. ACTUAL TONNAGE RECEIVED:

2002	306,896 tons
2003	990,245 tons
2004	613,539 tons
2005	341,706 tons (through 4/30/05)

H. PERCENT OF ANNUAL
REQUIREMENTS:

2002 100% Coal portion of
Coal/Coal Synfuel Contract
2003 100% Coal portion of
Coal/Coal Synfuel Contract
2004 100% Coal portion of
Coal/Coal Synfuel Contract
2005 100% (through 4/30/05) of Coal
portion of Coal/Coal Synfuel
Contract

I. BASE PRICE (FOB Railcar):

2002 Quality 1 - 106.0 cents/MMBtu
Quality 2 - 103.0 cents/MMBtu
2003 Quality 1 - 106.0 cents/MMBtu
Quality 2 - 103.0 cents/MMBtu
2004 Quality 1 - 99.0 cents/MMBtu
2005 Quality 1 - 100.0 cents/MMBtu

J. ESCALATIONS TO DATE:

None

K. CURRENT CONTRACT PRICE:

100.0 cents/MMBtu

A. NAME/ADDRESS: Marietta Coal Company / LGE05010
629220 Georgetown Road
Cambridge, Ohio 43725

B. PRODUCTION FACILITY:
OPERATOR Marietta Coal Company
MINE Belmont Mine
LOCATION Belmont and Jefferson Counties, Ohio

MINE West Virginia Strip Mine
LOCATION Ohio County, West Virginia

C. CONTRACT EXECUTED DATE: November 15, 2004

D. CONTRACT DURATION: October 1, 2004 - December 31, 2008

E. CONTRACT AMENDMENTS: None

F. ANNUAL TONNAGE REQUIREMENTS:

2004	30,000 tons
2005	100,000 tons
2006	100,000 tons
2007	150,000 tons
2008	150,000 tons

G. ACTUAL TONNAGE RECEIVED:

2004	13,235 tons
2005	8,646 tons (through 4/30/05)

H. PERCENT OF ANNUAL REQUIREMENTS:

2004	44.1 %
2005	8.6 % (through 4/30/05)

I. BASE PRICE (FOB Barge):

2004	119.40 cents/MBtu
2005	119.40 cents/MMBtu
2006	121.64 cents/MMBtu
2007	123.88 cents/MMBtu
2008	126.12 cents/MMBtu

J. ESCALATIONS TO DATE: None

K. CURRENT CONTRACT PRICE: 119.40 cents/MMBtu

A. NAME/ADDRESS: Peabody COALSALES / LGE02011
701 Market Street, Suite 830
St. Louis, Missouri 63101-1826

B. PRODUCTION FACILITY:
OPERATOR Patriot Coal and Ohio County Coal
MINE Patriot and Freedom Mines
LOCATION Henderson County, Kentucky

OPERATOR Highland Mining Company
MINE Highland Mining Complex
LOCATION Union County, Kentucky

C. CONTRACT EXECUTED DATE: January 10, 2002

D. CONTRACT DURATION: January 1, 2002 - December 31, 2004

E. CONTRACT AMENDMENTS: Amendment No. 1, effective June 1, 2002
deferring tonnage from 2002 into 2003
Amendment No. 2 effective January 1, 2003
adding an additional coal quality.
Amendment No. 3 effective September 15,
2003 adding an additional coal quality.
Amendment No. 4, effective July 14, 2004
adding an additional loading point.

F. ANNUAL TONNAGE REQUIREMENTS:

2002	600,000 tons
2003	1,000,000 tons
2004	850,000 tons

G. ACTUAL TONNAGE RECEIVED:

2002	604,407 tons
2003	767,257 tons
2004	873,943 tons
2005	54,709 (through 4/30/05)

