an E·ON company

Ms. Stephanie L. Stumbo
Executive Director
Kentucky Public Service Commission
211 Sower Boulevard
Frankfort, Kentucky 40601

Kentucky Utilities Company
State Regulation and Rates
220 West Main Street
PO Box 32010
Louisville, Kentucky 40232
www.eon-us.com

Lonnie E. Bellar
Vice President
T 502-627-4830
F 502-217-2109
lonnie.bellar@eon-us.com

September 11, 2008

RE: ***Application of Kentucky Utilities Company for an Adjustment of Base Rates*** **– Case No. 2008-00251**

Application of Kentucky Utilities Company to File Depreciation Study **– Case No. 2007-00565**

Dear Ms. Stumbo:

Please find enclosed and accept for filing the original and ten (10) copies of the Response of Kentucky Utilities Company to the Lexington-Fayette Urban County Government's (LFUCG) Initial Requests for Information dated August 27, 2008, in the above-referenced matters.

Should you have any questions regarding the enclosed, please contact me at your convenience.

Sincerely,

Lonnie E. Bellar

cc: Parties of Record

Counsel of Record

Allyson K. Sturgeon, Senior Corporate Attorney – E.ON U.S. LLC
Robert M. Watt – Stoll Keenon Ogden PLLC (Kentucky Utilities)
Kendrick R. Riggs – Stoll Keenon Ogden PLLC (Kentucky Utilities)
W. Duncan Crosby – Stoll Keenon Ogden PLLC (Kentucky Utilities)
Dennis Howard II – Office of the Attorney General (AG)
Lawerence W. Cook – Office of the Attorney General (AG)
Paul D. Adams – Office of the Attorney General (AG)
Michael L. Kurtz – Boehm, Kurtz & Lowry (KIUC)
David C. Brown – Stites and Harbison (Kroger)
Willis L. Wilson – LFUCG Department of Law (LFUCG)
Joe F. Childers (CAK and CAC)

Consultants to the Parties

Steve Seelye – The Prime Group (E.ON U.S. LLC)
William A. Avera – FINCAP, Inc (E.ON U.S. LLC)
John Spanos – Gannett Fleming, Inc. (E.ON U.S. LLC)
Robert Henkes (AG)
Michael Majoros – Snavely King Majoros O'Connor & Lee (AG)
Glenn Watkins – Technical Associates (AG)
Dr. J. Randall Woolridge – Smeal College of Business (AG)
Lane Kollen – Kennedy and Associates (KIUC)
Kevin C. Higgins – Energy Strategies, LLC (Kroger)

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF KENTUCKY UTILITIES COMPANY FOR AN ADJUSTMENT OF BASE RATES	)))	CASE NO. 2008-00251
APPLICATION OF KENTUCKY UTILITIES COMPANY TO FILE DEPRECIATION STUDY	)))	CASE NO. 2007-00565

RESPONSE OF KENTUCKY UTILITIES COMPANY TO THE FIRST DATA REQUEST OF THE LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT DATED AUGUST 27, 2008

FILED: September 11, 2008

VERIFICATION

COMMONWEALTH OF KENTUCKY)
) **SS:**
COUNTY OF JEFFERSON)

The undersigned, **Chris Hermann**, being duly sworn, deposes and says he is Senior Vice President – Energy Delivery for Kentucky Utilities Company, that he has personal knowledge of the matters set forth in the foregoing testimony, and the answers contained therein are true and correct to the best of his information, knowledge and belief.

CHRIS HERMANN

Subscribed and sworn to before me, a Notary Public in and before said County and State, this 9th day of September, 2008.

Notary Public (SEAL)

My Commission Expires:

November 9, 2010

VERIFICATION

STATE OF KENTUCKY)
) **SS:**
COUNTY OF JEFFERSON)

The undersigned, **Lonnie E. Bellar**, being duly sworn, deposes and says that he is the Vice President, State Regulation and Rates for Kentucky Utilities Company, that he has personal knowledge of the matters set forth in the responses for which he is identified as the witness, and the answers contained therein are true and correct to the best of his information, knowledge and belief.

LONNIE E. BELLAR

Subscribed and sworn to before me, a Notary Public in and before said County and State, this 9th day of September, 2008.

Notary Public (SEAL)

My Commission Expires:

November 9, 2010

VERIFICATION

STATE OF KENTUCKY)
) **SS:**
COUNTY OF JEFFERSON)

The undersigned, **Butch Cockerill**, being duly sworn, deposes and says that he is Director, Revenue Collection for Kentucky Utilities Company, that he has personal knowledge of the matters set forth in the responses for which he is identified as the witness, and the answers contained therein are true and correct to the best of his information, knowledge and belief.

Butch Cockerill
BUTCH COCKERILL

Subscribed and sworn to before me, a Notary Public in and before said County and State, this 9th day of September, 2008.

Tammy J. Elsy (SEAL)
Notary Public

My Commission Expires:

November 9, 2010

VERIFICATION

STATE OF KENTUCKY)
) **SS:**
COUNTY OF JEFFERSON)

The undersigned, **Shannon L. Charnas**, being duly sworn, deposes and says that she is the Director, Utility Accounting for Kentucky Utilities Company, that she has personal knowledge of the matters set forth in the responses for which she is identified as the witness, and the answers contained therein are true and correct to the best of her information, knowledge and belief.

Shannon L Charnas
SHANNON L. CHARNAS

Subscribed and sworn to before me, a Notary Public in and before said County and State, this 9th day of September, 2008.

Tammy J. Elgin (SEAL)
Notary Public

My Commission Expires:
November 9, 2010

VERIFICATION

STATE OF KENTUCKY)
) **SS:**
COUNTY OF JEFFERSON)

The undersigned, **William Steven Seelye**, being duly sworn, deposes and says that he is the Senior Consultant and Principal, for The Prime Group, LLC, that he has personal knowledge of the matters set forth in the responses for which he is identified as the witness, and the answers contained therein are true and correct to the best of his information, knowledge and belief.

WILLIAM STEVEN SEELYE

Subscribed and sworn to before me, a Notary Public in and before said County and State, this 9th day of September, 2008.

Notary Public (SEAL)

My Commission Expires:

November 9, 2010

VERIFICATION

COMMONWEALTH OF PENNSYLVANIA)
) **SS:**
COUNTY OF CUMBERLAND)

The undersigned, **John J. Spanos**, being duly sworn, deposes and says that he is the Vice President, Valuation and Rate Division for Gannett Fleming, Inc., that he has personal knowledge of the matters set forth in the responses for which he is identified as the witness, and the answers contained therein are true and correct to the best of his information, knowledge and belief.

John J. Spanos
JOHN J. SPANOS

Subscribed and sworn to before me, a Notary Public in and before said County and State, this 5th day of September, 2008.

(SEAL)
Notary Public

My Commission Expires:

February 20, 2011

COMMONWEALTH OF PENNSYLVANIA
Notarial Seal
Cheryl Ann Rutter, Notary Public
East Pennsboro Twp., Cumberland County
My Commission Expires Feb 20, 2011
Member, Pennsylvania Association of Notaries

KENTUCKY UTILITIES COMPANY

CASE NO. 2008-00251
CASE NO. 2007-00565

Response to First Data Request of the
Lexington-Fayette Urban County Government

Dated August 27, 2008

Question No. 1

Responding Witness: Lonnie E. Bellar

Q-1. Can ratepayers expect any enhancement over the current existing level of service as a result of the proposed rate increase? If so, please provide a detailed response that includes the specific benefit or benefits to be provided to each particular customer rate class.

a. More specifically, will the LFUCG obtain any additional benefit or benefits level of maintenance or otherwise as a result of the proposed increase? If so, please provide a detailed response that includes the specific benefit or benefits to be provided to each particular customer rate class.

A-1. 1. and 1(a).

It is essential that Kentucky Utilities Company achieve and maintain a strong financial condition to allow it to continue to provide safe, reliable service to its customers. Kentucky Utilities Company has made substantial investments in its utility infrastructure during the last several years and despite efforts to offset or absorb increased costs, revenues must be increased to reflect the cost of providing service and to continue to effectively meet its service obligation both now and in the future. As a result of the requested rate increase, Kentucky Utilities Company expects to be able to continue to provide safe, reliable service to its customers at levels consistent with historical performance.

KENTUCKY UTILITIES COMPANY

CASE NO. 2008-00251
CASE NO. 2007-00565

Response to First Data Request of the Lexington-Fayette Urban County Government

Dated August 27, 2008

Question No. 2

Responding Witness: Butch Cockerill

Q-2. How many additional customers and of which particular customer rate class does KU anticipate adding within Fayette County over the next 5 years? What is the anticipated level of additional revenue to KU as result of the addition of these customers?

A-2. KU does not forecast an estimate of revenue from any specific county.

KENTUCKY UTILITIES COMPANY

CASE NO. 2008-00251
CASE NO. 2007-00565

Response to First Data Request of the Lexington-Fayette Urban County Government

Dated August 27, 2008

Question No. 3

Responding Witness: Chris Hermann

Q-3. Please provide the number quantity, type, and location by street address of each street light located in Fayette County, Kentucky for which the LFUCG currently pays a monthly tariff.

A-3. The schedule setting forth the number of street lights by type for which the LFUCG pays a monthly tariffed charge is being provided on CD.

Electronic Attachment on CD

KENTUCKY UTILITIES COMPANY

CASE NO. 2008-00251
CASE NO. 2007-00565

Response to First Data Request of the
Lexington-Fayette Urban County Government

Dated August 27, 2008

Question No. 4

Responding Witness: Chris Hermann

Q-4. What is the cost to KU per unit of obtaining each type of street light?

A-4. Attached is a table setting forth the current purchase price for the fixtures currently available to the LFUCG as new or replacement lights. The costs are for the materials only and do not reflect installed values (labor, associated materials, equipment, etc.). Some lights currently in service are no longer available.

Fixture Types

	Cost
Cobrahead	
4000 Lumen High Pressure Sodium	$ 61.05
5800 Lumen High Pressure Sodium	$ 61.05
9500 Lumen High Pressure Sodium	$ 61.05
22000 Lumen High Pressure Sodium	$ 81.86
50000 Lumen High Pressure Sodium	$ 135.45
Acorn	
5800 Lumen High Pressure Sodium	$ 268.91
9500 Lumen High Pressure Sodium	$ 263.76
Colonial	
4000 Lumen High Pressure Sodium	$ 117.91
5800 Lumen High Pressure Sodium	$ 116.54
9500 Lumen High Pressure Sodium	$ 118.59
Coach	
5800 Lumen High Pressure Sodium	$ 749.21
9500 Lumen High Pressure Sodium	$ 716.04
Contemporary	
4000 Lumen High Pressure Sodium	$ -
5800 Lumen High Pressure Sodium	$ 237.19
9500 Lumen High Pressure Sodium	$ 224.64
Gran Ville	
16000 Lumen High Pressure Sodium	$ 672.37

Poles

	Cost
30ft Wood Pole	$ 110.98
35ft Wood Pole	$ 176.77
25ft Ornamental Aluminum Direct Buried	$ 535.64
25ft Ornamental Aluminum Pedestal Mount	$ 573.15
30ft Ornamental Aluminum Pedestal Mount	$ 759.20
14ft Acorn Historic Pedestal Mount	$ 928.76
14ft Colonial Aluminum Pedestal Mount	$ 249.07
12ft Coach Holophane Pedestal Mount	$ 742.20
25ft Contemporary Decorative Direct Buried	$ 586.66
25ft Contemporary Decorative Pedestal Mount	$ 669.18
30ft Contemporary Decorative Pedestal Mount	$ 762.20
14ft Granville Decorative Pedestal Mount	$ 918.84

KENTUCKY UTILITIES COMPANY

CASE NO. 2008-00251
CASE NO. 2007-00565

Response to First Data Request of the
Lexington-Fayette Urban County Government

Dated August 27, 2008

Question No. 5

Responding Witness: Butch Cockerill

Q-5. How many additional new street lights does KU anticipate being installed in Fayette County over the next 5 years for which the LFUCG would pay a monthly tariff? Please also provide the quantity of each type of light.

A-5. Additional lights are requested for installation at the discretion of the LFUCG. The style and the quantity may vary, depending upon the lighting needs identified by the LFUCG and its resultant request for such lighting. KU coordinates new installations with the Public Works Department of the LFUCG. Currently, KU is not aware of any lighting plan for the above stated period from the LFUCG and we are therefore unable to project accurately any additions as requested above.

KENTUCKY UTILITIES COMPANY

CASE NO. 2008-00251
CASE NO. 2007-00565

Response to First Data Request of the
Lexington-Fayette Urban County Government

Dated August 27, 2008

Question No. 6

Responding Witness: Butch Cockerill

Q-6. How many existing street lights are scheduled or anticipated to be replaced by KU in Fayette County over the next 5 years for which the LFUCG currently and/or in the future will pay a monthly tariff? Please provide the quantity of each type of light being removed and the quantity and type of light that will replace it.

A-6. Existing lighting fixtures are replaced on an as-needed basis. Therefore, the quantity and type of light replaced is subject to random conditions and is unpredictable.

KENTUCKY UTILITIES COMPANY

CASE NO. 2008-00251
CASE NO. 2007-00565

Response to First Data Request of the
Lexington-Fayette Urban County Government

Dated August 27, 2008

Question No. 7

Responding Witness: Chris Hermann

Q-7. Please explain in detail KU's current policies, procedures, practices, and/or guidelines for maintaining street lights in Fayette County and provide copies of the same.

a. Does KU regularly inspect individual street lights or the collective street lighting in Fayette County? Do these inspections take place only upon the receipt by KU of a complaint regarding a particular street light?

b. What is the average response time to replace a non-working street light in Fayette County?

c. Does this information differ depending upon the type of street light? If so, please provide a detailed explanation.

A-7. KU maintains its street lights and other lighting products consistent with the original KU installation standards, and in compliance with 807 KAR 5:041. Electric: Section 2 – General Requirements, Section 3 – Acceptable Standards, and Section 5 – Maintenance or Continuity of Service. A copy of these installation standards is attached.

a. KU conducts proactive lighting patrols as a part of its normal operations. KU also issues repair orders in response to light outages reported by KU employees and contractors, customers, LFUCG personnel, police, fire departments, and the general public.

b. KU repaired street lights on average in 1.69 days from July 31, 2007 to July 31, 2008, where repairs could be completed by component replacement (bulb and/or photovoltaic control replacement).

c. No.

High Pressure Sodium

The high pressure sodium (HPS) Lamp is the Company's most efficient light source. An HPS lamp produces approximately 125 lumens per watt. The HPS lamp produces light by passing a current through a gas and is a member of the high intensity discharge (HID) family of lights. A ballast transformer is required to provide the correct starting and operating voltage. The Company offers the 4000, 5800, 9500, 22000, 50000 approximate lumen HPS lamps for street lighting. The HPS lamp has an average rated life of 24,000 hours and requires 3 minutes to reach full light output.

