COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

RECEIVED
AUG 27 2008
PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF LOUISVILLE GAS AND ELECTRIC COMPANY, INC. FOR AN ADJUSTMENT OF ITS ELECTRIC AND GAS BASE RATES) CASE NO. 2008-00252

ATTORNEY GENERAL'S INITIAL REQUESTS FOR IFORMATION

Comes now the intervenor, the Attorney General of the Commonwealth of Kentucky, by and through his Office of Rate Intervention, and submits these Initial 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,
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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 27th day of August, 2008

Assistant Attorney General

Attorney General's Initial Requests For Information To
Louisville Gas & Electric Company
Case No. 2008-00252

I. REVENUE REQUIREMENTS

1. For both the electric and gas rate cases, please identify and describe any ratemaking adjustments and/or rate making methodologies that have not previously been addressed and/or adopted by the KY PSC.

2. For both the electric and gas rate cases, please identify and describe any ratemaking adjustments and/or ratemaking methodologies that are different from the ratemaking adjustments and/or ratemaking methodologies authorized by the KY PSC in the prior rate case, Case No. 2003-0433.

3. Rives Exhibit 1, Schedule 1.42 shows the use of a PSC assessment rate of .1603% and a bad debt factor of .1835% in the determination of the Gross Up Revenue Factor. In this regard, provide the following information:

   a. Worksheet showing the derivation of the .1603% and .1835% factors.
   b. Provide the actual PSC assessment rate for electric and gas revenues in the test year and the current assessment rate for 2008.
   c. Provide the actual bad debt factor for the year prior to the test year.

4. Please explain why it is no longer necessary for the Company to make adjustments to its electric rate base and capital structure to remove reimbursed capital regarding the repair of combustion turbines at the E.W. Brown generating station, as it did in Case No. 2003-0433.

5. As shown on Rives Exhibit 2, page 1, the Company is proposing a debt to total capitalization ratio of 47.52% and associated equity to total capitalization ratio of 52.48% in its determination of the proposed overall rate of return of 8.35%. In this regard, please provide the following information:

   a. Why hasn't the Company reflected the debt to total capitalization ratio of 48.65% and equity to total capitalization ratio of 51.35% discussed on page 23, lines 4 – 11 of Mr. Rives' testimony, given that "disregarding the impact of purchased power agreements could limit the Company's future access to attractively priced debt capital"?
   b. What would be the overall cost of capital (as compared to the currently reflected rate of 8.35%) based on the debt and equity ratios referenced in part (a) above? Please provide all supporting calculations.

6. As shown on Rives Exhibit 2, page 2, the Company has made a pro forma capitalization adjustment by adding the 4/30/08 Advanced Coal Investment Tax Credit (ACITC) balance of $13,279,626 to the capitalization. In this regard, please provide the following information:

a. Confirm that this balance represents the cumulative ACITC progress expenditure credits booked by the Company through 4/30/08.
b. Is it true that the income tax credits resulting from the amortization of the ACITC will not start until sometime in 2010 when TC2 is scheduled to go into service for tax purposes? If not, please explain.
c. If the answer to part (b) above is in the affirmative, is it therefore true that the pro forma electric income taxes proposed by the Company in this case do not include a pro forma income tax credit from the amortization of the ACITC?
d. Why should it be considered reasonable to add the 4/30/08 ACITC balance to the capitalization without, on a pro forma basis, reflecting any associated ACITC amortizations as income tax credits; i.e., isn't it unreasonable and inequitable to the ratepayers to reflect the revenue requirement increase aspect of the Company's selected "Option 1 Ratable Flow-Through method" (the addition to capitalization) without giving the ratepayers the pro forma benefit of the offsetting revenue requirement decrease aspect of this same Ratable Flow-Through method (the income tax credits from the amortization of the ADITC)? Please comment in detail.
e. Please provide the pro forma annual amortization amount (electric income tax credit) associated with the 4/30/08 ACITC balance of $13,279,626 under the hypothetical assumption that this amortization booking would be allowed currently.

7. With regard to the 74/26 electric/gas common plant ratio used in this case, please provide the following information:

   a. What is the basis for this allocator and what was the date of the study underlying this allocator?
   b. If a more recent study has been performed to update this allocator, indicate the date and allocation results of this study.
   c. If the Company is planning on performing a new study to update this allocator, provide all relevant details.