H. PERCENT OF ANNUAL REQUIREMENTS:

2002	100.7%
2003	76.7%
2004	102.8%
2005	Not Applicable

I. BASE PRICE (FOB Barge): 2002 112.24 cents/MMBtu – Quality A

2003 112.24 cents/MMBtu – Quality A
(first 150,000 tons)
113.51 cents/MMBtu – Quality A
(remainder of tonnage)
90.0 cents/MMBtu – Quality B
105.57 cents/MMBtu – Coal Synfuel
2004 116.80 cents/MMBtu – Quality A
(Load at Gibraltar)
114.17 cents/MMBtu – Quality A
(Load on Green River)
91.0 cents/MMBtu – Quality B
108.86 cents/MMBtu – Coal Synfuel

J. ESCALATIONS TO DATE:

None

K. CURRENT CONTRACT PRICE:

116.80 cents/MMBtu – Quality A
(Load at Gibraltar)
114.17 cents/MMBtu – Quality A
(Load on Green River)
91.0 cents/MMBtu – Quality B
108.86 cents/MMBtu – Coal Synfuel

A. NAME/ADDRESS:	Peabody COALSALES / LGE03010 701 Market Street, Suite 830 St. Louis, Missouri 63101-1826		
B. PRODUCTION FACILITY:			
OPERATOR	Patriot Coal Company, LP		
MINE	Patriot		
LOCATION	Henderson County, Kentucky		
OPERATOR	Ohio County Coal Company		
MINE	Freedom		
LOCATION	Henderson County, Kentucky		
C. CONTRACT EXECUTED DATE:	December 19, 2002		
D. CONTRACT DURATION:	January 1, 2003 - December 31, 2005		
E. CONTRACT AMENDMENTS:	None		
F. ANNUAL TONNAGE REQUIREMENTS:	2003	1,000,000 tons	
	2004	1,000,000 tons	
	2005	1,000,000 tons	
G. ACTUAL TONNAGE RECEIVED:	2003	929,710 tons	
	2004	1,055,758 tons	
	2005	337,307 tons (through 4/30/05)	
H. PERCENT OF ANNUAL REQUIREMENTS:	2003	92.9%	
	2004	105.6%	
	2005	33.7% (through 4/30/05)	
I. BASE PRICE (FOB Barge):	2003	Patriot	88.0 cents/MMBtu
		Camp	87.74 cents/MMBtu
		Gibraltar	85.39 cents/MMBtu
	2004	Patriot	89.0 cents/MMBtu
		Camp	88.74 cents/MMBtu
		Gibraltar	86.39 cents/MMBtu
	2005	Patriot	90.0 cents/MMBtu
		Camp	89.74 cents/MMBtu
		Gibraltar	87.39 cents/MMBtu
J. ESCALATIONS TO DATE:	None		

K. CURRENT CONTRACT PRICE:

Patriot	90.0 cents/MMBtu
Camp	89.74 cents/MMBtu
Gibraltar	87.39 cents/MMBtu

A. NAME/ADDRESS: Sands Hill Coal Company / LGE05014
38701 State Road 160
Hamden, Ohio 45634

B. PRODUCTION FACILITY:
OPERATOR Sands Hill Coal Company
MINE Sands Hill Mine
LOCATION Jackson and Vinton Counties, Ohio

C. CONTRACT EXECUTED DATE: March 8, 2005

D. CONTRACT DURATION: January 1, 2005 - February 28, 2007

E. CONTRACT AMENDMENTS: None

F. ANNUAL TONNAGE REQUIREMENTS:

2005	210,000 tons
2006	240,000 tons
2007	30,000 tons

G. ACTUAL TONNAGE RECEIVED:

2005	72,479 tons (through 4/30/05)
------	-------------------------------

H. PERCENT OF ANNUAL REQUIREMENTS:

2005	34.5 % (through 4/30/05)
------	--------------------------

I. BASE PRICE (FOB Barge):

2005	144.565 cents/MMBtu
2006	144.565 cents/MMBtu (first 30,000 tons shipped during 2006)
2006	147.826 cents/MMBtu (remainder of the tonnage shipped during 2006)
2007	147.826 cents/MMBtu