Mercury Vapor

The mercury vapor lamp belongs to the same HID family of lamps as noted above in which light is produced by the passage of an electric current through a vapor or gas. The sizes of mercury vapor lamps provided by our Company are 3500, 7000, 10000 and 20000 approximate lumens. The rated life of a mercury vapor lamp is 24,000 hours, and its efficiency is about 60 lumens per watt. A ballast transformer is required to provide the correct starting and operating voltage. Mercury lamps require approximately 5 minutes to reach full light output.

Incandescent

The incandescent, or filament, lamp produces light by virtue of a wire or filament heated to incandescence by the flow of electric current through it. Our Company no longer offers incandescent street lights in the following nominal sizes: 1000, 2500, 4000, 6000 and 10000 lumens. The average rated life of incandescent lamps is 6000 hours, and their efficiency in converting electrical energy into light is very low at approximately 20 lumens per watt. Incandescent light sources do not require any auxiliary equipment, such as ballasts. However, they are quite sensitive to variations in voltage. For example, an operating voltage of 10% above lamp rating would result in a loss of 70% of the normal lamp life.

Incandescent lights were used primarily in residential and rural areas, where traffic volume is relatively low.

Other Light Sources

Fluorescent lamps create light by the electrical stimulation of phosphors coated on the inside of a glass tube. Although popular for indoor lighting, fluorescent light has not proved to be economical for street lighting. Fluorescent street lighting is no longer offered by our Company.

Several street lighting sources are currently available, such as metal halide and low pressure sodium, both being vapor discharge lamps. Until these sources become economically competitive and overcome their other shortcomings, they will not be offered by our Company.

CONSTRUCTION STANDARD - KENTUCKY UTILITIES CO. & OLD DOMINION POWER CO.			
APPROVED DATE 9-26-83	REVISED	STREET LIGHTING DESIGN LIGHT SOURCES	SCALE DRAWING NO. A-9-2.0

The Street Lighting Section of the Construction Standards Handbook is organized into three general areas, as follows:

Design

The most widely accepted reference for street light theory and design is the STREET LIGHTING MANUAL, published by the Edison Electric Institute. Our Company's guidelines for street lighting design have been based largely on material from this book: we have included such topics as comparison of light sources, selection of light distribution patterns, selection of luminaire mounting height & spacing of luminaires, and description of several types of control circuits.

Construction

When the basic design of a street light system has been decided upon, attention must be given to construction techniques. The construction drawings represent the accumulated experience of the Company's operating personnel. Drawings are provided for the variety of situations which commonly arise: standard overhead construction, ornamental overhead, underground construction, and customer outdoor lights.

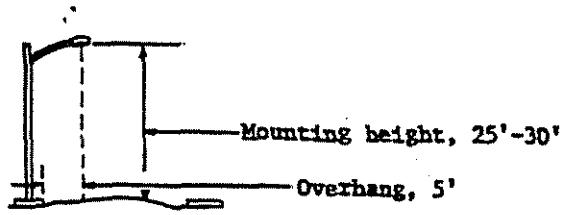
Material

The items of material which appear in the Design and Construction pages of the Street Lighting Section are listed alphabetically in the remaining sheets of the Section. Information is given on material description, manufacturer. catalog number, and purchase price estimate; it is hoped that this information will serve as a guide in the preparation of purchase requisitions. Since this data is subject to frequent change, these sheets can be reprinted without the necessity for revising other drawings in the Street Lighting Section.

Mounting Height

The mounting height of a luminaire is the distance from the surface of the road to the center of the light source. A luminaire should be mounted high enough to minimize glare to oncoming vehicles, and to provide uniform distribution of illumination on the roadway surface. The following table gives suggested mounting heights.

Lamp Lumens	Mounting Height
3500-7000	25'
9500-50000	30'



Spacing

The spacing of luminaires is a function of the desired light level on the pavement surface. The information given below has been condensed from application data provided by manufacturers, and from industry standards. It reflects the need for higher illumination levels where pedestrian and vehicle traffic is heavier.

Type of Area	Suggested Luminaire	Spacing
Residential	3500 L MV 4000 L HPS 5800 L HPS 7000 L MV	150'-260'
Collectors	9500 L HPS 10000 L MV	110'-150'
Downtown	20000 L MV 22000 L HPS 50000 L HPS	70'-150'

Brackets

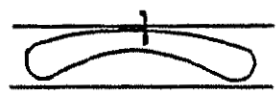
In selecting a bracket length, the objective is to place the luminaire above the pavement, rather than the shoulder of the roadway. In most areas, a 6 ft. bracket will do the job; however, in some locations, where the supporting pole is farther back, it may be necessary to use longer brackets. In any case, the luminaire should not extend more than 5 ft. over the edge of the pavement.

CONSTRUCTION STANDARD - KENTUCKY UTILITIES CO. & OLD DOMINION POWER CO.

APPROVED	REVISED		SCALE
DATE 9-26-83		Street Lighting Design LUMINAIRE PLACEMENT	DRAWING NO. A-9-3.0

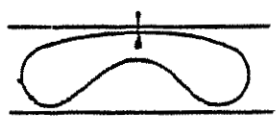
Street lighting luminaires are capable of spreading light into several distribution patterns; the design of a street lighting system includes the selection of one of these patterns. On this page are shown the several light patterns commonly used by our Company, with a description of applications. Moving the lamp socket changes the pattern.

Type II



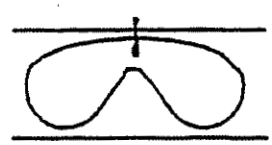
Type II - This distribution is generally applicable to luminaires located at or near the side of relatively narrow roadways.

Type III



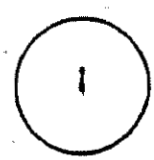
Type III - This type of distribution is intended for luminaires mounted at or near the side of medium-width roadways.

Type IV



Type IV - This type of distribution is intended for side-of-road mounting and is generally used on wide roadways.

Type V



Type V - This type of distribution has equal light output at all angles, and is used by our Company for all private outdoor light applications.

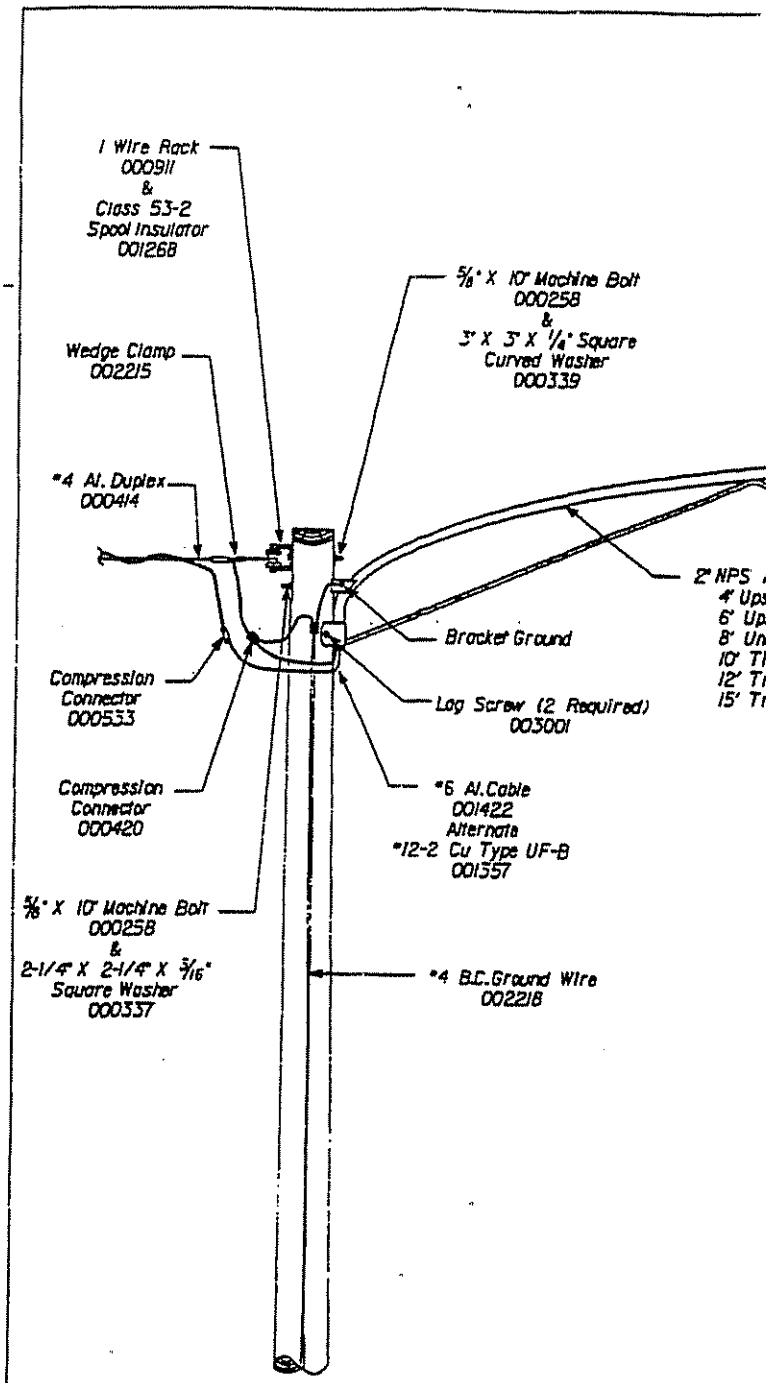
CONSTRUCTION STANDARD - KENTUCKY UTILITIES CO. & OLD DOMINION POWER CO.			
APPROVED DATE 9-26-83	REVISED	Street Lighting Design LIGHT DISTRIBUTION PATTERNS	SCALE DRAWING NO. A-9-4.0

ILLUMINATION PATTERNS

	Luminaire Socket Positions			
	GE		ITT / AE	
	Before 1/1/83	After 1/1/83	Before 1/1/83	After 1/1/83
Mercury Vapor				
3500 Lumens				
Type II	3	1A	D	D2
Type III	2	2A	A	A2
7000 Lumens				
Type II	3	1A	D	D2
Type III	2	2A	A	A2
10000 Lumens				
Type II	2	5	D	D1
Type III	1	1	A	D2
20000 Lumens				
Type II	7	5	D	D
Type III	6	1	A	A
High Pressure Sodium				
4000 Lumens				
Type II	-	1B	-	D2
Type III	-	2B	-	A2
5800 Lumens				
Type II	-	1B	-	D2
Type III	-	2B	-	A2
9500 Lumens				
Type II	-	1B	-	D2
Type III	-	2B	-	A2
22000 Lumens				
Type II	-	2	-	D1
Type III	-	3	-	B2
50000 Lumens				
Type II	2	2	D	D
Type III	3	3	A	A

CONSTRUCTION STANDARD - KENTUCKY UTILITIES CO. & OLD DOMINION POWER CO.

APPROVED	REVISED	STREET LIGHTING DESIGN LUMINAIRE SOCKET POSITIONS	SCALE
DATE 9-26-83	3-15-90 WEH		DRAWING NO. A-9-5.0



Standard Non-Power Door Fixtures

Lamp	Watts	Pattern	Fixture MCP#
HPS	50	II	001314
HPS	70	II	001313
HPS	100	II	001312
HPS	200	III	001311
HPS	400	III	001310

Power Door Fixtures

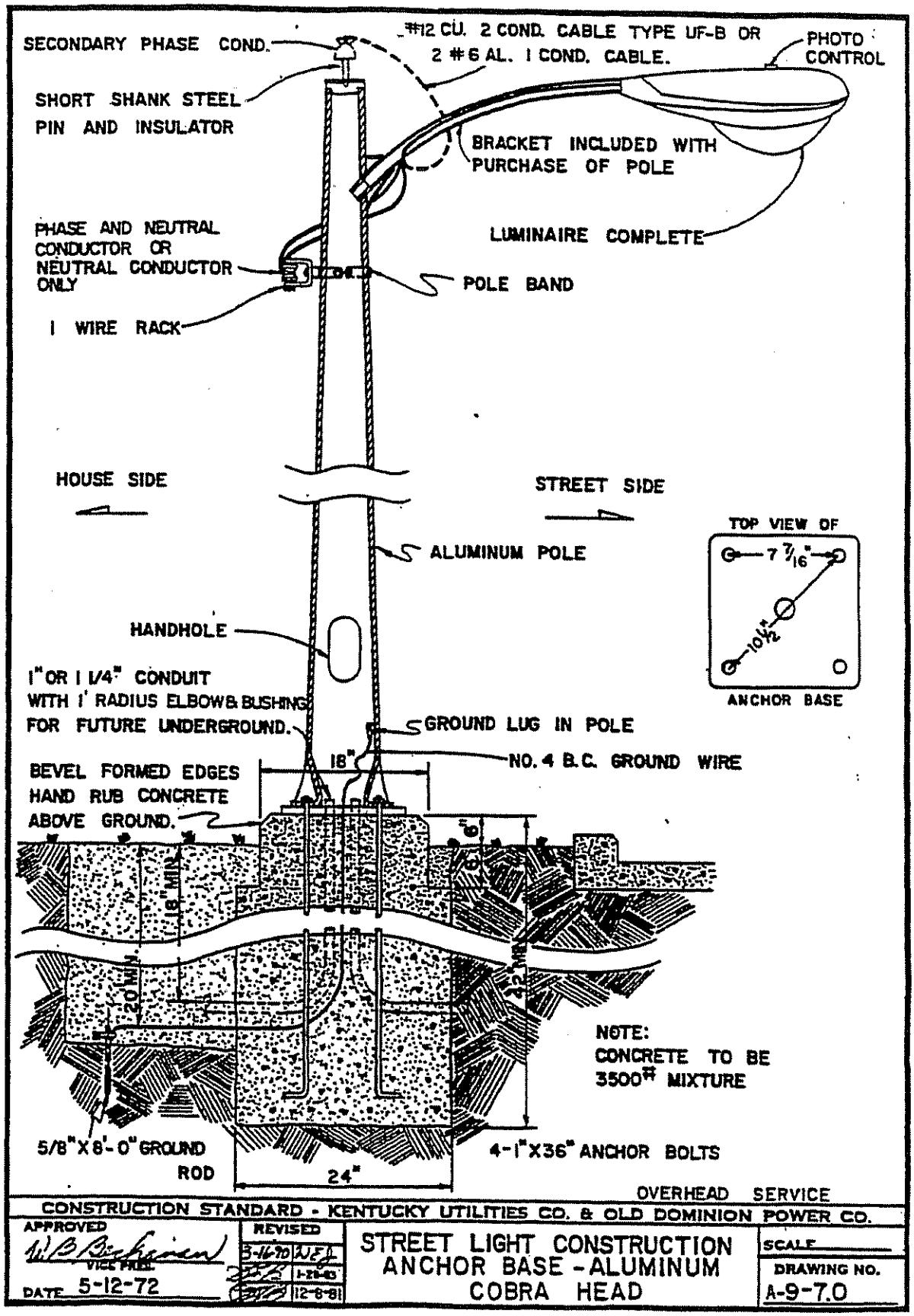
Lamp	Watts	Pattern	Fixture MCP#
HPS	50	II	001291
HPS	70	II	001289
HPS	100	II	001287
HPS	200	III	001741
HPS	400	III	001739
MV	175	II	001317
MV	250	III	001316
MV	400	III	001315

