

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE PLAN OF KENTUCKY UTILITIES)
COMPANY FOR THE VALUE DELIVERY) CASE NO.
SURCREDIT MECHANISM) 2005-00351

THE PLAN OF LOUISVILLE GAS AND)
ELECTRIC COMPANY FOR THE VALUE) CASE NO.
DELIVERY SURCREDIT MECHANISM) 2005-00352

COMMISSION STAFF'S INFORMATION REQUEST TO
THE KENTUCKY INDUSTRIAL UTILITY CUSTOMERS, INC.

Kentucky Industrial Utility Customers, Inc. ("KIUC") is requested, pursuant to 807 KAR 5:001, to file with the Commission the original and 7 copies of the following information, with a copy to all parties of record. The information requested herein is due on January 4, 2006. Each copy of the data requested should be placed in a bound volume with each item tabbed. When a number of sheets are required for an item, each sheet should be appropriately indexed, for example, Item 1(a), Sheet 2 of 6. Include with each response the name of the person who will be responsible for responding to questions relating to the information provided. Careful attention should be given to copied material to ensure that it is legible. Where information requested herein has been provided, in the format requested herein, reference may be made to the specific location of said information in responding to this information request.

1. In his testimony on behalf of KIUC, Lane Kollen states, "None of the VDT net savings are reflected in present base rates due to the stand-alone nature of the VDT surcredit riders and the manner in which all VDT effects were eliminated from the base revenue requirement in Docket Nos. 2003-00433 and 2003-00434." Based in part

on the position evidenced by this statement, Mr. Kollen recommends that the Value Delivery Team ("VDT") surcredit mechanisms of Kentucky Utilities Company ("KU") and Louisville Gas and Electric Company ("LG&E") be continued.

a. Refer to Rives Exhibit 1, Reference Schedules 1.20 and 1.21 in the applications filed by LG&E and KU in Case Nos. 2003-00433¹ and 2003-00434,² respectively, and pages 8-9 of the Testimony of Valerie L. Scott filed on behalf of LG&E and KU in those cases. Explain whether these schedules and testimonies from Case Nos. 2003-00433 and 2003-00434 form, to some extent, the bases for Mr. Kollen's recommendation to continue the VDT surcredit mechanisms of KU and LG&E.

b. Refer to Item 7 of KU's and LG&E's responses to the Commission Staff's Supplemental Data Requests ("Staff's Supplemental Requests") of November 14, 2005. Does Mr. Kollen agree, or accept as factual, the answers provided in those responses? Explain the response.

c. Explain whether the answers in Item 7 of KU's and LG&E's responses to the Staff's Supplement Requests have any impact on Mr. Kollen's recommendation to continue the VDT surcredit mechanisms of KU and LG&E.



Beth O'Donnell
Executive Director
Public Service Commission
P.O. Box 615
Frankfort, Kentucky 40602

DATED: December 21, 2005

cc: Parties of Record

¹ Case No. 2003-00433, An Adjustment of the Gas and Electric Rates, Terms and Conditions of Louisville Gas and Electric Company.

² Case No. 2003-00434, An Adjustment of the Electric Rates, Terms and Conditions of Kentucky Utilities Company.