J. ESCALATIONS TO DATE: None

K. CURRENT CONTRACT PRICE: 144.565 cents/MMBtu

A. NAME/ADDRESS: Smoky Mountain Coal Corp. / LGE02013
9725 Cogdill Road, Suite 203
Knoxville, Tennessee 42413

B. PRODUCTION FACILITY:

OPERATOR	KMMC Mining
MINE	Vision #9
LOCATION	Webster County, Kentucky

OPERATOR	Allied Reserves, Inc.
MINE	Onton Reserve
LOCATION	Webster County, Kentucky

C. CONTRACT EXECUTED DATE: February 27, 2002

D. CONTRACT DURATION: January 1, 2002 - December 31, 2010

E. CONTRACT AMENDMENTS: Amendment No. 1, effective
January 1, 2004 amending term, quantity,
quality, and price.

F. ANNUAL TONNAGE REQUIREMENTS:

2002	200,000 tons
2003	250,000 tons
2004	400,000 tons
2005	400,000 tons
2006	400,000 tons
2007 - 2010	To Be Determined

G. ACTUAL TONNAGE RECEIVED:

2002	332,115 tons
2003	275,535 tons
2004	314,929 tons
2005	62,132 tons (through 4/30/05)

H. PERCENT OF ANNUAL REQUIREMENTS:

2002	166.1 %
2003	110.2 %
2004	78.7 %
2005	15.5 % (through 4/30/05)

I. BASE PRICE (FOB Barge):

<u>Quality A</u>	
2002 / 2003	115.4 cents/MMBtu
2004	119.4 cents/MMBtu

Quality B

2002 / 2003 112.3 cents/MMBtu
2004 116.1 cents/MMBtu

Quality C

2004 102.0 cents/MMBtu
2005 106.0 cents/MMBtu
2006 107.7 cents/MMBtu

Quality D

2004 99.5 cents/MMBtu
2005 103.0 cents/MMBtu
2006 105.0 cents/MMBtu

J. ESCALATIONS TO DATE:

None

K. CURRENT CONTRACT PRICE:

Quality C

106.0 cents/MMBtu

Quality D

103.0 cents/MMBtu

A. NAME/ADDRESS: Synfuel Sol. Operating, LLC / LGE02015
C/o The Goldman Sachs Group
85 Broad Street
New York, New York 10004

B. PRODUCTION FACILITY:
OPERATOR Synfuel Solutions Operating, LLC
MINE Warrior
LOCATION Hopkins County, Kentucky

C. CONTRACT EXECUTED DATE: December 28, 2001

D. CONTRACT DURATION: January 1, 2002 - December 31, 2007

E. CONTRACT AMENDMENTS: Amendment No. 1 effective January 1, 2004
amending term, quantity, and price.

F. ANNUAL TONNAGE REQUIREMENTS:

2002	Up to 2,250,000 tons (Total with Hopkins County Coal Contract)
2003	Up to 2,250,000 tons (Total with Hopkins County Coal Contract)
2004	Up to 2,250,000 tons (Total with Hopkins County Coal Contract)
2005	Up to 2,500,000 tons (Total with Hopkins County Coal Contract)
2006	Up to 2,250,000 tons (Total with Hopkins County Coal Contract)
2007	Up to 2,250,000 tons (Total with Hopkins County Coal Contract)

G. ACTUAL TONNAGE RECEIVED:

2002	1,787,142 tons
2003	1,370,692 tons
2004	1,657,818 tons
2005	470,500 tons (through 4/30/05)

H. PERCENT OF ANNUAL REQUIREMENTS:

2002	79.4%
2003	60.9%
2004	73.7%
2005	18.8% (through 4/30/05)

I. BASE PRICE (FOB Railcar):

2002	Quality 1 - 101.0 cents/MBtu Quality 2 - 99.0 cents/MMBtu
------	--

2003 Quality 1 – 101.0 cents/MMBtu
Quality 2 – 99.0 cents/MMBtu
2004 Quality 1 – 94.0 cents/MMBtu
2005 Quality 1 – 95.0 cents/MMBtu

J. ESCALATIONS TO DATE: None

K. CURRENT CONTRACT PRICE: Quality 1 – 95.0 cents/MMBtu

LOUISVILLE GAS AND ELECTRIC COMPANY

**Response to Information Requested in Appendix A to
Commission's Order Dated July 7, 2005**

Case No. 2005-00243

Question No. 7

Witness: Mike Dotson

- Q-7. a. Does LG&E regularly compare the price of its coal purchases with those paid by other electric utilities?
- b. If yes, state:
- (1) How LG&E's prices compare with those of other utilities for the review period.
 - (2) The utilities that are included in this comparison and their location.
- A-7. a. Yes.
- b. Please see attached sheet.