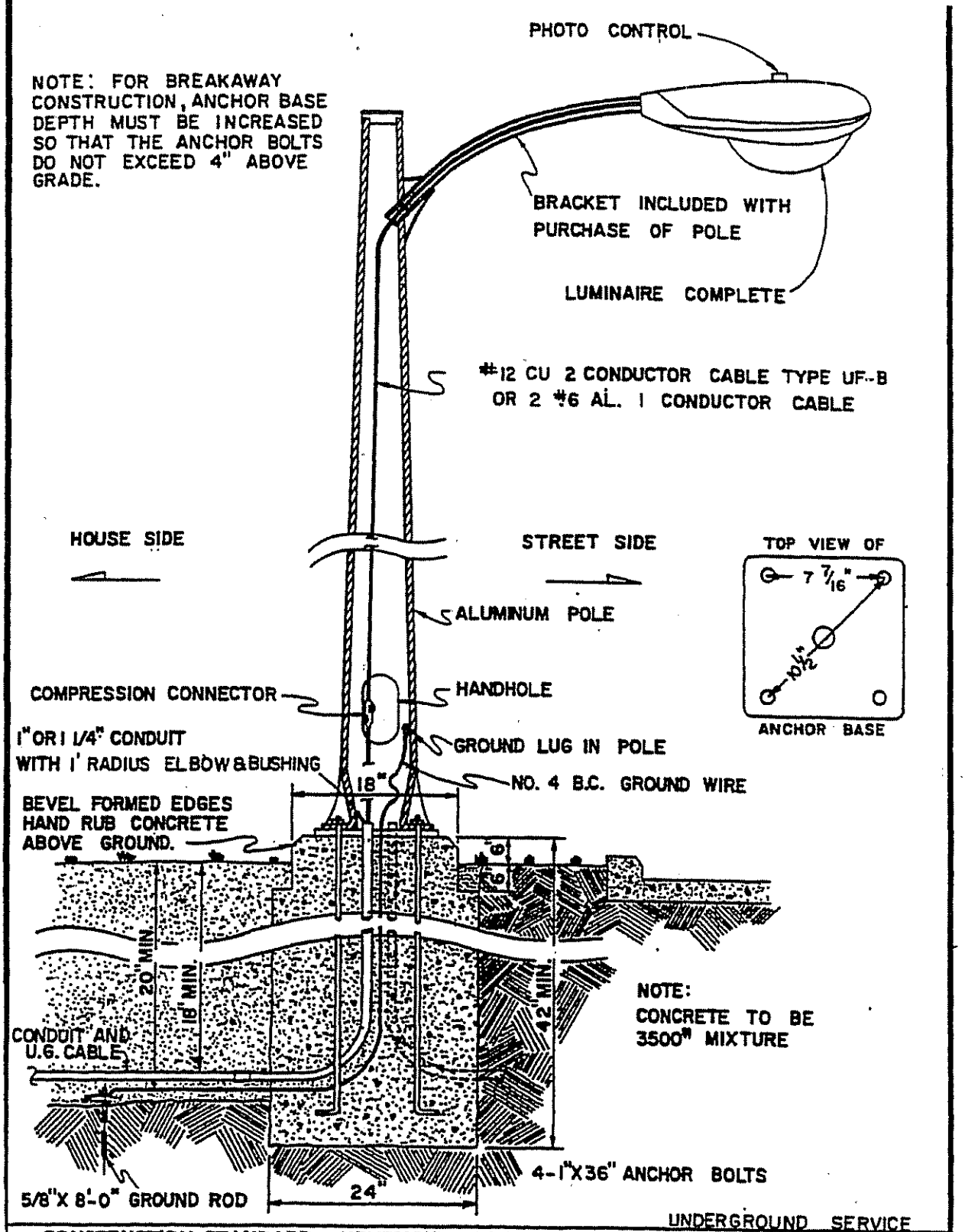
Non-Power Door Fixtures

Lamp	Watts	Pattern	Fixture MCP#
MV	175	II	001737
MV	250	III	001736
MV	400	III	001735

CONSTRUCTION STANDARD – KENTUCKY UTILITIES CO. & OLD DOMINION POWER CO.

APPROVED	REVISED -		Scale:
Date 3-11-96		COBRAHEAD FIXTURE WOOD POLE INSTALLATION	Drawing Number A-9-6.0


SECONDARY PHASE COND.
#12 CU. 2 COND. CABLE TYPE UF-B OR 2 #6 AL. 1 COND. CABLE.
PHOTO CONTROL
SHORT SHANK STEEL PIN AND INSULATOR
BRACKET INCLUDED WITH PURCHASE OF POLE
LUMINAIRE COMPLETE
PHASE AND NEUTRAL CONDUCTOR OR NEUTRAL CONDUCTOR ONLY
POLE BAND
1 WIRE RACK
HOUSE SIDE
STREET SIDE
ALUMINUM POLE
TOP VIEW OF
7 3/16"
10 1/2"
ANCHOR BASE
HANDHOLE
1" OR 1 1/4" CONDUIT WITH 1' RADIUS ELBOW & BUSHING FOR FUTURE UNDERGROUND.
GROUND LUG IN POLE
18"
NO. 4 B.C. GROUND WIRE
BEVEL FORMED EDGES HAND RUB CONCRETE ABOVE GROUND.
6"
18" MIN
20" MIN
42" MIN
NOTE:
CONCRETE TO BE 3500# MIXTURE
5/8" X 8'-0" GROUND ROD
24"
4-1" X 36" ANCHOR BOLTS
OVERHEAD SERVICE
CONSTRUCTION STANDARD - KENTUCKY UTILITIES CO. & OLD DOMINION POWER CO.
APPROVED
VICE PRES.
DATE 5-12-72
REVISED
5-16-70 WEJ
1-25-83
12-8-81
STREET LIGHT CONSTRUCTION
ANCHOR BASE - ALUMINUM
COBRA HEAD
SCALE
DRAWING NO.
A-9-7.0



UNDERGROUND SERVICE

CONSTRUCTION STANDARD - KENTUCKY UTILITIES CO. & OLD DOMINION POWER CO.

APPROVED	REVISED	
W B Beckman	3-16-90	NEF
	1-2883	
DATE 5-12-72	12-8-81	

STREET LIGHT CONSTRUCTION
ANCHOR BASE - ALUMINUM
COBRA HEAD

SCALE

DRAWING NO. A-9-8.0

Due to varying soil conditions encountered in the field, there are two (2) manners in which U.G. street light cables can be installed. The Company representative (engineer, foreman, inspector, etc.) will determine which practice must be used in each area dependent upon local conditions.

1. Cable installation in plastic duct

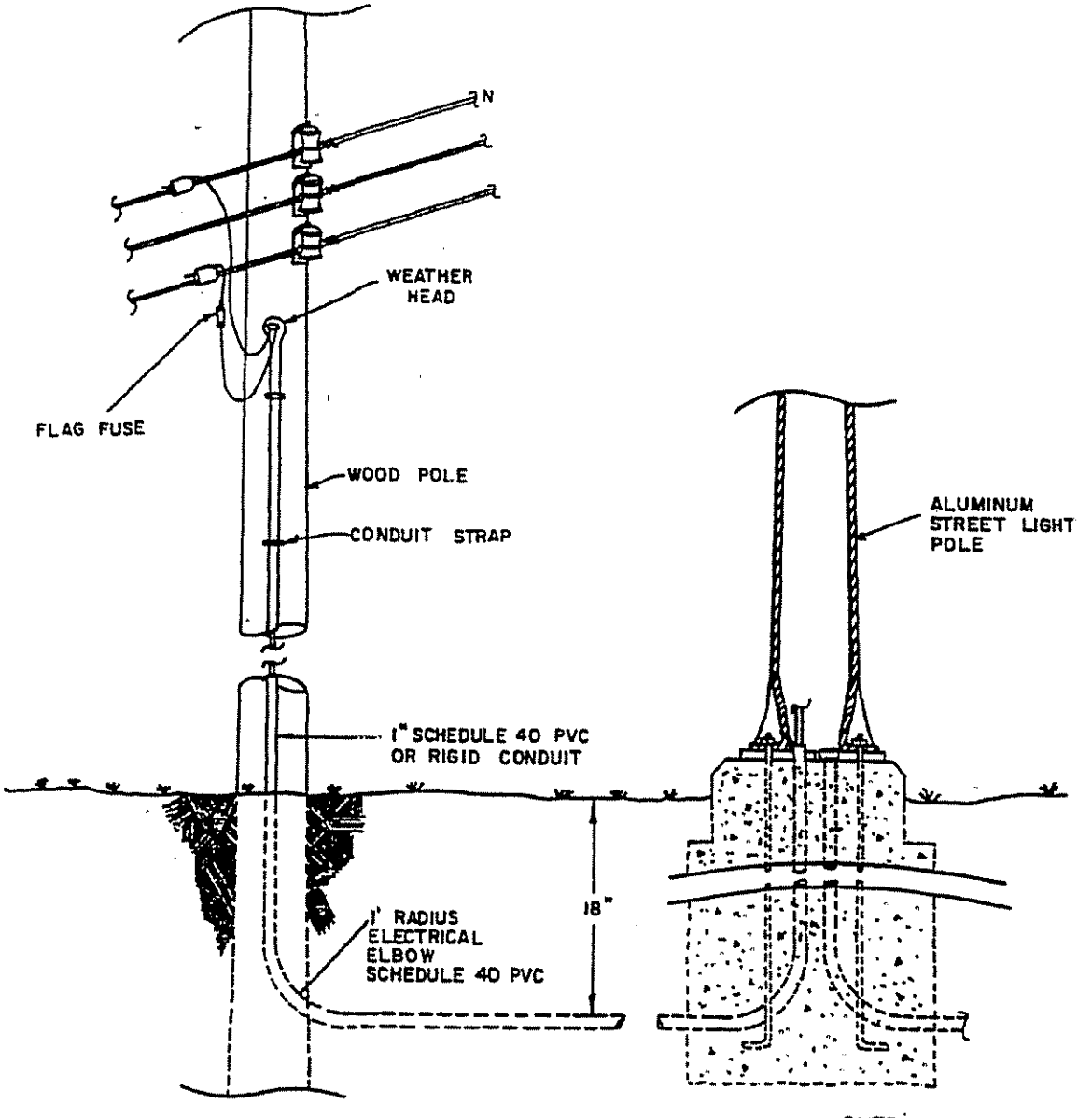
   Cable may be installed in Schedule 40 PVC plastic duct on bottom of 18" deep trench. Trench should be reasonably smooth along bottom to avoid future stress points in duct. Care should be exercised in backfilling to see that no large, sharp rocks fall directly onto the plastic duct. Combinations of dirt, gravel and similar substances are suitable for backfill over the cut for a depth of four (4) to six (6) inches. Continue backfill to ground elevation with any available fill material.

2. Cable installation in metal conduit

   Cable may be installed in galvanized steel conduit on bottom of minimum 12" deep trench if solid, shelf rock is encountered. Backfill to consist of any available fill material.

CONSTRUCTION STANDARD - KENTUCKY UTILITIES CO. & OLD DOMINION POWER CO.

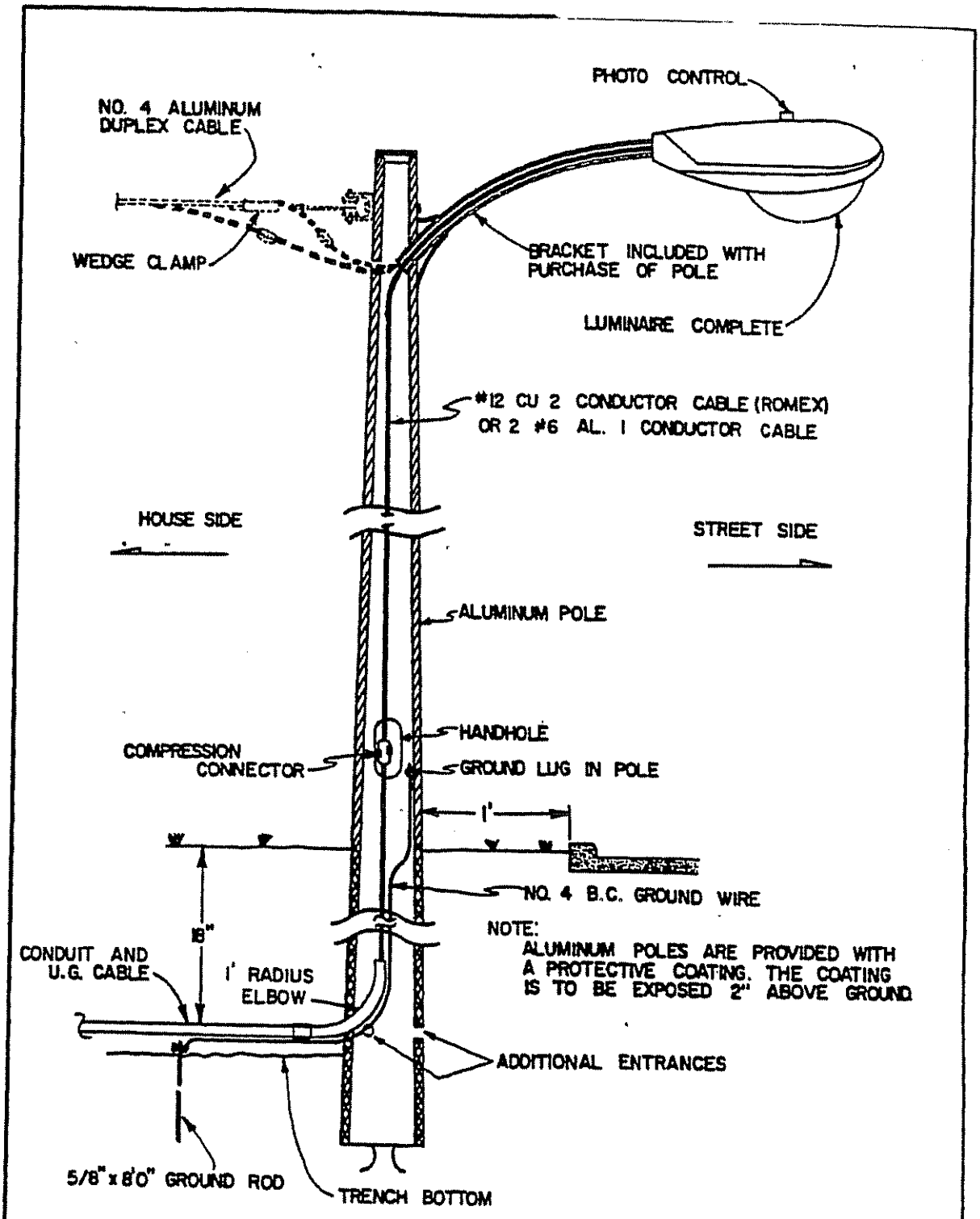
APPROVED	REVISED		SCALE
DATE 10-30-80		SPECIFICATIONS FOR INSTALLATION OF UG STREET LIGHT CABLE	DRAWING NO. A-9-8.1



OVERHEAD SERVICE

CONSTRUCTION STANDARD - KENTUCKY UTILITIES CO. & OLD DOMINION POWER CO.

