

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

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PUBLIC SERVICE
COMMISSION

In the Matter of:

APPLICATION OF LOUISVILLE GAS AND)
ELECTRIC COMPANY TO FILE) CASE NO. 2007-00564
DEPRECIATION STUDY)

ATTORNEY GENERAL'S SUPPLEMENTAL REQUESTS FOR INFORMATION

Comes now the intervenor, the Attorney General of the Commonwealth of Kentucky, by and through his Office of Rate Intervention, and submits the following Supplemental Requests for Information to Louisville Gas and Electric Company [hereinafter referred to as "LG&E"] 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) Please repeat the question to which each response is intended to refer. The Office of the Attorney General can provide counsel for LG&E with an electronic version of these questions, upon request.

(4) 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.

(5) Each response shall be answered under oath or, for representatives of a public or private corporation or a partnership or association, be accompanied by a signed certification of the preparer or person supervising the preparation of the response on behalf of the entity that the response is true and accurate to the best of that person's knowledge, information, and belief formed after a reasonable inquiry.

(6) If any request appears confusing, please request clarification directly from the Office of Attorney General.

(7) 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.

(8) 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.

(9) 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.

(10) 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.

(11) 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.

(12) Please provide written responses, together with any and all exhibits pertaining thereto, in one or more bound volumes, separately indexed and tabbed by each response.

Respectfully submitted,

JACK CONWAY
ATTORNEY GENERAL



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Certificate of Service and Filing


Counsel certifies that an original and ten photocopies of the foregoing were served and filed by hand delivery to Stephanie Stumbo, Executive Director, Public Service Commission, 211 Sower Boulevard, Frankfort, Kentucky 40601; counsel further states that true and accurate copies of the foregoing were mailed via First Class U.S. Mail, postage pre-paid, to:

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this 14th day of April, 2008


Assistant Attorney General

**Attorney General's Supplemental Requests
to Louisville Gas & Electric Co.
Case No. 2007-00564**

1. Please refer to the "Comparison of Average Service Lives" provided in response to AG 1-7 (attached to the September 20, 2007 e-mail from Eric Riggs to John Spanos). What is the source of these statistics?
2. Please refer to the September 28, 2007 memo from Sara Wiseman to John Spanos re: the CCS project assets depreciable life as provided in response to AG 1-7.
 - a. In which plant account is this CCS system recorded?
 - b. How much investment related to this project is included in the account as of December 31, 2006?
 - c. What is the total expected investment?
 - d. When will the project be completed and placed into service?
3. Please refer to the Excel files provided in response to AG 1-29.
 - a. Provide the formulae underlying the capital recovery, cost of removal and gross salvage rates, which are in most cases hardcoded in the file.
 - b. For the capital recovery, cost of removal and gross salvage amounts that are not calculated as a formula (i.e., the ones that are hardcoded) please provide the source and/or formulae underlying those amounts.
 - c. Several formulae include hardcoded amounts as part of the formula. Please provide a source and explanation for these amounts. For an example, see the cost of removal accrual for account 364.
4. Please refer to the capital budget provided in response to AG 1-43. Reconcile this budget to that provided John Spanos on May 2, 2007, as included in the response to AG 1-7. Also, explain the differences between the two budgets – what is each one used for?
5. Please refer to the response to AG 1-56. Provide the actuarial data underlying the new analyses attached to the responses, or provide a list of the retirements that should have been excluded from the original analysis. Provide this information for both the steam and other production accounts impacted by the retirements. If the requested information for Cane Run 3 is the same as that provided in response to AG 1-60, please provide similar information for Waterside Units 7 & 8.

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6. Refer to the response to AG 1-57. Please provide the attachments in Excel format with all formulae intact.
7. Please refer to the response to AG 1-55 and 1-61. Given that Paddy's Run Unit 12 was rehabilitated and returned to service in 2007, why is the retirement date used in the study set at 2010?
8. Please refer to the response to AG 1-78. The response seems to indicate that there is no cost of removal associated with service retirements.
 - a. Is this correct?
 - b. If not, please explain under what situations service retirements incur removal costs. Also, give the percentage of time this is the case, as opposed to the situation described in the response to AG 1-78.
9. Refer to the response to AG 1-101.
 - a. Please verify that the reserves used in Mr. Spanos' depreciation study include the cost of removal reserves. If this is not the case explain why not.
 - b. Please provide the cost of removal depreciation rate for each account as used to calculate the amounts, and explain how those rates were calculated.
 - c. Please provide the calculation of the initial cost of removal reserve upon implementation of SFAS No. 143 (i.e., the \$216,490,616 amount shown in response to AG 1-103). Include all formulas/assumptions.
10. Please refer to the response to AG 1-103. Please explain the "Reclass of COR to Regulatory Liability from Life Reserves" and "FIN 47 Parent COR Transfer to FERC 254" entries.
11. Please refer to the response to AG 1-106. Provide the formulae underlying the cost of removal and gross salvage rates shown in the attachment.
12. Please refer to the "Salvage and Cost of Removal Study 1972-2006" provided in the response to AG 1-6 (beginning at page 78 of "LGE-AG-1-6 Correspondence File 1.pdf").
 - a. What is represented by CP Salvage and CP Removal?

- b. How are these amounts factored into Mr. Spanos' net salvage analyses?
- c. If they are not included, why not?
- d. Do similar amounts exist for KU? If so, please provide them.