**RESPONSE TO PSC ORDER
 DATED: JULY 7, 2005
 PSC CASE NO. 2005-0023**

UTILITY	APR 04 - MAR 05 ¢/MMBTU	PLANT LOCATIONS
Ameren Energy Resources	131.19	Illinois
AmerenEnergy Generating Co.	123.94	Illinois
Appalachian Power Co.	152.90	Virginia, West Virginia
Cardinal Operating Co.	146.49	Ohio
Cincinnati Gas & Electric Co.	137.84	Kentucky, Ohio
Columbus Southern Power Co.	138.01	Ohio
Dayton Power & Light Co.	160.13	Ohio
East Kentucky Power Coop, Inc.	182.12	Kentucky
Electric Energy, Inc.	96.01	Illinois
Hoosier Energy Rural Electric Coop, Inc.	108.90	Indiana
Indiana Michigan Power Co.	136.57	Indiana
Indiana-Kentucky Electric Corp.	132.05	Indiana
Indianapolis Power & Light Co.	104.29	Indiana
Kentucky Power Co.	175.20	Kentucky
Kentucky Utilities Co.	164.02	Kentucky
Louisville Gas & Electric Co.	119.81	Kentucky
Monongahela Power Co.	127.84	West Virginia
Northern Indiana Public Service Co.	133.50	Indiana
Ohio Power Co.	122.78	Ohio, West Virginia
Ohio Valley Electric Corp.	150.91	Ohio
Owensboro Municipal Utilities	95.98	Kentucky
PSI Energy, Inc.	124.68	Indiana
Southern Indiana Gas & Electric Co.	123.08	Indiana
Tennessee Valley Authority	133.79	Alabama, Kentucky, Tennessee

LOUISVILLE GAS & ELECTRIC RANKED 5TH LOWEST FOR THE 12-MONTH PERIOD

LOUISVILLE GAS AND ELECTRIC COMPANY

**Response to Information Requested in Appendix A to
Commission's Order Dated July 7, 2005**

Case No. 2005-00243

Question No. 8

Witness: Mike Dotson

Q-8. What percentage of LG&E's coal, as of the date of this Order, is delivered by:

a. rail?

b. truck?

A-8. a. 43.17%

b. 0.0%

c. 56.83% (barge)

LOUISVILLE GAS AND ELECTRIC COMPANY

**Response to Information Requested in Appendix A to
Commission's Order Dated July 7, 2005**

Case No. 2005-00243

Question No. 9

Witness: Mike Dotson

- Q-9. a. State LG&E's coal inventory level in tons and in number of days supply as of April 30, 2005.
- b. Describe the criteria used to determine number of days' supply.
- c. Compare LG&E's coal inventory as of April 30, 2005 to its inventory target for that date.
- d. If actual coal inventory exceeds inventory target by 10 days' supply, state the reasons for excessive inventory.
- e. (1) Does LG&E expect any significant changes in its current coal inventory target within the next 12 months?
- (2) If yes, state the expected change and the reasons for this change.

A-9. a. As of April 30, 2005: 870,609 tons; 40 days

b. PSC Formula

$$\text{Days Burn} = \frac{\text{Current inventory tons}}{\text{Preceding 12 months burn (tons)}} \times 365 \text{ Days}$$

c. Target: 35-50 Days

d. The actual coal inventory does not exceed the inventory target.

e. (1) No.

(2) Not applicable.