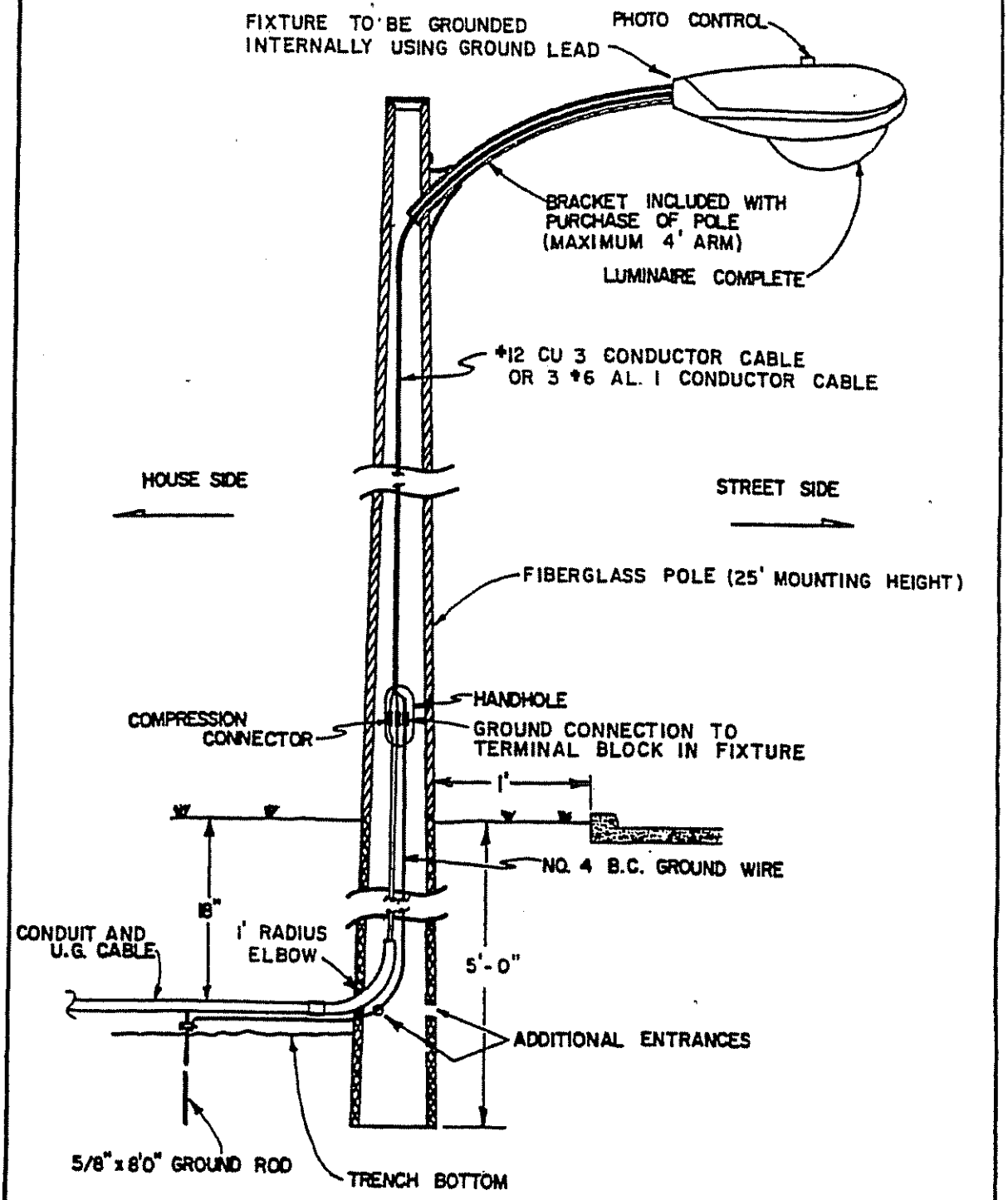
APPROVED W. E. Johnson DATE 3-16-90	REVISED	UNDERGROUND STREET/PRIVATE OUTDOOR LIGHT RISER ARRANGEMENT	SCALE
			DRAWING NO. A-9-8.15



UNDERGROUND SERVICE

CONSTRUCTION STANDARD - KENTUCKY UTILITIES CO. & OLD DOMINION POWER CO.

APPROVED	REVISED	STREET LIGHT CONSTRUCTION EMBEDDED BASE- METAL COBRA HEAD	SCALE
DATE 9-25-85	3-14-90 WJE		DRAWING NO. A-9-8.2

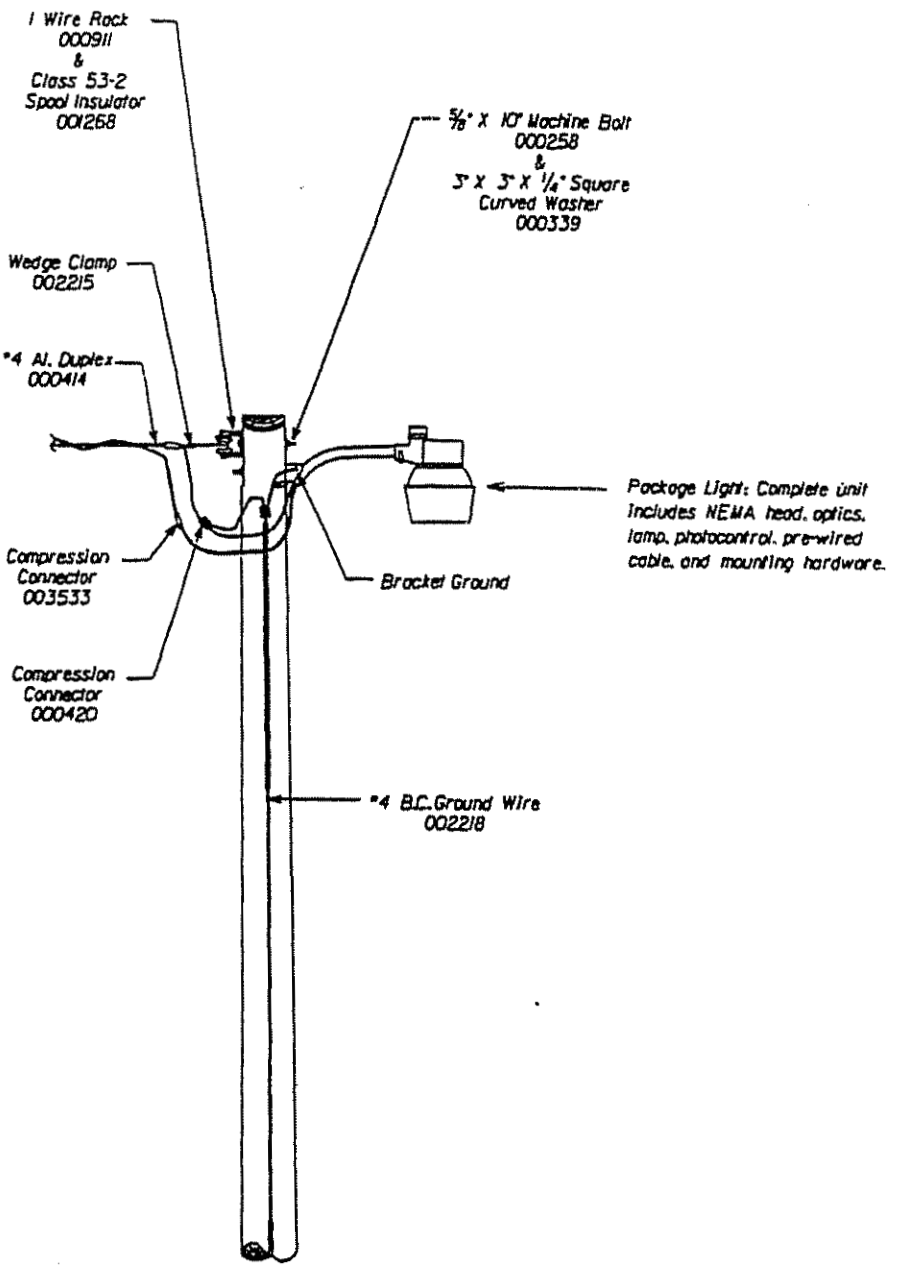


UNDERGROUND SERVICE

CONSTRUCTION STANDARD - KENTUCKY UTILITIES CO. & OLD DOMINION POWER CO.

APPROVED	REVISED	STREET LIGHT CONSTRUCTION	SCALE
DATE 9-25-86	3-16-90 JSE	EMBEDDED BASE-FIBERGLASS COBRA HEAD	DRAWING NO. A-9-8.3

Lamp	Watts	Pattern	Fixture MCP*
HPS	70	V	001327
HPS	100	V	001326
MV	175	V	001318*



* Restricted to those fixtures in service on August 20, 1990 (except for spot replacement)

CONSTRUCTION STANDARD - KENTUCKY UTILITIES CO. & OLD DOMINION POWER CO.

APPROVED / Date 3-14-97	REVISED	YARD TYPE/PACKAGE LIGHT WOOD POLE INSTALLATION	Scale:
			Drawing Number A-9-9.0

STREET / PRIVATE OUTDOOR LIGHTING
CONSTRUCTION MATERIAL LIST

Items included on the Street / Private Outdoor Lighting Material List have been approved for use in the Kentucky Utilities Company and Old Dominion Power Company properties and are in accord with construction standards approved to date.

This list has been tabulated in a convenient and usable form and includes all information necessary for correctly preparing requisitions. Its purpose is to assist in selecting construction material that has been tested, examined and approved as to quality and cost and which will provide the fewest stocking and handling problems. Changes will be made as required and a complete new list will be issued as the need arises.

There are a few items that have not been included in this list, such as Experimental and Special Use Items (see A-10-8.01), new items which were not available when this list was published, and of course, items that do not fulfill our construction requirements. If items are requisitioned which do not appear on this list, a complete description and catalog information must be given. Some note of comment should be shown on the requisition or attached to it explaining the reason for ordering other than approved material.

LEGEND FOR MANUFACTURERS

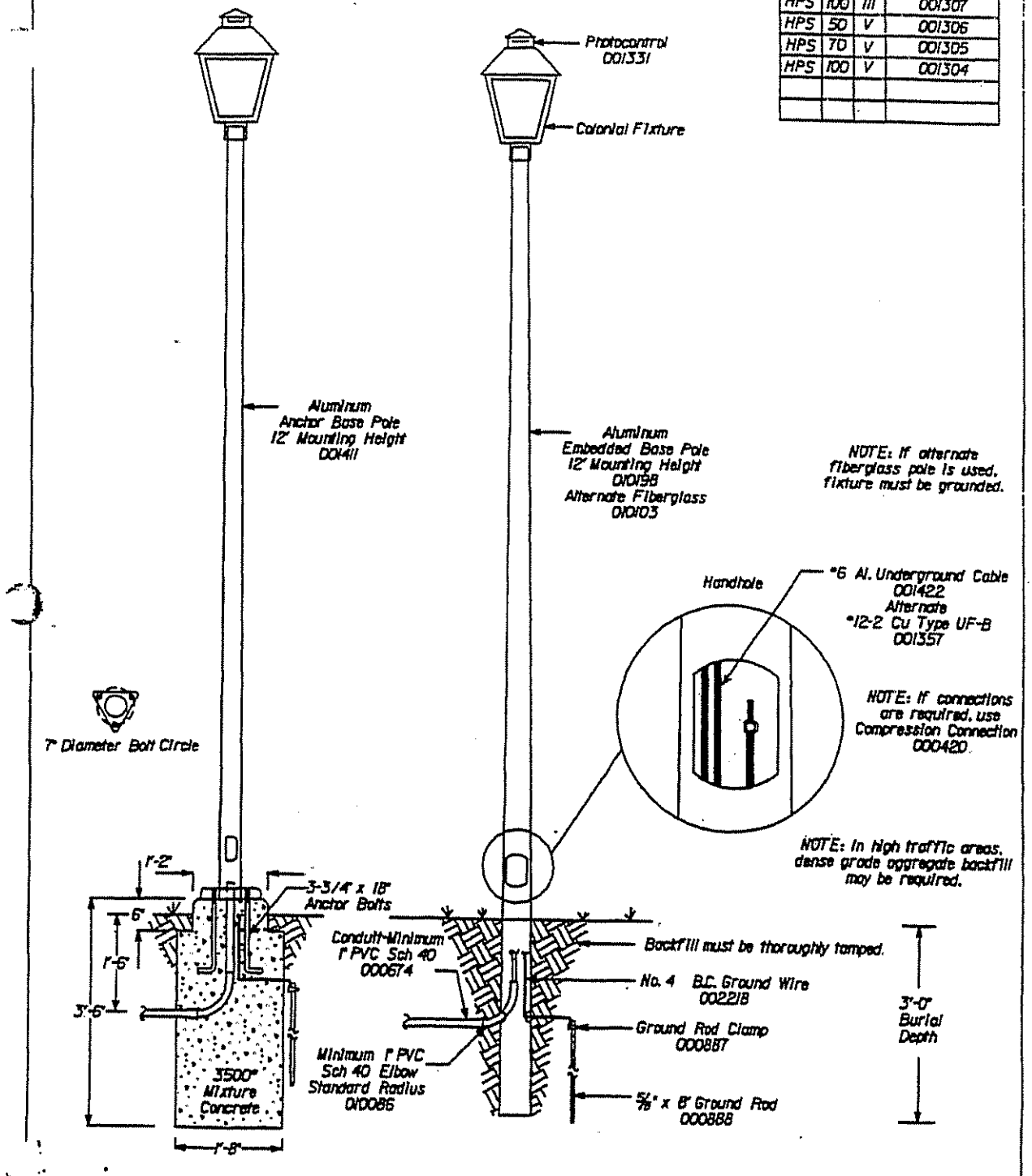
AE---AMERICAN ELECTRIC
AME---AMERICAN METAL PRODUCTS
BLK---BLACKBURN
CH---CROUSE-HINDS
FP---FISHER PIERCE
GE---GENERAL ELECTRIC
HAP---HAPCO
KER---KEARNEY
PK---P&K POLE PRODUCTS
RIP---RIPLEY
SHE---SHERMAN
UM---UTILITY METALS
WHA---WHATLEY

NOTE - PRICES SHOWN ARE ESTIMATED NET PRICES DELIVERED, AND ARE PRICED PER UNIT UNLESS OTHERWISE SHOWN IN LIST. SEE DRAWING A-10-1.01 FOR INSTRUCTIONS ON PREPARATION OF REQUISITIONS.