8. With regard to the proposed pro forma depreciation expense adjustment shown on Rives Exhibit 1, Schedule 1.14, please provide the following information:

   a. Provide schedules showing the detailed derivation of the proposed pro forma annualized electric depreciation expenses of $102,727,496 and $13,957,736 and gas depreciation expenses of $17,499,063 and $4,904,069. These schedules should show that the application of Mr. Spanos's proposed depreciation rates to the Company's proposed depreciable test year-end plant as of 4/30/08 would result in the proposed annualized depreciation expense levels.

b. Do the proposed annualized deprecation expenses of $102,727,496, $13,957,736, $17,499,063 and $4,904,069 include depreciation expenses associated with ARO assets and/or post-1995 ECR investments? If so, identify these depreciation expense amounts and explain why these expenses are included. If not, explain why not.

c. The Company's unadjusted test year electric and gas depreciation expenses of $107,382,630 and $18,923,380 include $7,420,046, $179,051 and $9,103 for per books ARO and post-1995 ECR deprecation expenses. The Company has proposed to increase these unadjusted depreciation expenses of $107,382,630 and $18,923,380 by $16,722,648 and $3,488,855, respectively. Therefore, the Company's proposed pro forma adjusted annualized depreciation expenses include $7,420,046, $179,051 and $9,103 for per books ARO and post-1995 ECR deprecation expenses. Please confirm this and explain why it is appropriate that the proposed pro forma adjusted annualized depreciation expenses include $7,420,046 and $9,103 for per books ARO and post-1995 ECR deprecation expenses.

9. For the Company's proposed rate base components shown on Rives Exhibit 3, page 1, indicate which components have "common" elements that are allocated between gas and electric. In addition, explain what were the electric/gas allocation ratios used in Case No. 2003-00433 for all "common" rate base components, what are the comparable allocation ratios used in the current case and what is the basis for the use of these allocation ratios.

10. For <u>each item</u> included in the test year above-the-line operating expenses that involve an amortization of an unamortized balance, please provide the following information in the same format and detail as per the response to AG-1-17 in Case No. 2003-00433:

a. Account number and title of the amortization and the amortization expense included in the test year for rate making in this case.

b. The date and amount of the original unamortized balance, the established amortization period and resultant annual amortization amount.

c. The unamortized balance as of 4/30/08 and the expected expiration date of the amortization.

d. Explanation whether the amortization has been approved for rate inclusion by the PSC and a reference in which Order the PSC granted this rate making treatment.

11. The Company's balance sheet as of 4/30/08 shows total accumulated deferred income tax (ADIT) balances of $339,106,317 (electric) and $59,689,222 (gas) under Deferred Credits and total prepaid ADIT balances of $43,951,461 (electric) and $8,638,999 (gas) under Deferred Debits. In this regard, please provide the following information:

a. Provide detailed breakout and a description of all of the components making up the above-referenced total ADIT balances, also indicating which of these ADIT components have been considered for rate base inclusion and which have not and why not.
b. Reconcile the ADIT components to be identified in part (a) above as having been considered for rate base inclusion to the electric and gas ADIT balances shown on Rives Exhibit 3, page 1, lines 7 and 8.

12. As discussed on page 28 of Mr. Rives' testimony, the Company has proposed to exclude all ARO-related assets, liabilities and accumulated depreciation from rate base. In this regard, please provide the following information:

a. Why hasn't the Company removed all associated ARO-related capital from the capitalization on Rives Exhibit 2?
b. If all ARO-related capital were to be removed from the capitalization, what would be the net capitalization dollar amount adjustment and how would it change the electric and gas capitalization adjustment balances of $40,955,983 (electric) and $1,094,255 (gas) on Rives Exhibit 2, page 2?

13. With regard to the average test year electric and gas M&S and prepayment balances shown on lines 17 and 19 of Rives Exhibit 3, page 1, please provide the following information:

a. Schedule showing the actual monthly M&S and prepayment balances from which the 13-month average rate base inclusions shown on Rives Exhibit 3 were derived. In addition, show the calculations of all M&S and prepayment balance adjustments for the PSC fee exclusion, Trimble County inventories and Emission Allowances and show how these adjustments result in the 13-month average M&S and prepayment balances shown on lines 17 and 19.
b. Actual monthly M&S and prepayment balances for all months after the test year through to date.

14. With regard to Gas Stored Underground, please provide the following information:

a. Actual monthly Gas Stored Underground balances and associated 13-month average balances for the two years prior to the test year and for the test year.
b. Actual Gas Stored Underground balances for each month from April 2008 through August 2008.

c. For each of the monthly Gas Stored Underground balances to be provided in response to part (a) and (b) above, provide the associated monthly Mcf storage volumes and average costs per Mcf.

15. With regard to the electric CWC adjustment of ($788,376) shown on Rives Exhibit 4, line 20, please provide the following information:

a. Confirm that, based on the CWC calculation methodology used by the Company, the electric CWC adjustment of ($788,376) incorporates 1/8th of the proposed depreciation expense adjustment of $16,722,648 (Rives Exhibit 1, page 1, line 17) and of the proposed taxes other than income tax adjustments of $1,135,572, ($148,930), and ($15,013) on Rives Exhibit 1, page 2, lines 36, 37, and 38. If you do not agree, explain your disagreement.
b. Confirm that if one were to appropriately remove these depreciation expense and taxes other than income tax adjustments from the CWC calculations, this would change the proposed electric CWC decrease amount of ($788,376) to a revised and corrected CWC decrease amount of ($3,000,161). If you do not agree, explain your disagreement.