LOUISVILLE GAS AND ELECTRIC COMPANY

**Response to Information Requested in Appendix A to
Commission's Order Dated July 7, 2005**

Case No. 2005-00243

Question No. 10

Witness: Mike Dotson

Q-10. a. Has LG&E audited any of its coal contracts during the period from November 1, 2004 through April 30, 2005?

b. If yes, for each audited contract:

(1) Identify the contract.

(2) Identify the auditor.

(3) State the results of the audit.

(4) Describe the actions that LG&E took as a result of the audit.

A-10. a. No. LG&E has not conducted any financial audits of coal companies. LG&E's current contracts are fixed price contracts and are not subject to price escalations that would require recurring audits. LG&E's Mining Engineer does conduct scheduled on-site reviews and inspections of the mining operations and sampling systems of each vendor up to twice a year and may conduct unscheduled visits. Additionally, LG&E employees may visit a vendor as needed to address problems and issues at any time.

b. Not applicable.

LOUISVILLE GAS AND ELECTRIC COMPANY

**Response to Information Requested in Appendix A to
Commission's Order Dated July 7, 2005**

Case No. 2005-00243

Question No. 11

Witness: Robert M. Conroy

Q-11. a. Has LG&E received any customer complaints regarding its fuel adjustment clause during the period from November 1, 2004 through April 30, 2005?

b. If yes, for each complaint, state:

(1) The nature of the complaint.

(2) LG&E's response.

A-11. a. No.

b. Not applicalbe.

LOUISVILLE GAS AND ELECTRIC COMPANY

**Response to Information Requested in Appendix A to
Commission's Order Dated July 7, 2005**

Case No. 2005-00243

Question No. 12

Witness: Mike Dotson

- Q-12. a. Is LG&E currently involved in any litigation with its current or former coal suppliers?
- b. If yes, for each litigation:
- (1) Identify the coal supplier.
 - (2) Identify the coal contract involved.
 - (3) State the potential liability or recovery to LG&E.
 - (4) List the issues presented.
 - (5) Provide a copy of the complaint or other legal pleading that initiated the litigation. If a copy has previously been filed with the Commission, provide the date on which it was filed.
- c. State the current status of all litigation with coal suppliers.

A-12. a. Yes

Coal Supply Agreement – Centennial Resources, Inc.

- b. (1) Centennial Coal, Inc. / Centennial Resources, Inc.
- (2) Coal Supply Agreement, dated May 10, 1990 between LG&E and Centennial Resources, Inc., as amended by Amendment to Amended Restated Coal Supply Agreement, effective January 1, 1996.
- (3) Potential Liability of \$328,457.04 plus interest.
- (4) (a) Whether plaintiff is barred by the statute of limitations because it has named LG&E beyond the applicable statute of limitations period;

- (b) Whether LG&E has properly withheld the claimed amount as cover damages for plaintiff's failure to supply coal pursuant to the contract.
- (5) A copy of the Amended Complaint was filed with the Commission as part of the hearing to Case No. 2003-00456.
- c. LG&E filed, and was granted summary judgment in the U.S. District Court in the Western District of Kentucky on the issue of statute of limitations and dismissed from the suit as of April 24, 2003. Plaintiff and cross-plaintiff appealed the decision in the U.S. Court of Appeals for the Sixth Circuit. The Court of Appeals reversed the District Court's decision. LG&E filed a motion for reconsideration. This case has been settled pursuant to that certain Compromise and Settlement Stipulation and Mutual Release of Claims dated May 24, 2005. LG&E now considers this matter closed.

Coal Supply Agreement – Kindill Mining

- b. (1) Kindill Mining: Kindill Mining (an affiliate of Horizon Natural Resources successor of AEI Coal Sales Company, Inc.) filed for Chapter 11 bankruptcy protection on August 25, 2003, LG&E filed a Proof of Claim on October 18, 2004.
- (2) Coal Supply Agreement LG&E 97-211-026 dated July 1, 1997.
- (3) LG&E seeks to recover cover damages sustained by LG&E arising from the rejection of the Contract.
- (4) The Contract was rejected by the Debtor pursuant to an Order rejecting certain executory contracts entered on September 30, 2004.
- (5) A copy of the Proof of Claim filed in the United States Bankruptcy Court in the Eastern District of Kentucky was filed with the Commission as part of the hearing to Case No. 2004-00466.
- c. A liquidating plan was approved and the claims process is ongoing.