CONSTRUCTION STANDARD -- KENTUCKY UTILITIES CO. & OLD DOMINION POWER CO.

APPROVED: W. E. Johnson DATE: 11-15-90	REVISED	STREET / PRIVATE OUTDOOR LIGHTING MATERIAL LIST	SCALE DRAWING NO A-9-10.1

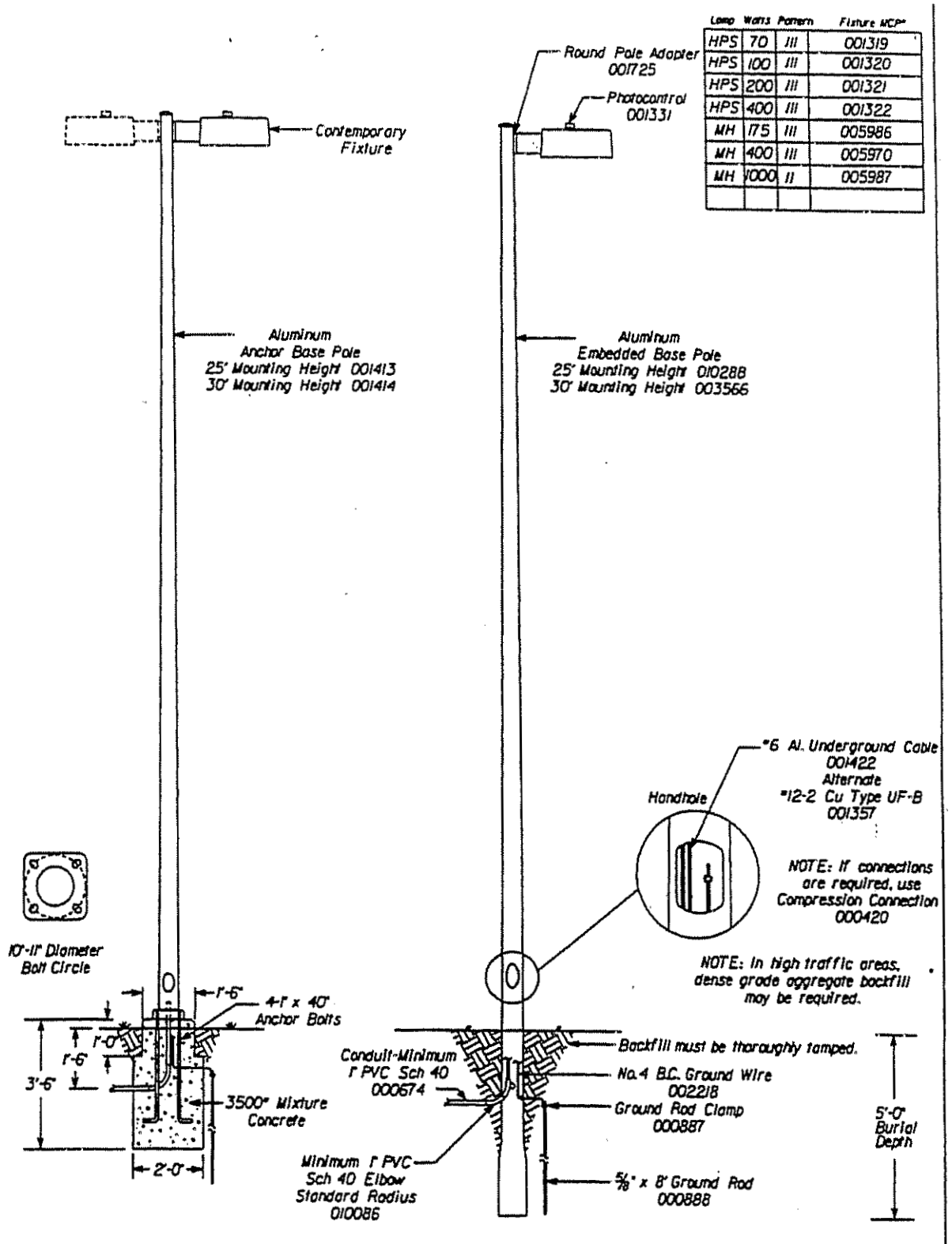
Lamp	Watts	Pattern	Fixture MCP#
HPS	50	III	001309
HPS	70	III	001308
HPS	100	III	001307
HPS	50	V	001306
HPS	70	V	001305
HPS	100	V	001304



CONSTRUCTION STANDARD - KENTUCKY UTILITIES CO. & OLD DOMINION POWER CO.

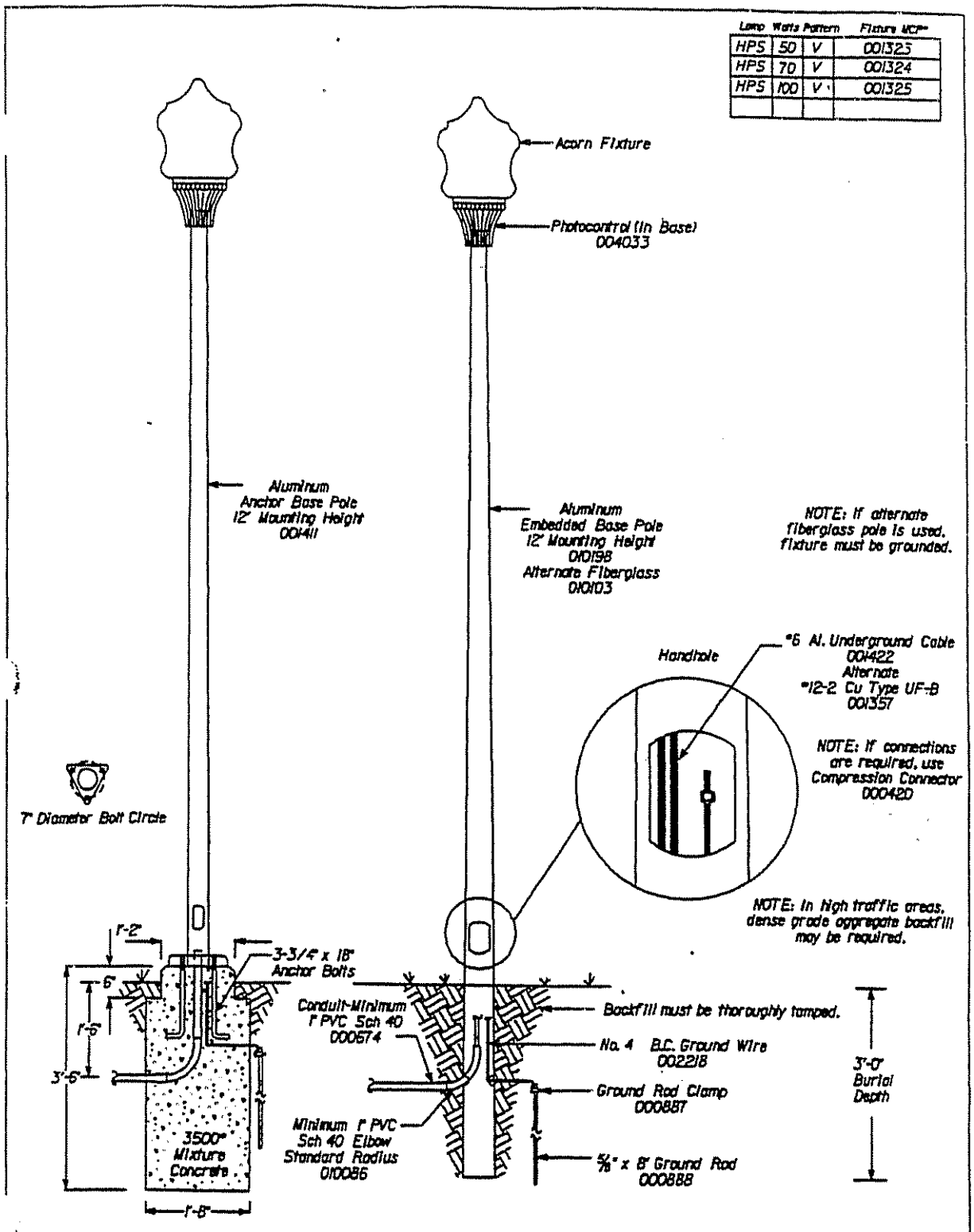
APPROVED	REVISED		Scale:
Date 3-11-9[illegible]		COLONIAL FIXTURE ORNAMENTAL POLE INSTALLATION	Drawing Number A-9-11.0

Lamp	Watts	Pattern	Fixture MCP*
HPS	70	III	001319
HPS	100	III	001320
HPS	200	III	001321
HPS	400	III	001322
MH	175	III	005986
MH	400	III	005970
MH	1000	II	005987



CONSTRUCTION STANDARD - KENTUCKY UTILITIES CO. & OLD DOMINION POWER CO.

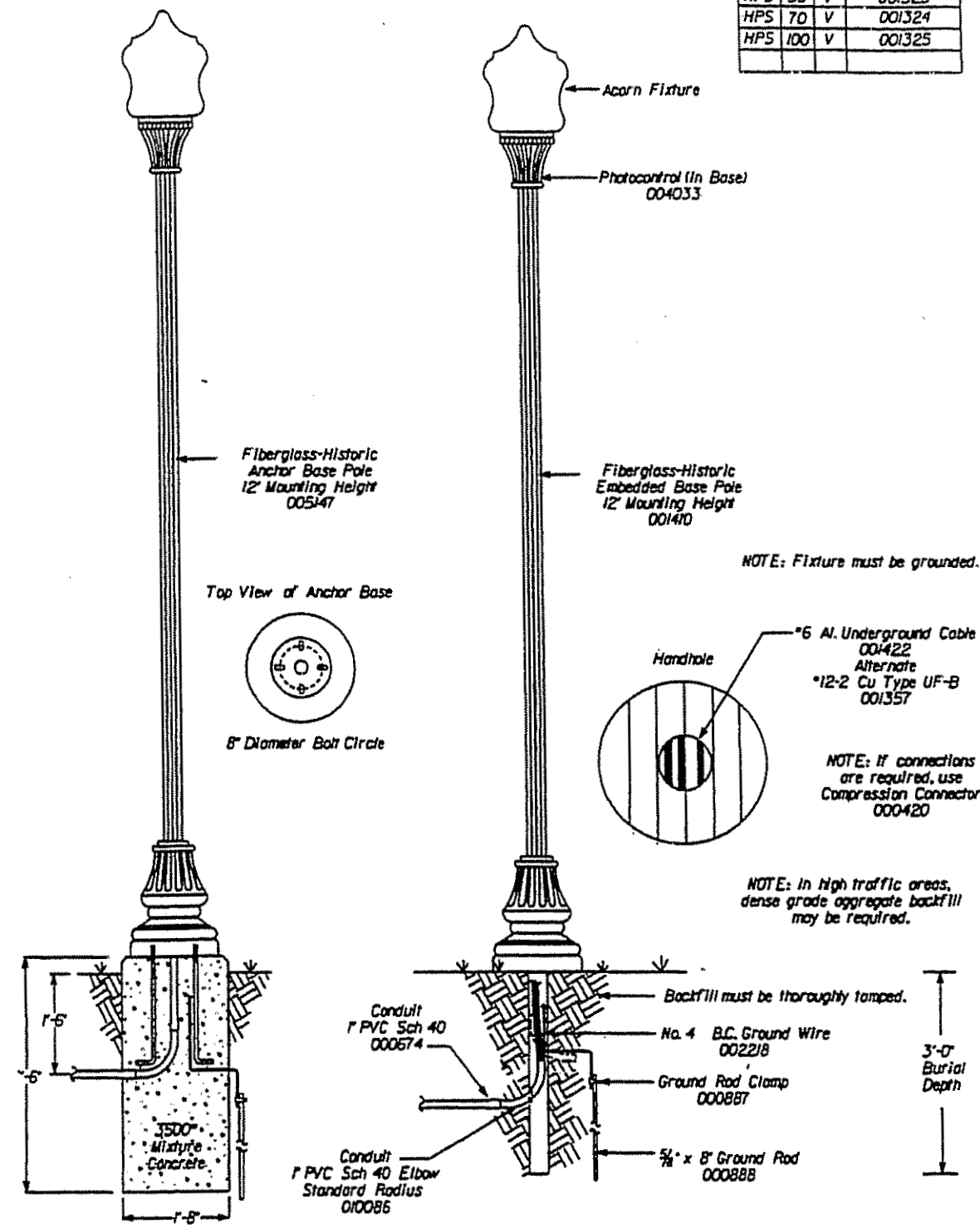
APPROVED	REVISED	CONTEMPORARY FIXTURE ORNAMENTAL POLE INSTALLATION	Scale:
Date 10-17-96	8/26/96		Drawing Number A-9-12.0



CONSTRUCTION STANDARD - KENTUCKY UTILITIES CO. & OLD DOMINION POWER CO.