16. With regard to the gas CWC adjustment of $517,847 shown on Rives Exhibit 4, line 20, please provide the following information:

a. Confirm that, based on the CWC calculation methodology used by the Company, the electric CWC adjustment of $517,847 incorporates 1/8th of the proposed depreciation expense adjustment of $3,488,855 (on Rives Exhibit 1, page 1, line 17) and of the proposed taxes other than income tax adjustment of ($51,331) on Rives Exhibit 1, page 2, line 37. If you do not agree, explain your disagreement.
b. Confirm that if one were to appropriately remove these depreciation expense and taxes other than income tax adjustments from the CWC calculations, this would change the proposed gas CWC increase amount of $517,847 to a revised and corrected CWC increase amount of $87,857. If you do not agree, explain your disagreement.

17. Tab 42 of the Filing Requirements shows that the unadjusted test year electric O&M expenses include $317,506,069 for fuel expenses. In this regard, please provide the following information:

a. What portion of these total fuel expenses of $317,506,069 represents fuel expenses recovered through the separate FAC rate recovery mechanism and which portion is recovered through the Company's base rates?

b. Reconcile the expense amount recovered through the FAC to be provided in response to part (a) to the test year FAC fuel expense of $50,792,206 shown in Rives Exhibit 1, Schedule 1.03.

18. With regard to the Mill Creek Ash Dredging Regulatory Asset discussed on page 29 of Mr. Rives' testimony, please provide the following information:

    a. Are there any amortization expenses associated with this regulatory asset included in the test year above-the-line operating expenses and, if so, provide this amortization expense amount and indicate where in the filing schedules this amortization expense is reflected.
    b. When will the booking of this amortization expense expire?

19. Page 5 of 7 of the Volume 1 Financial Exhibits included in the Filing Requirements shows that the unadjusted test year net operating income includes ($456,255) for gain on the disposition of allowances and $1,389,410 for Accretion Expense. In this regard, please provide the following information:

    a. Explain the reasons for and nature of the $456,255 gain on disposition of allowances.
    b. Provide the equivalent actual gains on disposition of allowances in each of the 3 years prior to the test year.
    c. Explain the reasons for and nature of the $1,389,410 Accretion Expense.
    d. Provide the equivalent actual Accretion Expenses in each of the 3 years prior to the test year.

20. With regard to the unadjusted test year Taxes Other Than Income Taxes of $16,731,827 (electric) and $5,725,965 (gas), please provide the following information:

    a. Breakout of these total tax amounts by Taxes Other Than Income Tax components.
    b. Actual electric and gas Taxes Other Than Income Taxes, in total and broken out by tax component, for the years 2005, 2006 and 2007.

21. For each of the miscellaneous operating revenue categories of Forfeited Discounts, Miscellaneous Service Revenues, Rent from Electric/Gas Property, Interdepartmental Rents, Other Electric Revenues and Other Gas Revenues shown on page 5 of 7 of Volume 1 – Financial Exhibits, provide the actual revenues for each of the 12-month periods ending 4/30/05, 4/30/06, 4/30/07 and 7/31/08. Provide this separately for the Company's gas and electric operations. Also, provide a brief description of the nature of each of these miscellaneous revenue categories in the same format and detail as per the response to AG-1-26 in Case No. 2003-00433.

22. As shown on Rives Exhibit 1, Schedule 1.42, through its proposed revenue conversion factor, the Company has proposed to charge the ratepayers for bad debt and PSC assessment expenses (at ratios of .1835% and .1603%) associated with the proposed electric and gas rate increases in this case. Please confirm this.

23. With regard to the unbilled revenue data shown on Rives Exhibit 1, Schedule 1.00, please provide the following information:

    a. Do the unbilled revenue amounts for 4/30/07 and 4/30/08 shown on Schedule 1.00 represent unadjusted unbilled revenues as they were recorded on the Company's books and records as of 4/30/07 and 4/30/08? If not, explain what they represent.
    b. Confirm that the unbilled revenues of $25,336,000 (electric) and $7,563,000 (gas) as of April 30, 2007 include not only unbilled base rate revenues, but also unbilled GSC, FAC, ECR and DSM revenues. If you do not agree, explain your disagreement.
    c. Please identify what portion of the unbilled revenues of $25,336,000 (electric) and $7,563,000 (gas) as of April 30, 2007 represents unbilled base rate revenues and what portion represents unbilled GSC, FAC, ECR and DSM revenues.
    d. Confirm that the unbilled revenues of $26,121,000 (electric) and $8,766,000 (gas) as of April 30, 2008 include not only unbilled base rate revenues, but also unbilled GSC, FAC, ECR and DSM revenues. If you do not agree, explain your disagreement.
    e. Please identify what portion of the unbilled revenues of $26,121,000 (electric) and $8,766,000 (gas) as of April 30, 2008 represents unbilled base rate revenues and what portion represents unbilled GSC, FAC, ECR and DSM revenues.
    f. Confirm that the unbilled revenue differences of $785,000 (electric) and $1,203,000 (gas) include not only unbilled base rate revenues, but also unbilled GSC, FAC, ECR and DSM revenues. If you do not agree, explain your disagreement.
    g. Please identify what portion of the unbilled revenue differences of $785,000 (electric) and $1,203,000 (gas) represents unbilled base rate revenues and what portion represents unbilled GSC, FAC, ECR and DSM revenues.
    h. Since all GSC, FAC, ECR and DSM revenues have been (and should be) eliminated from this rate case (because they are separately addressed in the GSC, FAC, ECR and DSM rate mechanisms), why would it be appropriate to make pro forma adjustments reducing the test year revenues for unbilled GSC, FAC, ECR and DSM revenues as the Company is proposing on Schedule 1.00?