LOUISVILLE GAS AND ELECTRIC COMPANY

**Response to Information Requested in Appendix A to
Commission's Order Dated July 7, 2005**

Case No. 2005-00243

Question No. 13

Witness: Mike Dotson

- Q-13. a. During the period from November 1, 2004 through April 30, 2005, have there been any changes to LG&E's written policies and procedures regarding its fuel procurement?
- b. If yes,
- (1) What were these changes?
 - (2) Provide these written policies and procedures as changed.
 - (3) When were these changes made?
 - (4) Why were they made?
- A-13. a. No. However, the Fuels Procurement Policies and Procedures are being revised in light of the 2004 Fuel Management Audit and requirements under Sarbanes-Oxley. A copy of the final revised policy will be provided upon its completion.
- b. Not applicable.

LOUISVILLE GAS AND ELECTRIC COMPANY

**Response to Information Requested in Appendix A to
Commission's Order Dated July 7, 2005**

Case No. 2005-00243

Question No. 14

Witness: Mike Dotson

Q-14. a. Is LG&E aware of any violations of its policies and procedures regarding fuel procurement that occurred prior to or during the period from November 1, 2004 through April 30, 2005?

b. If yes, for each violation:

(1) Describe the violation.

(2) Describe the action(s) that LG&E took upon discovering the violation.

(3) Identify the person(s) who committed the violation.

A-14. a. No.

b. Not applicable.

LOUISVILLE GAS AND ELECTRIC COMPANY

**Response to Information Requested in Appendix A to
Commission's Order Dated July 7, 2005**

Case No. 2005-00243

Question No. 15

Witness: Mike Dotson

Q-15. Identify all changes that occurred during the period from November 1, 2004 through April 30, 2005 in the organizational structure and personnel of the departments or divisions that are responsible for LG&E's fuel procurement activities.

A-15. The following changes have occurred in the Fuels Department during the period under review.