APPROVED	REVISED		Scale:
DATE 3-11-96		ACORN FIXTURE DECORATIVE POLE INSTALLATION	Drawing Number A-9-13.0

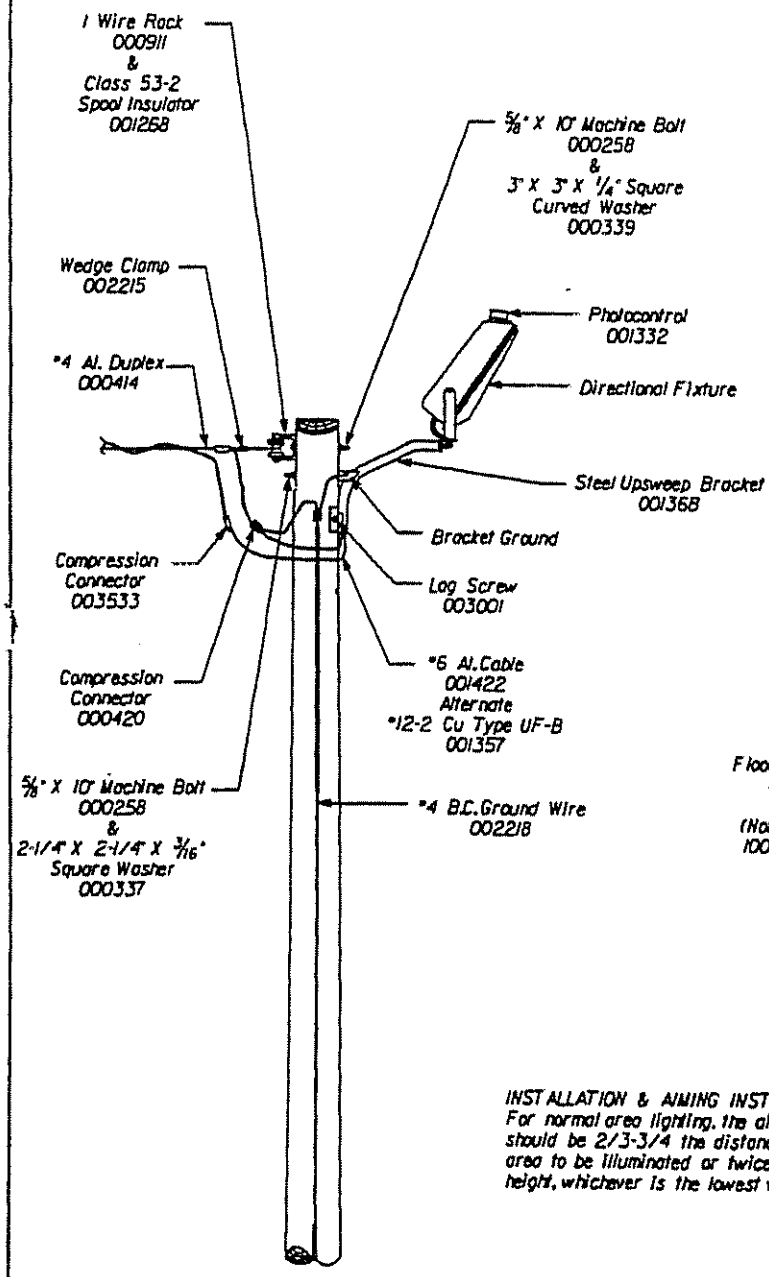
Lamp	Watts	Pattern	Fixture WO#
HPS	50	V	001323
HPS	70	V	001324
HPS	100	V	001325



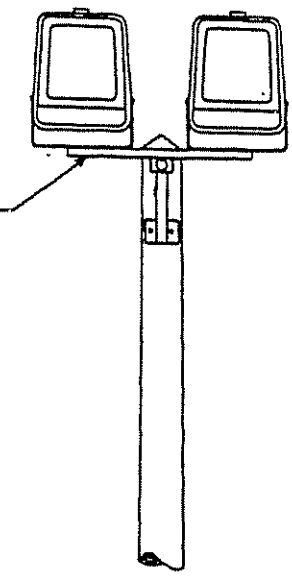
CONSTRUCTION STANDARD – KENTUCKY UTILITIES CO. & OLD DOMINION POWER CO.

APPROVED	REVISED		Scale:
Date 3-14-97		ACORN FIXTURE HISTORIC POLE INSTALLATION	Drawing Number A-9-13.5

Lamp	Watts	Pattern	Fixture MCP#
HPS	100	6X6	001330
HPS	200	6X6	001329
HPS	400	6X6	001328
MH	175	6X6	005983
MH	400	7X6	005984
MH	1000	7X7	005985



Optional mounting of two floodlights on a single upsweep bracket



INSTALLATION & AIMING INSTRUCTIONS:
For normal area lighting, the aiming point should be 2/3-3/4 the distance across the area to be illuminated or twice the mounting height, whichever is the lowest value.

CONSTRUCTION STANDARD - KENTUCKY UTILITIES CO. & OLD DOMINION POWER CO.

APPROVED	REVISED	DIRECTIONAL FIXTURE WOOD POLE INSTALLATION	Scale:
Date 10-17-96	9/23/96		Drawing Number A-9-14.0

KENTUCKY UTILITIES COMPANY

CASE NO. 2008-00251
CASE NO. 2007-00565

Response to First Data Request of the
Lexington-Fayette Urban County Government

Dated August 27, 2008

Question No. 8

Responding Witness: Chris Hermann

Q-8. Please describe in detail all maintenance that must be performed by KU on each type of street light to ensure that it operates properly and provide a list of each element of the required maintenance and its monthly cost.

A-8. Normal maintenance consists of replacing items from the table below. The costs are for the materials only and do not reflect installed values (labor, associated materials, equipment, etc.). Maintenance is required when KU has identified or received a report that the street light is inoperative. The most common maintenance performed on street lights is the replacement of burned out bulbs and/or replacement of inoperative photovoltaic cells.

Normal Street Light Maintenance Material

Item #	Description	Cost
7001343	LAMP,HPS,4000L,50W	$ 8.59
7001344	LAMP,HPS,5800L,70W	$ 8.59
7001345	LAMP,HPS,9500L,100W	$ 8.59
7001346	LAMP,HPS,22000L,200W	$ 8.99
7001347	LAMP,HPS,50000L,400W	$ 10.23
7001349	LAMP,MV,10000L,250W	$ 7.01
7001350	LAMP,MV,20000L,400W	$ 6.00
7001331	CONTROL,PHOTOELECTRIC,105-130V,GRAY COVER,ELECTRONIC,1000W,1800VA,TIME DELAYED,1.5 FCS TURN ON,CADMIUM-SULFIDE PHOTOCELL,MINIMUM 160 JOULE MOV ARRESTER,TWISTLOCK BASE,DUSK TO DAWN,USE IN 120V ONLY	$ 4.09
7001718	CAP,SHORTING,PHOTOCONTROL BASE,LOCKING TYPE	$ 3.97
7010269	STARTER,LIGHTING,HPS,50W-400W,PLUG-IN TYPE,GE	$ 25.83

KENTUCKY UTILITIES COMPANY

CASE NO. *2008-00251*
CASE NO. 2007-00565

Response to First Data Request of the Lexington-Fayette Urban County Government

Dated August 27, 2008

Question No. 9

Responding Witness: Chris Hermann / Butch Cockerill

Q-9. Is KU able to ascertain, at any given time, the number of street lights in Fayette County that are actually in proper working order? If so, please provide a detailed explanation, and further explain:

a. How many streetlights on average are actually in proper working order at any given time?

b. Whether the LFUCG is charged the monthly tariff rate for nonworking street lights for the periods of time within which such street lights are nonoperational or not working properly;

c. The amount of time it takes on average to bring such streetlights into working order; and

d. Whether this information differs among different types of street lights. If so, please provide this information for each type of light.

A-9. KU determines the number of lights that are not in working order as described in Question No. 7(a) above. Lights are considered to be in proper working order unless or until an outage is reported as described in response to Question No. 7(a). The Company proactively identifies streetlight outages and also relies upon customers to report service problems.

a. All lights unless reported otherwise are considered to be in proper working order. At any given time, on average less than 1% of the total lights are reported as not in proper working order.

b. The LFUCG pays a monthly tariff for all street lights it has requested, regardless of the operational status of the light.

c. Please see the response to Question No. 7(b).

d. Please see the response to Question No. 7(c).

KENTUCKY UTILITIES COMPANY

CASE NO. 2008-00251
CASE NO. 2007-00565

Response to First Data Request of the
Lexington-Fayette Urban County Government

Dated August 27, 2008

Question No. 10

Responding Witness: William Steven Seelye

Q-10. How was KU's proposed monthly rate for each type of street light determined?

a. Please describe in detail each element of the proposed monthly rate for each type of street light maintenance and operations, etc., including the percentage of the rate attributable to each element.

b. Does this differ from the existing rate elements? If so, in what regard?

c. What percentage of KU's proposed monthly rate for each type of street light is comprised of maintenance?

d. What percentage of KU's proposed monthly rate for each type of street light is comprised of costs associated with acquiring or installing the street light? Please provide this information for each type of street light for which the LFUCG currently pays a monthly tariff.

A-10. As discussed in Mr. Seelye's testimony, KU was guided by the embedded cost of service study in allocating the proposed revenue increase to the classes of service.

(a) KU does not maintain detailed cost information for each type of light. Consequently, no unit cost elements were developed for individual lights.
(b) See (a)
(c) See (a)
(d) See (a)

KENTUCKY UTILITIES COMPANY

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Response to First Data Request of the
Lexington-Fayette Urban County Government

Dated August 27, 2008

Question No. 11

Responding Witness: Shannon L. Charnas / John J. Spanos

Q-11. What depreciable life basis if any for each type of street light does KU utilize? Is this the standard industry basis?

A-11. KU utilizes one depreciable life established for all assets in the street lighting account. The Company proposes to use a depreciation rate of 3.16%, with an average service life of 32 years and an average remaining life of 19.1 years.

The methods utilized are those typically employed within the industry.

KENTUCKY UTILITIES COMPANY

CASE NO. 2008-00251
CASE NO. 2007-00565

Response to First Data Request of the Lexington-Fayette Urban County Government

Dated August 27, 2008

Question No. 12

Responding Witness: Shannon L. Charnas / William Steven Seelye

Q-12. Does the LFUCG continue to pay for KU's cost of installing or acquiring the street light beyond the depreciable life basis of the street light?

A-12. The LFUCG pays a monthly rate per street light based upon the type of light. The rates are segregated by fixture type, amperage, pole type, ornament style, etc. regardless of the lights' depreciable life.

KENTUCKY UTILITIES COMPANY

CASE NO. 2008-00251
CASE NO. 2007-00565

Response to First Data Request of the
Lexington-Fayette Urban County Government

Dated August 27, 2008

Question No. 13

Responding Witness: William Steven Seelye

Q-13. From the perspective of the proposed rate for each type of street light, does KU propose to treat the existing streetlights in Fayette County any differently than those that will in the future be installed? If so, please provide a detailed explanation.

A-13. No.

KENTUCKY UTILITIES COMPANY

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CASE NO. 2007-00565

Response to First Data Request of the
Lexington-Fayette Urban County Government

Dated August 27, 2008

Question No. 14

Responding Witness: William Steven Seelye

Q-14. Is it KU's position that it could have actually justified seeking a greater rate increase for any type of street light for which the LFUCG currently pays a monthly tariff? If so, for which types of lighting? Please provide a detailed explanation of the basis for this position for each different type of light and provide any supporting documents or work papers.

A-14. KU could have justified a higher increase for the Street Lighting and Decorative Street Lighting rate schedules. As stated in the response to Question No. 10, unit cost data are not maintained by type of street light. Therefore, the requested data is not available.

KENTUCKY UTILITIES COMPANY

CASE NO. 2008-00251
CASE NO. 2007-00565

Response to First Data Request of the
Lexington-Fayette Urban County Government

Dated August 27, 2008

Question No. 15

Responding Witness: William Steven Seelye

Q-15. Has KU compared or analyzed the proposed monthly rate for each type of street light to those charged by other utilities in jurisdictions of similar size to Lexington-Fayette County, Kentucky? If so, please identify each jurisdiction to which the rates were compared or analyzed and provide the monthly rate for each type of street light in those jurisdictions.

A-15. No.

KENTUCKY UTILITIES COMPANY

CASE NO. 2008-00251
CASE NO. 2007-00565

Response to First Data Request of the
Lexington-Fayette Urban County Government

Dated August 27, 2008

Question No. 16

Responding Witness: Shannon L. Charnas / William Steven Seelye

Q-16. How many different types of customer rate classes does the LFUCG currently make payments to KU under? For each type of class, please provide the following information:

a. The type of customer rate class;

b. The number of LFUCG accounts in each such class;

c. The total amount paid by the LFUCG for each such class during the last 12 month period; and

d. The total net projected impact for each such class under the proposed rate increase.

A-16. a. – c. See attached.

d. See Seelye Exhibit 4 filed in Volume 5 of 6 of the Company's Application for the summary of proposed percentage increases by rate, which can be applied to each rate class provided in a-c.

Kentucky Utilities Company
Case No 2008-0251
Schedule of Customer Rate Classes Serving the Lexington-Fayette Urban County Governemnt
For the Test Year Ended April 30, 2008

Line No.	Rate Class Description	No of LFUCG Accounts	Total Dollars Billed to LFUCG
1.	(RS) Residential Service	1	1,725.22
2.	(FERS) Full Electric Residential Service	3	3,841.97
3.	(GS) General Service	661	651,435.95
4.	(GS) General Service (N/M)	1	75.61
5.	(33) Electric Space Heating Rider	0	0.00
6.	(LP) Combined Lighting and Power Service:		
7.	LP-Secondary	104	1,425,381.64
8.	LP-Primary (Power Factor Adj.)	1	563,373.92
9.	LP-Secondary (Power Factor Adj.)	10	1,216,139.48
10.	(HLF) High Load Factor Service	0	0.00
11.	(St. Lt.) Street Lighting Service:		
12.	2,500L Incandescent Standard St. Lt.	1	75.48
13.	4,000L Incandescent Standard St. Lt.	1	110.92
14.	6,000L Incandescent Standard St. Lt.	2	169.66
15.	4,000L Incandescent Ornamental St. Lt.	2	2,106.19
16.	6,000L Incandescent Ornamental St. Lt.	1	171.91
17.	7,000L Mercury Vapor Standard St. Lt.	0	0.00
18.	10,000L Mercury Vapor Standard St. Lt.	1	109,792.55
19.	20,000L Mercury Vapor Standard St. Lt.	2	68,410.73
20.	10,000L Mercury Vapor Ornamental St. Lt.	2	75,662.59
21.	20,000L Mercury Vapor Ornamental St. Lt.	3	180,635.04
22.	4,000L HPS Standard St. Lt.	1	48,974.83
23.	5,800L HPS Standard St. Lt.	1	134,982.79
24.	9,500L HPS Standard St. Lt.	1	71,656.45
25.	22,000L HPS Standard St. Lt.	1	64,580.61
26.	50,000L HPS Standard St. Lt.	1	16,525.05
27.	4,000L HPS Ornamental St. Lt.	2	412,477.05
28.	5,800L HPS Ornamental St. Lt.	2	929,154.18
29.	9,500L HPS Ornamental St. Lt.	2	207,718.98
30.	22,000L HPS Ornamental St. Lt.	2	395,893.17
31.	50,000L HPS Ornamental St. Lt.	3	44,403.18
32.	(Dec. St. Lt.) Decorative Street Lighting Service:		
33.	9,500L HPS Colonial Dec. St. Lt.	1	747.11
34.	5,800L HPS Contemporary Dec. St. Lt.	2	818,799.48
35.	9,500L HPS Contemporary Dec. St. Lt.	1	97,922.34
36.	22,000L HPS Contemporary Dec. St. Lt.	2	94,696.34
37.	50,000L HPS Contemporary Dec. St. Lt.	1	15,871.81
38.	9,500L HPS Dec Acorn St. Lt.	1	686.07
39.	16,000L Granville Dec. St. Lt.	0	0.00
40.	16,000L Granville Dec. St. Lt. (Config. A)	7	63,353.39
41.	16,000L Granville Dec. St. Lt. (Config. B)	8	22,804.53
42.	16,000L Granville Dec. St. Lt. (Config. C)	7	24,140.46
43.	16,000L Granville Dec. St. Lt. (Config. D)	2	2,987.12
44.	16,000L Granville Dec. St. Lt. (Config. E)	1	613.17