i. Explain why the Company has not reduced the pro forma bad debt expenses and PSC assessments by applying its proposed bad debt ratio of .1835% and PSC assessment ratio of .1603% to the proposed electric and gas revenue reduction adjustments of $785,000 and $1,203,000.

24. Please reconcile the Merger Surcredit elimination adjustment amount of $19,476,242 shown on Rives Exhibit 1, Schedule 1.01 to the annual Merger Surcredit amounts shown on the tariff page (Original Sheet No. 73) in Volume 1, Tab 8.

25. Please reconcile the VDT Surcredit elimination adjustment amounts of $7,375,580 (electric) and $1,903,311 shown on Rives Exhibit 1, Schedule 1.02 to the annual VDT Surcredit amounts shown on the tariff pages (Original Sheet No. 75) for electric and gas operations in Volume 1, Tab 8.

26. Page 5 of 7 of the Volume 1 Financial Exhibits show actual test year Investment Credit Adjustment – Net of $3,910,848 for electric operations and $(162,834) for gas operations. In this regard, please provide the following information:

a. Explain why the electric ITC Adjustment – Net amount increases the income taxes by $3.9 million rather than decreasing income taxes which usually is the case due to the ITC amortization tax credits.
b. Provide the actual ITC amortization amounts booked in each of the years 2003 through 2007 and compare these ITC amortization bookings to the test year net adjustment amount of $3,910,848.
c. Explain why, starting in 2007, the electric ITC Adjustment became a positive amount (income tax increase) rather than remaining a negative amount (income tax credit) – see page 115 of the Company's 2007 FERC Form 1.
d. Page 266 of the Company's 2007 FERC Form 1 shows that the 2007 amortization for the 15% electric ACGT tax credit amounts to $3,785,826. Please explain in detail why the Company increased its 2007 annual electric income taxes by $5,193,800, as shown on pages 114 and 115 of the same FERC Form 1. Also, reconcile the amounts of $5,193,800 and $3,785,826.

27. Page 5 of 7 of the Volume 1 Financial Exhibits shows that the unadjusted test year total income taxes amount to $46,964,217 (electric) and $5,896,991 (gas). In this regard, please provide the following information:

a. In the same format and detail as shown in LG&E's response to data request No. 25 in the Company's prior rate case, Case No. 2003-00433, provide all of the income tax components and calculations that make up the total unadjusted per books test year electric income taxes of

$46,964,217 and gas income taxes of $5,896,991. Show this information separately for the Electric Operating Accounts and Gas Operating accounts.

b. Please provide the permanent timing difference items and amounts (e.g., preferred dividends paid, ESOP reinvestments, non-deductible meals and entertainment, non-taxable dividends paid, etc) included in the calculations of the electric and gas Operating Account income taxes of $46,964,217 and $5,896,991. Show these items separately for electric and gas operations and indicate whether they involve taxable income deductions or additions.

c. Please indicate where exactly in this response the 2006 income tax true-up amounts of $1,914,256 (electric) and $656,377 (gas) and the electric Kentucky Coal Credit of $132,511 and Kentucky Recycle Credit of $741,478 shown on Exhibit 1, Schedule 1.41, are reflected.

d. Please provide the total interest expenses (including reclassified lease interest expenses) used as taxable income deductions in the calculations of the electric operating income taxes of $46,964,217 and gas operating income taxes of $5,896,991. Provide such interest amounts in total and broken out by interest expense component.

28. With regard to the Kentucky Coal Tax Credit referenced on Rives Exhibit 1, Schedule 1.33, please provide the following information:

a. Actual Kentucky Coal Tax Credits received by the Company in each of the years 2003 through 2007 and during the 12-month period ended 7/31/08. Provide each of these annual Coal Tax Credit amounts in total and as broken out between the portions of the total Coal Tax Credits applied first as income tax credits and then as property tax credits.

b. Effective which date in 2009 will the Coal Tax Credit statute expire? Please provide actual source documentation in support of your response.

c. Is there currently information available concerning other potential tax credit statutes or mechanisms that will replace, in whole or partially, the effect of the current Coal Tax Credit statute? If so, provide all available details.