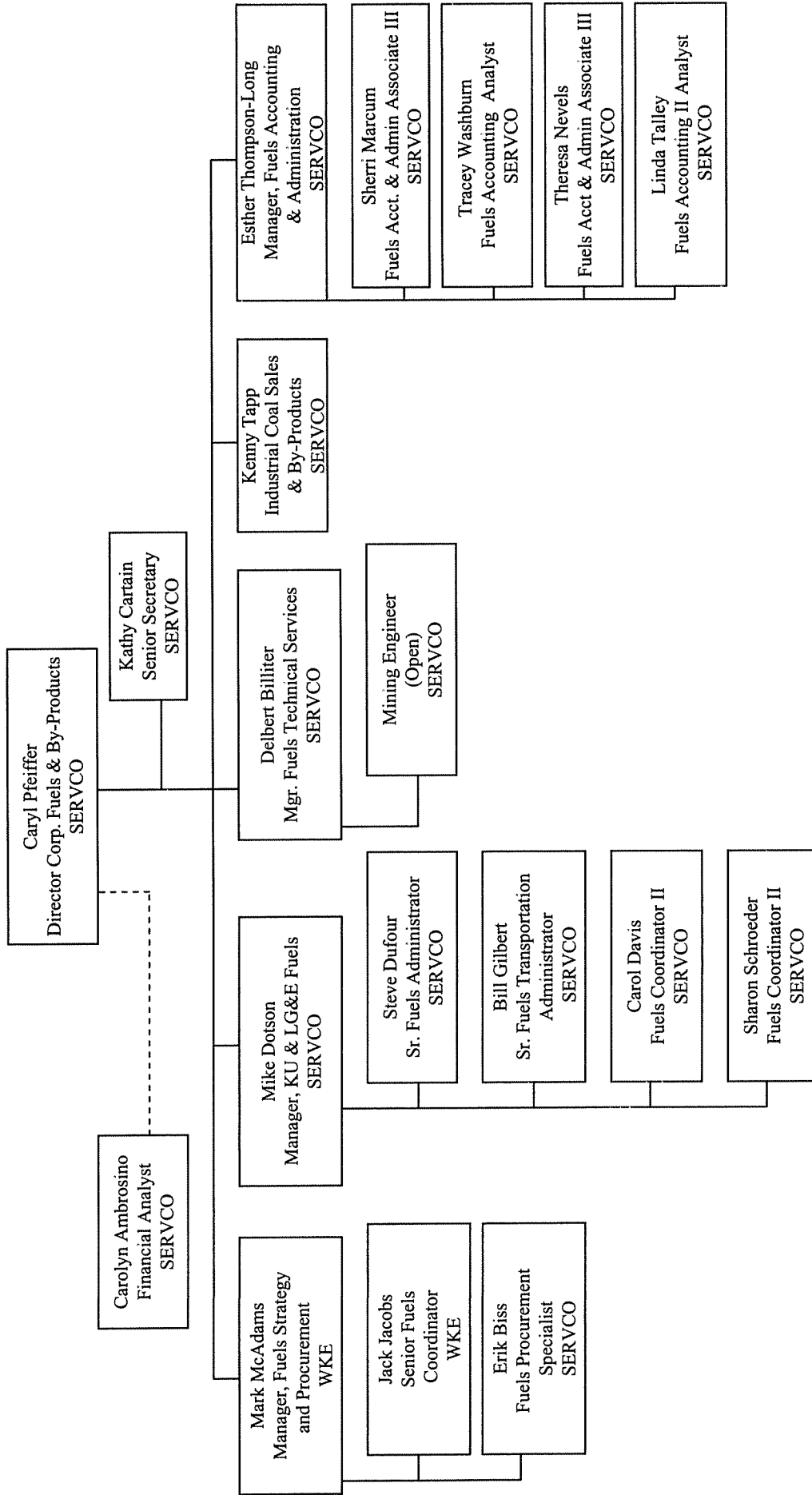
November 11, 2004 - Jim Hatton left LG&E Energy LLC as Manager, Fuels Field Operations.

Effective March 14, 2005 - Delbert Billiter moved from Mining Engineer to Manager, Fuels Technical Services.

Attached copy of the March 14, 2005 organizational chart for the Corporate Fuels and By Products Department.

Corporate Fuels and By-Products

March 14, 2005



LOUISVILLE GAS AND ELECTRIC COMPANY

**Response to Information Requested in Appendix A to
Commission's Order Dated July 7, 2005**

Case No. 2005-00243

Question No. 16

Witness: Keith Yocum

Q-16. a. Identify all changes that LG&E has made during the period under review to its maintenance and operation practices that also affect fuel usage at LG&E's generation facilities.

b. Describe the impact of these changes on LG&E's fuel usage.

A-16. a. None

b. Not applicable

LOUISVILLE GAS AND ELECTRIC COMPANY

**Response to Information Requested in Appendix A to
Commission's Order Dated July 7, 2005**

Case No. 2005-00243

Question No. 17

Witness: Mike Dotson

Q-17. List each written coal supply solicitation issued during the period from November 1, 2004 to April 30, 2005.

- a. For each solicitation, provide the date of the solicitation, the type of solicitation (contract or spot), the quantities solicited, a general description of the quality of coal solicited, the time period over which deliveries were requested, and the generating unit(s) for which the coal was intended.
- b. For each solicitation, state the number of vendors to whom the solicitation was sent, the number of vendors who responded, and the selected vendor. Provide the bid tabulation sheet or corresponding document that ranked the proposals. (This document should identify all vendors who made offers.) State the reasons for each selection.