Kentucky Utilities Company
Case No 2008-0251
Schedule of Customer Rate Classes Serving the Lexington-Fayette Urban County Governemnt
For the Test Year Ended April 30, 2008

Line No	Rate Class Description	No of LFUCG Accounts	Total Dollars Billed to LFUCG
45.	16,000L Granville Dec. St. Lt. (Config. F)	2	4,912.17
46.	16,000L Granville Dec. St. Lt. (Config. G)	2	7,960.37
47.	16,000L Granville Dec. St. Lt. (Config. I)	1	1,078.61
48.	16,000L Granville Dec. St. Lt. (Config. A1)	2	11,172.76
49.	16,000L Granville Dec. St. Lt. (Config. E1)	1	834.35
50.	16,000L Granville Dec. St. Lt. (Config. A2)	2	14,896.91
51.	16,000L Granville Dec. St. Lt. (Config. B3)	2	3,042.30
52.	16,000L Granville Dec. St. Lt. (Config. G1)	2	2,388.08
53.	16,000L Granville Dec. St. Lt. (Config. B2)	4	20,189.84
54.	16,000L Granville Dec. St. Lt. (Config. A3)	6	31,910.79
55.	(P. O. Lt.) Private Outdoor Lighting Service:		
56.	7,000L MV Open Bottom P. O. Lt.	38	10,128.86
57.	20,000L MV Cobra Head P. O. Lt.	2	291.78
58.	9,500L HPS Open Bottom P. O. Lt.	8	1,394.22
59.	22,000L HPS Cobra Head P. O. Lt.	4	943.98
60.	50,000L HPS Cobra Head P. O. Lt.	6	2,691.41
61.	9,500L HPS Directional P. O. Lt.	16	2,419.79
62.	22,000L HPS Directional P. O. Lt.	17	4,016.72
63.	50,000L HPS Directional P. O. Lt.	20	14,964.82
64.	9,500L Decorative Acorn P. O. Lt.	3	9,283.38
65.	9,500L Historic Acorn P. O. Lt.	2	16,245.40
66.	9,500L Colonial P. O. Lt.	1	2,369.86
67.	9,500L Coach P. O. Lt.	1	13,407.87
68.	5,800L Contemporary P. O. Lt.	2	7,314.73
69.	9,500L Contemporary P. O. Lt.	3	12,305.06
70.	22,000L Contemporary P. O. Lt.	4	22,129.63
71.	12,000L MH Directional P.O.Lt.-Fixture Only	1	130.27
72.	32,000L MH Directional P.O.Lt.-Fixture Only	14	8,778.51
73.	32000L MH Directional -W POL	1	276.56
74.	32,000L MH Direct. P.O.Lt.-Fixture w/ Metal Pole	6	12,390.35
75.	107,800L MH Directional P.O.Lt.-Fixture Only	1	800.17
76.	12,000L MH Contemp. P.O.Lt.-Fixture Only	4	4,080.51
75.	12,000L Metal Halide Contemp. P.O.Lt.-Fixture w/ Metal Pole	8	22,171.12
76.	107,800L MH Contemp. P.O.Lt.-Fixture Only	0	0.00
77.	(C. O. Lt.) Customer Outdoor Lighting Service:		
78.	3,500L MV C.O. Lt.	0	0.00
79.	7,000L MV C.O. Lt.	0	0.00
80.	Special Lighting:		
81.	20,000 MV Special Lighting	2	704.63
82.	50,000 HPS Special Lighting	1	2,097.66
83.	Outdoor Light Facility Charge	33	13,021.98
84.	Meter Pulse Charge	1	104.52
85.	EF -Excess Fac-Operating Exp	1	318.97
86.	TOTALS	1,069	8,051,265.91

KENTUCKY UTILITIES COMPANY

CASE NO. 2008-00251
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Response to First Data Request of the
Lexington-Fayette Urban County Government

Dated August 27, 2008

Question No. 17

Responding Witness: William Steven Seelye

Q-17. For each separate LFUCG account please provide a detailed analysis showing the impact of the proposed rate versus the existing rate using the most recent 12 month actual useage and billing data. Please also provide a detailed explanation of the formula that was used to obtain this information.

A-17. KU has not performed this analysis. Please see the response to Question No. 16.

KENTUCKY UTILITIES COMPANY

CASE NO. 2008-00251
CASE NO. 2007-00565

Response to First Data Request of the
Lexington-Fayette Urban County Government

Dated August 27, 2008

Question No. 18

Responding Witness: Chris Hermann

Q-18. What policies, procedures, practices, and/or guidelines does KU have in place to ensure that it is capable of responding to the loss of power by its customers during catastrophic events such as the February 2003 ice storm? Please explain in detail, and provide any written documentation pertaining to such events, as well as any existing documentation outlining KU's planned response in the event of similar occurrences.

A-18. KU responded to the February 2003 ice storm immediately to effectively repair the storm damage. The immediate and effective response to the ice storm damage demonstrates KU's continued capability to respond to customers' loss of power in a timely and efficient manner. KU continues to maintain an emergency restoration capability to provide service to its customers. As noted in the executive summary of the February 6, 2004, Kentucky Public Service Commission - Assessment of Electric Utilities Response to the February 2003 Ice Storm –

> "The KPSC staff concludes that the utilities were adequately prepared for the February 2003 ice storm, given its extreme severity, and that the utilities' restoration efforts were diligent, effective, and well managed on the whole. The utilities' performance, though not flawless, was commendable. The utilities have made changes in their outage prevention and restoration programs, which the Commission staff endorses."

Since the February 2003 ice storm, KU has taken the following actions:

- Implemented an outage management system in Lexington.
- Added full-time Spanish-speaking call center representative and Spanish translation of briefings, materials and other communications.
- The EON-US website has been updated to include customer information regarding electric service entrances (weatherhead or service mast),

restoration, electric safety, portable generators, etc. Power Restoration information can be accessed online at

http://www.eon-us.com/storm/power_restoration.asp

Service Connection Safety information can be accessed online at

http://www.eon-us.com/storm/servcon_safety.asp

Copies of this information are attached.

- Government liaison is permanently established.

Specifically, as stated in the February 6, 2004, Kentucky Public Service Commission - Assessment of Electric Utilities Response to the February 2003 Ice Storm:

> "Following the February 2003 ice storm, KU completed implementation of a new Outage Management System in Lexington. This system is a component of GEMINI, which began in 2000 and is the largest IT investment initiative undertaken by the utilities. This initiative integrates work management, outage management, a geographic information system, and a graphical work design system. With the new Outage Management System, implemented on schedule in 2003, many changes and improvements were made in the Kentucky Utilities Network Restoration Department (KU Central Dispatch)."
>
> "The location of the existing dispatch center was at Stone Road in Lexington which had space for only 3 workstations. During October 2003, the dispatch center was relocated to the 4th floor at Quality Street (KU main office downtown) where a state-of-the-art facility was installed. This facility includes 12 workstations, a weather satellite feed, and technical support on site. Additionally, the dispatch center is now co-located with the KU Call Center which will enhance the ability to communicate during adverse conditions."
>
> "In November of 2003, the new Outage Management Software (Centricity by CES) was successfully deployed for the Lexington and Maysville Operations Centers as scheduled. In addition, a completely new Trouble Order Entry tool was implemented to improve customers' trouble reporting and status feedback. The remaining Operations Centers for KU will be deployed in a phased approach according to the project schedule. KU Outage Management will be fully deployed by yearend 2004. Most recently, the new applications and processes have been deployed at

the Danville and Richmond Operations Centers. Additional Restoration Coordinators (Dispatchers) were hired at the end of 2003 and are currently being trained."

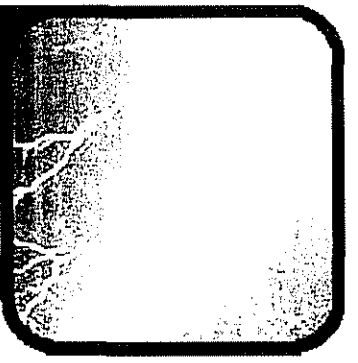
These changes provide more accurate and timely information which aids field workers in restoration, and provides more timely and accurate information to customers, emergency management, government and regulatory agencies.

Additionally, KU has communicated the restoration process to members of the media and several members of the LFUCG staff and council. The communication included a tour of the new dispatch center and witnessed demonstration of the new technology.

EON-US is a member company of the Southeastern Electric Exchange, Midwest, and the Great Lakes Mutual Assistance Group representing 47 operating utilities. These associations promote mutual assistance among member utilities to better leverage available resources during major storms to more effectively serve all utility members.

KU Service Restoration
Responding Witness – Chris Hermann

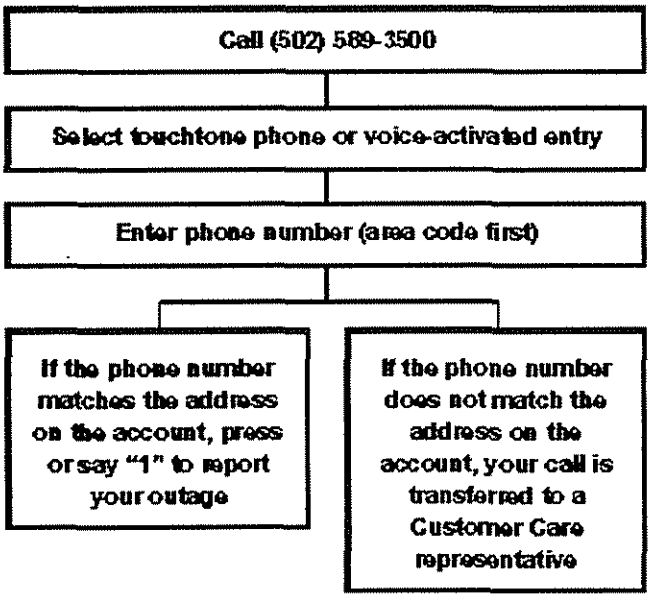
Be Prepared to Weather Any Storm



We know you depend on reliable electric service, and we recognize that power outages are an inconvenience to you. We cannot control Mother nature, and we cannot predict the consequences of any storm on our electric distribution system. There are some things you can do, however, to be prepared if you experience a power outage.

Check to see if your neighbors are without power.

If so, call **(502) 589-3500**. We have made significant improvements to our automated outage reporting system so it's now easier to report your outage. The following diagram provides simple instructions for reporting your outage.



Turn off all major appliances.

This includes electric ranges, washers and dryers. Unplug sensitive electronic equipment such as television sets VCRs and computers. This reduces the electrical demand when power is restored and significantly reduces the chance of damage caused by electrical surges.

Keep refrigerator and freezer doors closed.

Keeping the doors closed as much as possible will conserve the cold inside your refrigerator and freezer and keep your food fresher longer. You may want to put any medicine that needs to be refrigerated in a cooler with an ice pack.

Remember safety.

Stay away from all fallen wires and anything, such as a tree limb, that may be in contact with them. Camp stoves and charcoal grills should never be used indoors; they can produce deadly fumes. When using portable generators, always follow the manufacturer's instructions and operate the generator in a well-ventilated area.

Gather and store a "Storm Kit".

Each kit should include the following items in a convenient place, ready to use if your power goes out. Be sure everyone in your family knows where the storm kit is located.

- A flashlight and extra batteries
- A first-aid kit
- A portable, battery-operated radio (LG&E frequently provides updates about the storm damage and our restoration efforts via the news media.)
- Bottled water
- A manual can opener
- Non-perishable food

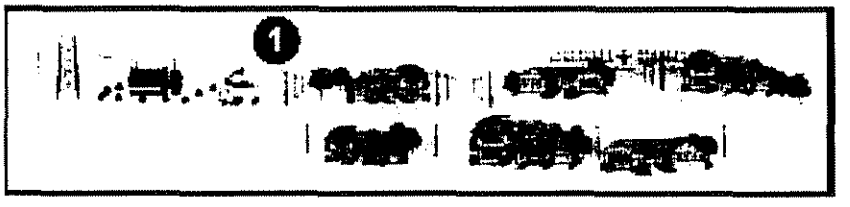
Power Restoration: Step-By-Step

When a powerful storm or tornado hits our service area, all sorts of damage can happen. Trees or high winds can snap and damage the main lines, substations, and individual lines that bring power to our many customers. In the middle of all this mess is you, sitting in the dark, wondering when your power will be restored.

LG&E can appreciate your concern and understands how frustrating it can be to see power restored to other homes while you continue to go without power. Storm damage can be extensive, and repairing all the damage can take hours and even days. Our employees work around the clock to make sure everyone's power is restored as soon as possible. However, we must do this in a way that is safe, and we must go about it in a way that is fair to everyone.

LG&E prioritizes repairs because it wouldn't be fair to have a crew spend an hour restoring power to one customer, when we could have restored power to dozens of homes in that same hour. We want to share our "Priority List" with you to help you understand what happens after a power outage and why sometimes it may take more time to restore your power.

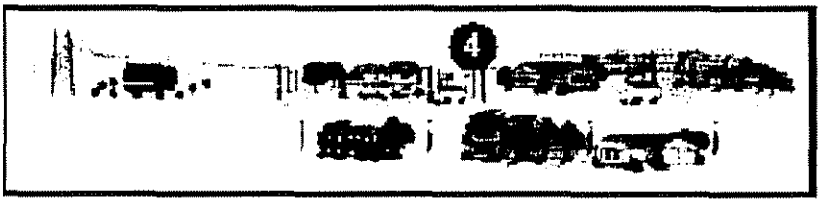
1. Main high-voltage transmission lines supply energy to a large area. When these lines are damaged they leave most consumers in the area without power. We must fix these lines first so electricity can reach our substation, which supply power to your home or business



2. *Emergency and life sustaining agencies such* as hospitals, nursing homes fire departments, and police stations have very important duties to perform, especially after a major storm or tornado. They receive top priority after the main transmission lines have been fixed so that they can do their important work.