29. Reference the Railcar property tax adjustment discussed on Ms. Charmas' testimony page 8. Explain where and when it was decided and authorized that these taxes will from now on be included in the FAC rate mechanism.

30. With regard to the Kentucky Recycle Credit amount of $741,478 shown on Rives Exhibit 1, Schedule 1.41, please provide the following information:

a. History of the Kentucky Recycle Credit showing the starting amount generated in 1999, the tax credits booked in each year from 1999 through to date, and the unused portion of the recycle credit carried forward each year from 1999 through to date.

b. Actual Kentucky Recycle Credits booked by the Company in each of the years 2000 through 2007 and during the 12-month period ended 7/31/08 and compare these annual bookings to the $741,478 booking in the test year.
c. Why is the test year booking of $741,478 to be considered a booking that relates to prior periods?
d. Will the booking of such Kentucky Recycle Credits continue for the years 2008, 2009 and 2010? If not, explain in detail why not.

31. With regard to the total electric and gas Interest per Books (excluding Other Interest) amount of $54,790,887 and the Reclassified Capital Lease Interest amount of $3,281,171 shown on Rives Exhibit 1, Schedule 1.40, lines 4 and 5, please provide the following information:

a. Provide a detailed interest component breakout of the per books electric and gas interest amount (excluding Other Interest) of $54,790,887.
b. What actual interest amount has been used as a tax deduction in the determination of the Company's unadjusted test year income taxes of $46,964,217 (electric) and $5,896,991 (gas) as compared to the total interest amount of $58,072,058 ($54,790,887 + $3,281,1781)?
c. Reconcile the total test year interest amount of $58,072,058 shown on lines 4 and 5 to the total unadjusted test year interest charges of $56,113,064 shown on page 5 of 7 of the Volume 1 Financial Exhibits. Reconcile this in total and by interest component.

32. Please provide a copy of the actual ECR Expense Roll-In source documentation referenced at the bottom of Rives Exhibit 1, Schedule 1.06.

33. Page 5 of 7 of the Volume 1 Financial Exhibits shows a breakdown of the actual unadjusted test year operating revenues by revenue class. Please identify in which revenue class LG&E's Off-System Sales revenues are included and identify the test year Off-System Sales revenues, in total and as broken out by each specific Off-System Sales component.

34. With regard to Seelye Exhibit 20, please provide the following information:

a. Provide workpapers and explanatory narrative showing the calculations and calculation components supporting the Base FAC expenses per KWH of $0.01703.
b. Do the actual test year variable production expenses of $46,276,795 include variable production expenses that are being recovered in the ECR and DSM rate mechanisms? If not, explain why not. If so, provide the

variable production expenses per KWH for only the base portion of the variable productions expenses of $46,276,795.

35. Based on the Company's proposed bad debt ratio of .1835% and PSC assessment ratio of .1603% (used in the revenue conversion factor to gross up the rate increase request for the incremental bad debt and PSC assessment expenses associated with the requested rate increase), the Company's proposed electric weather normalization revenue decrease adjustment of $14,374,348 (Rives Exhibit 1, page 1, line 14) would result in a corresponding bad debt and PSC assessment decrease of $49,419 (.3438% x $14,374,348). Please explain why this expense adjustment has not been reflected by the Company on Seelye Exhibit 19.

36. With regard to Seelye Exhibit 23, page 1, for <u>each of the exact same customer classes</u> for which the 13-month average numbers are shown in column (1) [i.e., for Residential Rate RGS, Commercial Rate CGS, Industrial Rate IGS, Rate AAGS, Rate FT, Fort Knox, and so on] provide the equivalent actual month-end number of customers for the months of April 2005 through July 2008.

37. With regard to Seelye Exhibit 23, page 2, provide the following information:

   a. Explain why the total billed test year revenues of $388,349,421 is not equal to the total test year billed revenues of $391,188,112 shown on Rives Exhibit 1, page 1, lines 1 and 3 ($392,391,112 less unbilled revenues of $1,203,000 = $391,188,112).
   b. Please confirm that the test year billed revenues with the eliminations of the revenue items recovered in the separate rate rider mechanisms for the VDT Surcredit, VDT and GSC accruals, DSM revenues, and GSC revenues amount to $94,434,882 in accordance with the revenue information shown on Rives Exhibit 1, page 1, lines 1, 3, 5, 12, 13, and 39:

Per books Operating Revenues (line 1)	$392,391,112
Remove Unbilled Revenues (line 3)	(1,203,000)
Remove VDT Surcredit Revenues (line 5)	1,903,311
Remove VDT and GSC Accruals (line 12)	(352,260)
Remove DSM Revenues (line 13)	(1,453,819)
Remove GSC Revenues (line 39)	(296,850,462)
Net billed Base Rate Revenues	$ 94,434,882

   c. Please confirm that the test year net gas O&M expenses with the eliminations of the test year wage/salary, pension and benefit and regulatory commission expenses, as well as the eliminations of the expense items recovered in the separate rate rider mechanisms for the DSM and GSC expenses amount to $29,105,941 in accordance with the information shown on Seelye Exhibit 23, page 2 and Rives Exhibit 1, page 1, lines 13 and 39:

Per books O&M Expenses (Exh. 23, p.2)	$342,533,582
Remove DSM Expenses (line 13)	(1,921,602)
Remove GSC Expenses (line 39)	(290,872,693)
Remove Wages and Salaries (Exh. 23, p.2)	(15,313,283)
Remove Pensions & Benefits (Exh. 23, p.2)	(5,241,220)
Remove Reg. Comm. Exp. (Exh. 23, p.2)	(78,843)
Net Base O&M Expenses	$ 29,105,941

38. With regard to Seelye Exhibit 21, page 1, please provide the following information:

   a. For each of the exact same customer classes for which the 13-month average numbers are shown in column (1) [i.e., for Residential Rate R, Water Heating Rate WH, GS Rate LC, Large Commercial Rate LC Secondary, Large Commercial Rate Primary, and so on] provide the equivalent actual month-end number of customers for the months of April 2005 through July 2008.
   b. Explain why the year-end KWH adjustment in column (6) is multiplied times the current rates that consist not only of base rates, but also FAC rates.

39. With regard to Seelye Exhibit 21, page 2, please provide the following information:

   a. Explain why the total billed test year revenues of $934,459,355 is not equal to the total test year billed revenues of $931,599,516 shown on Rives Exhibit 1, page 1, lines 1 and 3 ($932,384,516 less unbilled revenues of $785,000 = $931,599,516).
   b. Please confirm that the test year billed revenues with the eliminations of the revenue items recovered in the separate rate rider mechanisms for the Merger Surcredit, VDT Surcredit, FAC and ECR revenues, DSM revenues, and Brokered/Swap sales revenues amount to $933,394,409 in accordance with the revenue information shown on Rives Exhibit 1, page 1, lines 1, 3, 4, 5, 6, 7, 8, 9, 10, 11,12, and 13:

Per books Operating Revenues (line 1)	$932,384,516
Remove Unbilled Revenues (line 3)	(785,000)
Remove Merger Surcredit Rev. (line 4)	19,476,242
RemoveVDT Surcredit Revenues (line 5)	7,375,580
Remove FAC Revenues (line 6)	(50,610,166)
Add Back FAC Roll-In (Sch. 1.04)	27,862,517
Remove ECR Revenues (line 8)	(10,158,132)
Add Back ECR Roll-In (line 9)	1,215,475

Off-System ECR Adjustment (line10)	(748,947)
Remove Brokered/Swap Sales Rev. (line 11)	2,000,584
Remove ECR, MSR, VDT, FAC Accruals (line 12)	9,763,357
Remove DSM Revenues (line 13)	(4,381,617)
Net billed Base Rate Revenues	$ 933,394,409

c. Please confirm that the test year net electric O&M expenses with the eliminations of the test year wage/salary, pension and benefit and regulatory commission expenses, as well as the eliminations of the expense items recovered in the separate rate rider mechanisms for the FAC, ECR and DSM expenses and Brokered/Swap sales expenses amount to $494,030,708 in accordance with the information shown on Seelye Exhibit 23, page 2 and Rives Exhibit 1, page 1, lines 6, 7, 8, 9, 11 and 13:

Per books O&M Expenses (Exh. 21, p.2)	$616,937,088
Remove FAC Expenses (line 6)	(50,792,206)
Add Back FAC Roll-In (Sch. 1.04)	27,862,517
Remove ECR Expenses (line 8)	(10,942,070)
Add Back ECR Roll-In (line 9)	8,811,442
Remove Brokered/Swap Sales Exp (line 11)	(78,168)
Remove DSM Expenses (line 13)	(3,860,848)
Remove Wages and Salaries (Exh. 21, p.2)	(72,309,444)
Remove Pensions & Benefits (Exh. 21, p.2)	(20,434,030)
Remove Reg. Comm. Exp. (Exh. 21, p.2)	(1,131,767)
Net Base O&M Expenses	$ 494,062,514

40. Please identify and quantify any changes to the filing results that should be made based on additional information that became available after the Company prepared its electric and gas rate filings.

41. With regard to Mr. Bellar's testimony page 10, lines 9 – 11, please provide the following information:

   a. The testimony states that the gas customer switching adjustment requires a revenue increase of $29,168. Explain why the Company has reflected a revenue decrease of $29,168 in its gas filing.
   b. If any other gas customer switchings have actually taken place in the test year or during the period May 1, 2008 through August 2008, please identify these customer switchings and quantify the associated pro forma annualized test year revenue impact.

42. Please provide the pro forma annualized impact on test year revenues of all major electric and gas customer losses or additions that occurred from the end of the test year through August 31, 2008.