A-17. a. Date: December 20, 2004
Contract/Spot: Contract and Spot
Quantities: No minimum or maximum specified
Quality: Suitable for LG&E power plants and KU's Ghent power plant
Period: Up to ten years
Generating Units: All LG&E coal fired units, KU's Ghent Unit #1 and KU's Green River Station

Date: March 21, 2005
Contract/Spot: Contract and Spot
Quantities: No minimum or maximum specified
Quality: Suitable for LG&E power plants and KU's Ghent power plant
Period: Up to ten years
Generating Units: All LG&E coal fired units and KU's Ghent Unit #1

b. December 20, 2004

Number of vendors receiving bids: 170

Number of vendor responses: 13

Selected vendors: The final selection of the vendors has not been made at this time. Negotiations are still in progress. The names of the selected vendors and the supporting bid tabulation sheet will be provided to the Commission after the negotiations are complete and the vendors are chosen.

March 21, 2005

Number of vendors receiving bids: 170

Number of vendor responses: 14

Selected vendors: The final selection of the vendors has not been made at this time. Negotiations are still in progress. The names of the selected vendors and the supporting bid tabulation sheet will be provided to the Commission after the negotiations are complete and the vendors are chosen.

LOUISVILLE GAS AND ELECTRIC COMPANY

**Response to Information Requested in Appendix A to
Commission's Order Dated July 7, 2005**

Case No. 2005-00243

Question No. 18

Witness: Mike Dotson

Q-18. List each oral coal supply solicitation issued during the period from November 1, 2004 to April 30, 2005.

- a. For each solicitation, state why the solicitation was not written, the date(s) of the solicitation, the quantities solicited, a general description of the quality of coal solicited, the time period over which deliveries were requested, and the generating unit(s) for which the coal was intended.
- b. For each solicitation, identify all vendors solicited and the vendor selected. Provide the tabulation sheet or other document that ranks the proposals. (This document should identify all vendors who made offers.) State the reasons for each selection.

A-18. a. None.

b. Not applicable.

LOUISVILLE GAS AND ELECTRIC COMPANY

**Response to Information Requested in Appendix A to
Commission's Order Dated July 7, 2005**

Case No. 2005-00243

Question No. 19

Witness: Keith Yocum

Q-19. a. List all intersystem sales during the period under review in which LG&E used a third party's transmission system.

b. For each sale listed above,

(1) Describe how LG&E addressed for fuel adjustment clause reporting purposes the cost of fuel expended to cover any line losses incurred to transmit its owner across the third party's transmission system.

(2) State the line loss factor used for each transaction and describe how that line loss factor was determined.

A-19. All third party transmission purchases to deliver outside of the LGE/KU system go through Midwest Independent System Operator Inc. ("MISO"). Prior to the advent of the MISO Day 2 Market, losses were considered part of off-system sales and were included in the AFB process to determine fuel expense for off-system sales. The volumes of losses generated for sales during November 2004 through April 2005 were:

Nov	1,971 MWH
Dec	2,551 MWH
Jan	2,074 MWH
Feb	1,658 MWH
Mar	1,970 MWH
Apr	0 MWH
<u>TOTAL</u>	<u>10,224 MWH</u>

These volumes of losses are the daily sums of the required generation for transmission losses over systems outside of the LGE/KU control area. The line loss factors are dynamically calculated by MISO for each individual transaction. As such, there is not a single loss factor that can be quoted. The average loss factor for third party off-system sales subject to transmission losses in MISO is 2.36%.

Subsequent to the start of the MISO Day 2 market on April 1, 2005, all off-system sales are made at the generator, and there are no separately identifiable physical

losses to include as part of off-system sales. Therefore, April 2005 shows zero losses. For purposes of compliance with FAC regulations, the Companies continue to use the AFB process to allocate fuel costs between native load and off-system sales.

LOUISVILLE GAS AND ELECTRIC COMPANY

**Response to Information Requested in Appendix A to
Commission's Order Dated July 7, 2005**

Case No. 2005-00243

Question No. 20

Witness: Robert M. Conroy

Q-20. Describe each change that LG&E made during the period under review to its methodology for calculating intersystem sales line losses.

A-20. None.