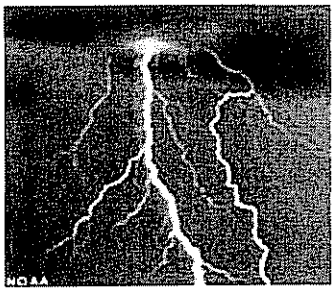
3. Critical business such as airports are also vital to a large number of people. They receive our next priority along with any customer on our Medical Alert *Program. Make sure to contact* LG&E if someone in your home uses life-supporting medical equipment, so that we can put you on this list. Always have a back-up generator ready and store important refrigerated medicines in a cooler during an emergency

4. After power has been restored to all emergency, life sustaining and critical agencies and businesses, we turn our attention to restoring the power to the rest of our substations and tap *lines. Repairing the substations* allows us to restore power to large numbers of customers at one time, such as subdivisions. The same with tap lines which might affect a half dozen customers or so. By this point a majority of customers will probably have their power restored



5. If your power is still out, but your neighbor's is on, you probably require individual repair to the service line that runs from the pole to the meter. These repairs can only be made after the main transmissions lines and the substation lines have been repaired. That is why you may see a crew in the area, or a crew may have even come and gone, but yet you still have no power. Repairing individual lines can take a considerable amount *of time. We think it is only fair to first do those* repairs which restore power to a large number of customers before moving to repairs that restore power to a single customer.

KU Service Connection Safety
Responding Witness – Chris Hermann



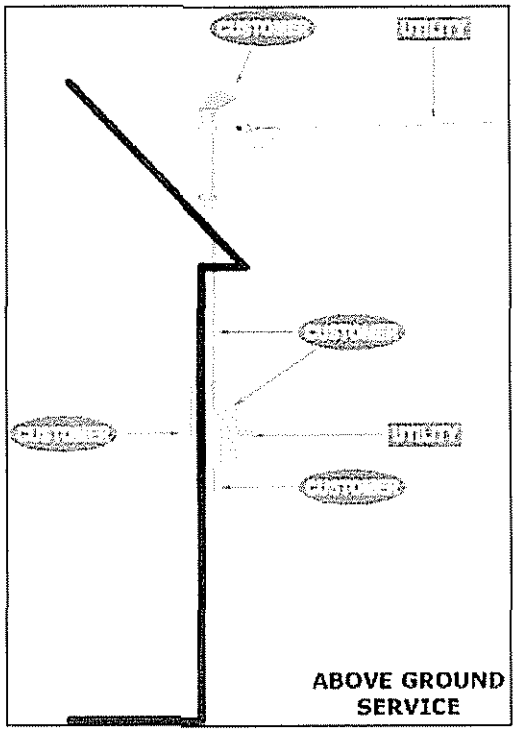
Storm Information Home
Preparing for Outages
Power Restoration: Step-by-Step
Electric Safety
Gas Safety
Portable Generator Safety
Service Connection Information
Downed Power Line Safety
Medical Alert Program
Food Safety Tips
Flooding Safety Tips

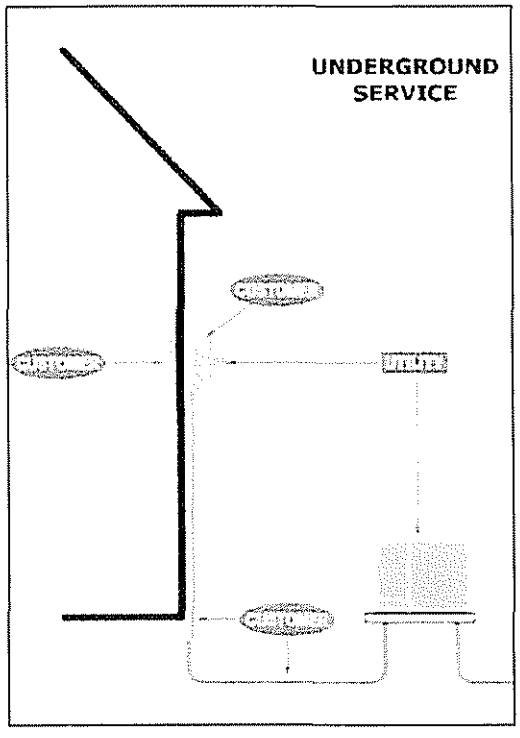
E.ON U.S. Home > Storm Information > **Service Connection Safety**

Service Connection Safety

LG&E's 24-hour Electric Trouble/Power Outages: (502) 589-3500
LG&E's Customer Service Department (M-F, 7am - 7pm): (502) 589-1444
Outside Louisville: (800) 331-7370

KU/ODP's 24-hour Electric Trouble/Power Outages: (800) 981-0600
KU/ODP's Customer Service Department (M-F, 7am - 7pm): (800) 981-0600





Power outages can occur at any time of year, most often in the spring and winter. When your electricity goes out, getting power restored quickly may require you to first make repairs to any customer owned electrical equipment that has been damaged.

Some customers aren't aware which repairs are considered the homeowner's responsibility and which are the responsibility of the utility. These illustrations show which aspects of your electric service are considered your property and which belong to us.

For overhead services, we are responsible for the cable that runs from the utility pole to your home. This wire is called a "service drop "

The service drop connects to your house at the "masthead," a vertical pipe-like structure attached to the top of the box that houses your electric meter. The masthead and the box which holds the meter are the homeowner's property and responsibility. Be sure the service box and the masthead are intact. The pipe should be securely attached to your house, and not separated, bent or pried from your home.

If you find damage to this area:

- Call us and we will send a line technician as soon as possible to make the area safe.
- Contact a licensed electrician to repair your damaged electrical equipment. The Better Business Bureau can provide you with a list of approved electrical repair contractors if you do not already know someone. You can access the Better Business Bureau's website at www.bbb.org.
- Once your equipment is repaired and the necessary inspections are complete, contact us again to let us know your service has been repaired and inspected. We'll send a line technician to get your power back on as quickly as possible.

Note:

- If the meter box is pulled away from your house and you have no power, you are responsible for contacting an electrician for a permanent fix. In most instances, an electrical inspection will be required before our crews can reconnect your service. Your electrician should be aware of what inspections are necessary and should advise you accordingly.
- If the meter box is pulled away from the house and you have power, you still must call an electrician to re-attach the meter box. Again, an electrical inspection may be required.

We have also included a diagram outlining the customer's responsibility related to underground service and what equipment we maintain. The most important thing to keep in mind is that repairs must be made by a licensed electrician who should be able to advise you of what inspections are necessary. Likewise, your electrician should notify you when repairs are complete so you can contact us to have your service restored

KENTUCKY UTILITIES COMPANY

CASE NO. 2008-00251
CASE NO. 2007-00565

Response to First Data Request of the
Lexington-Fayette Urban County Government

Dated August 27, 2008

Question No. 19

Responding Witness: Shannon L. Charnas

Q-19. How are the costs and expenses from catastrophic events treated? Are they written off as a one-time event or loss? If not, please provide a detailed explanation.

A-19. Costs and expenses incurred from catastrophic events, less any insurance recoveries, are either capitalized or expensed depending on the nature of the costs when they are incurred. The Company evaluates requesting approval for regulatory asset treatment for certain costs related to catastrophic events such as storms.

KENTUCKY UTILITIES COMPANY

CASE NO. 2008-00251
CASE NO. 2007-00565

Response to First Data Request of the
Lexington-Fayette Urban County Government

Dated August 27, 2008

Question No. 20

Responding Witness: Chris Hermann

Q-20. What are KU's current policies, procedures, practices, and/or guidelines pertaining to the trimming and/or removal of street trees and other trees effecting utility lines in Fayette County that might potentially interfere with service? Provide copies of the same.

A-20. The Distribution Vegetation Management Program is a centralized program which encompasses right of way maintenance for Kentucky Utilities Company ("KU") and Louisville Gas and Electric Company. The program is managed by a Forestry Manager and nine Utility Arborists. Two Utility Arborists are assigned to the Lexington Operations area, which includes Lexington and Fayette County. All arborists are certified by the International Society of Arboriculture. KU employs four professional tree contractor companies (Nelson, Phillips, Townsend, and Wright). Utility line clearing is undertaken to maintain safety, reliability of service, and access to the utility's facilities for maintenance and repair.

KU's Distribution Vegetation Management Program encompasses 13,600 miles of right of way maintenance. The Lexington Operations area includes over 2,700 miles of right of way in Fayette and surrounding counties.

The Companies' primary focus and core value is to ensure the health and safety of our employees, business partners, and the public. Contractors and their employees will recognize and follow all laws, rules and regulations regarding public and worker safety. Any incident must be reported to the appropriate safety consultant immediately. Tree Trimming Contractors are held accountable for safety according to OSHA and Company standards. Every new contract employee must complete a safety training program in the first 30 days.

The Companies employ an Integrated Vegetation Management ("IVM") Program that is the process of using chemical, manual, or mechanical techniques to control undesirable vegetation and includes natural or directional pruning, environmentally safe herbicides, and tree removals.

The IVM Program includes flexibility to operate and maintain variable easement widths, differences between rural and urban service areas, applicable codes or ordinances, and the need to maintain some level of flexibility in addressing landowner requests or concerns. Schedules and priorities for tree trimming are based on vegetation growth, cycle-last trim date, reliability data, and visual inspections. Reliability centered maintenance concepts are employed in establishing tree trimming priorities.

The plan includes the application of a flexible multi-cycle strategy to address growth and tree density which will vary across the service area. The Companies' plan is to maintain a proactive trim cycle while balancing the reactive needs of worst performing circuits. The Companies' goal is to maintain an average trim cycle of five years or less.

All tree-trimming is governed by approved principles of modern arboriculture and shall adhere to International Society of Arboriculture (ISA) standards. Other standards utilized in the program include ANSI A300, NESC, and OSHA 1910.269 as well as compliance with tree ordinances and local codes. Contractors are held accountable for safety per OSHA and Company standards.

Each customer on the circuit receives a mailing notification letter, one to two weeks prior to beginning the circuit work. The crew "knocks on the door" before the work begins. Customer complaints are investigated. Customer satisfaction is included in the contractor evaluation.

Customer education about tree trimming and planting trees is provided in consumer mail inserts, participation in community events, and media announcements.

Contractor's performance is evaluated based on safety, productivity, quality, and customer satisfaction on a quarterly and annual basis.

Changes made to the distribution program since the last rate application include:

- Added a Mid-Cycle Touch Up Plan to focus on fast growing trees on multi-phase lines.
- Increased focus on removal of hazard trees located off the right of way.
- Increased focus on tree clearance and removal of overhang limbs on three phase feeder circuits.
- Initiated a tree outage investigation program that focuses on tree-caused outages.
- Increased application of herbicides. The herbicide plan is a proactive plan to control brush and small trees.

A Vegetation Management Plan was submitted, pursuant to the Commissions Order, Administrative Case 2006-00494, on December 19, 2007.

KENTUCKY UTILITIES COMPANY

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Response to First Data Request of the
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Dated August 27, 2008

Question No. 21

Responding Witness: Lonnie E. Bellar / Shannon L. Charnas

Q-21. How much money has KU spent on advertising or promotional activities in the last 5 years? If possible, please provide such information for Fayette County and describe in detail the nature i.e., television, radio, billboard, etc. and type i.e. conservation of electricity, etc. of such advertisement or promotion.

a. What amount and percentage, if any, of this advertisement was of material benefit to ratepayers in accordance with Commission regulation 807 KAR 5:016?

A-21. KU has spent approximately $5.1 million on advertising or promotional activities over the 5 year period 2003-2007. It is not possible to provide the detailed information requested specifically for Fayette County. Of the $5.1 million total spent, approximately $2.7 million was for public service information and $2.4 million was for general public information.

a. Approximately $2.7 million or 53% of the $5.1 million for 2003-2007 was of material benefit to ratepayers in accordance with Commission regulation 807 KAR 5:016. Regulation 807 KAR 5:016 states that "no advertising expenditure of a utility shall be taken into consideration by the commission for the purpose of establishing rates unless such advertising will produce a material benefit for the ratepayers".

KENTUCKY UTILITIES COMPANY

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Response to First Data Request of the
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Dated August 27, 2008

Question No. 22

Responding Witness: Butch Cockerill

Q-22. How frequently on an annual basis does KU perform meter inspections?

a. Of these inspections, how frequently on average does the customer bear the associated costs or expenses?

b. Are the costs or expenses associated with meter inspections otherwise reflected in KU's overall costs or expenses such as maintenance and operations?

A-22. KU performs meter inspections in accordance with the sample meter testing program approved by the KPSC in Case No. 2005-00276.

a. During the test year KU received 109 meter test requests from customers. Of the requested meter tests, 107 customers were charged.

b. Yes.

KENTUCKY UTILITIES COMPANY

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Response to First Data Request of the
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Dated August 27, 2008

Question No. 23

Responding Witness: Butch Cockerill

Q-23. How frequently on an annual basis does KU disconnect or reconnect service?

a. Are the costs or expenses associated with disconnecting or reconnecting service otherwise reflected in KU's overall costs or expenses such as maintenance and operations?

A-23. Figures reported are for residential disconnects and reconnects throughout KU's Kentucky service territory, as filed with the Kentucky Public Service Commission, per 807 KAR 5:006 Section 3 (3), covering the period July 1, 2007 – June 30, 2008

Disconnects - 67,099
Reconnects – 50,976

a. Yes.

KENTUCKY UTILITIES COMPANY

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Response to First Data Request of the
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Dated August 27, 2008

Question No. 24

Responding Witness: Butch Cockerill

Q-24. Does KU engage in non-regulated activities or in any way provide nonregulated service? If so, generally describe all such activities or services in detail and indicate the extent to which KU engages in or provides such activities or services.

a. Do any KU employees spend any of their time engaged in such activities?

A-24. No. As a corporate entity, KU does not engage in any non-regulated activities.

a. Certain KU employees do spend a portion of their time performing under an arrangement between another E.ON-US subsidiary, KU Solutions, and Columbia Gas to read certain retail gas meters. None of the cost associated with these activities, however, are recorded on KU's books. KU Solutions is a non-regulated, wholly-owned subsidiary of E.ON-US Capital Corp.

KENTUCKY UTILITIES COMPANY

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Response to First Data Request of the Lexington-Fayette Urban County Government

Dated August 27, 2008

Question No. 25

Responding Witness: Butch Cockerill

Q-25. Does KU allow, in any way, the non-governmental utilization of public streetlights in Fayette County?

a. If so, please provide a detailed explanation of each different type of such utilization that occurs in Fayette County, the extent of each type of utilization, the names of any parties that have agreements with KU regarding such useage in Fayette County, the amount and type of compensation or consideration monetary or otherwise that KU typically receives for such useage, copies of any pertinent agreements for such useage, and the total amount of compensation that KU receives for such activities.

A-25. No. KU does not allow the non-governmental utilization of public streetlights in Fayette County.