43. With regard to the test year FERC expense booking of $821,331 shown in Rives Exhibit 1, Schedule 1.22, please show in which account(s) these expenses are recorded in the Electric Trial Balance included in the response to PSC-1-13(a) and in Attachment to Response to PSC-1-23(b).

44. Assuming that the electric and gas LG&E rate cases are fully litigated, what is the expected rate effective date of these two rate filings?

45. At the bottom of page 28 and top of page 29 of the Company's Financial Report in Volume 3, Tab 38, the following statement is made with regard to the Company's MISO Exit Fees:

> "In March 2008, the FERC approved the parties' recalculation of the exit fee, and the approved agreement provides LG&E with an immediate recovery of less than $1 million and will provide an estimated $2 million over the next eight years for credits realized from other payments the MISO will receive, plus interest."

With regard to the above statement, please provide the following information:

a. What was the agreed-upon recalculated MISO Exit Fee and what was the "immediate recovery of less than $1 million." In addition, reconcile the net of these two amounts to the 4/30/08 MISO Exit Fee amount of $12,372,059 shown on Rives Exhibit 1, Schedule 1.23.
b. To date, has the Company already received credits realized from other payments the MISO will receive, including interest? If not, why not? If so, identify the dollar amount of credits received.
c. What are the estimated credits to be received by LG&E from other payments the MISO will receive, including interest, up until the rate effective date of LG&E's electric rate case?
d. Why will the Company receive estimated credits realized from other payments the MISO will receive over the next 8 years rather then, say, the next 5 or 10 years? In addition, which 8-year period is involved?

46. With regard to the cumulative Schedule 10 Regulatory Liability charges of $5,569,914 shown on Rives Exhibit 1, Schedule 1.23, please provide the following information:

a. What annual level of MISO Schedule 10 expenses is assumed in the determination of the cumulative Regulatory Liability amount of $5,569,914 as of 4/30/08 and what is the basis for this annual MISO Schedule 10 rate recovery level?

b. Provide all calculations and calculation components for the derivation of the rate recovery amount of $5,569,914 from September 1, 2006 through April 30, 2008.
c. Please provide the Company's best estimate of the MISO Schedule 10 expenses recovered in the current electric rates between April 30, 2008 and the expected rate effective date of the current electric rate case. Provide a workpaper showing all assumptions and calculations.

47. What is the basis for the Company's proposed 5-year amortization period for the net MISO Exit Fees?

48. With regard to the test year EKPC expense booking of $847,862 shown in Rives Exhibit 1, Schedule 1.24, please provide the following information:

a. Has the KY PSC authorized rate recovery of these expenses? If so, provide the case number and copy of the Order.
b. Identify in which account(s) these expenses are recorded in the Electric Trial Balance included in the response to PSC-1-13(a).

49. With regard to the IMEA/IMPA payments discussed on page 13 of Mr. Bellar's testimony, please provide the following information:

a. Actual payments to IMEA/IMPA still included in the test year after the removal of the $330,012 amount on Rives Exhibit 1, Schedule 1.26.
b. Expiration date of the payments to be made from LG&E to IMPA and IMEA.

50. With regard to the test year gas Account 928 expenses of $78,843 shown in Attachment to Response to PSC-1-23(b), please provide the following information:

a. Breakout of the test year expense amount of $78,843 by regulatory activity (with brief descriptions of regulatory activities, including case numbers).
b. Reconcile the gas amortization expense of $26,278 shown on Rives Exhibit 1, Schedule 1.27 to the test year Account 928 expense breakout to be provided in response to part (a).

51. With regard to the test year electric Account 928 expenses shown in Attachment to Response to PSC-1-23(b) for the test year and each of the years 2003 through 2007, please provide the following information:

a. For each of the annual expenses from 2003 through the test year, provide a breakout by regulatory activity (with brief descriptions of regulatory activities, including case numbers).
b. Reconcile the electric amortization expense of $37,158 shown on Rives Exhibit 1, Schedule 1.27 to the test year Account 928 expense breakout to be provided in response to part (a).
c. Explain why the test year Account 928 expense amount of $1,131,767 is so much higher than the Account 928 expenses in the prior years from 2003 through 2007.
d. Indicate whether or not the test year expense amount should be considered representative of normal recurring expense levels in the near-term future and why.
e. Explain the nature and purpose of the administrative charges for Project #289 and indicate how long this project will continue into the future.

52. With regard to the test year Capital Lease Reclassification steam expense adjustment of $5,394,978 shown in Rives Exhibit 1, Schedule 1.28, please show in which account(s) these expenses are recorded in the Electric Trial Balance included in the response to PSC-1-13(a) and in Attachment to Response to PSC-1-23(b).

53. With regard to the test year IT Prepaid Amortization expense adjustments shown in Rives Exhibit 1, Schedule 1.29, please show in which account(s) these expenses are recorded in the Electric Trial Balance included in the responses to PSC-1-13(a) and PSC-1-13(b) and in Attachment to Response to PSC-1-23(b).

54. With regard to the costs of New Bank Credit Facilities shown on Rives Exhibit 1, Schedule 1.32 and discussed on pages 17 – 18 of Mr. Rives' testimony, please provide the following information:

a. Calculations showing how the pro forma expense amount of $2,528,293 was calculated based on the assumed bonds totaling $211,335,000.
b. Basis for the need for the assumed bonds of $211,335,000.
c. Actual source documentation to support the statement that the "fees are based on a proposal from a bank willing to provide a portion of these facilities under current market conditions."
d. Please provide any cost update based on actual information to date.

55. With regard to the Pension and Post Retirement Benefit (OPRB) expenses shown on Rives Exhibit 1, Schedule 1.16, please provide the following information:

a. Provide the equivalent actual pension and OPRB expenses booked by LG&E for each of the 3 years prior to the test year and for the 12-month period ended July 31, 2008.

b. Provide a copy of the Mercer study supporting the proposed annualized pension expenses of $8,189,826. This supporting information should show how the $8,189,826 for LG&E was calculated from the information contained in the Mercer study.
c. Provide a copy of the Mercer study supporting the proposed annualized OPRB expenses of $7,355,297. This supporting information should show how the $7,355,297 for LG&E was calculated from the information contained in the Mercer study (Note: if this information is contained in the Mercer study attached to PSC-1-54, show how the $7,355,297 for LG&E was determined from the study data in this data response).
d. Number of LG&E employees based upon which the pro forma annualized expenses from the Mercer studies were determined.

56. With regard to the Post-Employment expenses shown on Rives Exhibit 1, Schedule 1.17, please provide the following information:

a. Provide the equivalent actual Post-Employment expenses booked by LG&E for each of the 3 years prior to the test year and for the 12-month period ended July 31, 2008.
b. Provide a copy of the Mercer study supporting the proposed annualized expenses of $535,585. This supporting information should show how the $535,585 for LG&E was calculated from the information contained in the Mercer study (Note: if this information is contained in the Mercer study attached to PSC-1-55, show how the $535,585 for LG&E was determined from the study data in this data response).
c. Number of LG&E employees based upon which the pro forma annualized expenses from the Mercer studies were determined.

57. Is the Company planning a workforce reduction program in the near-term future? If so, provide all relevant details regarding this program.

58. With regard to employee benefit expenses other than pensions, OPRB and Post-Employment Benefits addressed in Rives Exhibit 1, Schedules 1.16 and 1.17, please provide the following information:

a. Actual employee benefit expenses (O&M expense portions only) other than pensions OPRB and Post-Employment Benefits, in total and broken out by specific employee benefit expense category, for the test year, the 3 12-month periods prior to the test year and the 12-month period ended July 31, 2008.
b. Please provide a detailed breakout of the nature and purpose of all of the expense components making up the Company's total test year Employee Welfare expenses of $70,089 in account 926110.

59. With regard to incentive compensation and Supplemental Executive Retirement Plan (SERP) expenses, please provide the following information:

    a. The amount of unadjusted incentive compensation expenses included in the test year O&M expenses, in total and broken out by specific incentive compensation program.
    b. The actual unadjusted incentive compensation expenses included in the Company's O&M expenses, in total and broken out by specific incentive compensation program, in each of the three years prior to the test year.
    c. Is the Company booking any incentive compensation award expenses in below-the-line expense accounts? If so, provide the actual incentive compensation expenses booked below-the-line in the test year; explain what these expenses represent and why they were booked below-the-line. Also, provide the account numbers in which these expenses are recorded.
    d. The amount of SERP expenses included in the test year O&M expenses.

60. In the same format and detail as per the response to AG-1-49 in Case No. 2003-00433, please provide a detailed listing of all of the expense items (with associated cost amounts) included in the following accounts for the test year:

    a. Account 908909 – Misc Marketing expenses – Indirect for gas and, separately, electric.
    b. Account 909004 – Miscellaneous Customer Service for gas and electric.
    c. Account 909005 – Media Relations for gas and electric.
    d. Account 909013 – Safety Programs for gas and electric.

61. In the same format and detail as per AG-1-312 in LG&E's prior rate case, Case No. 2003-00433, please provide a list of all test year expenses associated with trade groups and economic development activities. For each item, list the organization, the amount allocated to gas and electric accounts, the account numbers and description of purpose of the expense.

62. In Rives Exhibit 1, Schedule 1.20, certain advertising and promotional expenses are eliminated for ratemaking purposes. For each test year advertising or customer information expense that was left in for ratemaking purposes, please provide the exact same information as was provided in response to AG-1-229 in the prior rate case, Case No. 2003-00433.

63. With regard to Legal expenses charged to LG&E's *electric* operation and maintenance expenses, please provide the following information:

    a. Total Legal expenses booked in the test year as compared to total Legal expenses booked in the years 2003, 2004, 2005, 2006 and 2007.

b. Breakout of actual test year Legal expenses by major legal issue and an indication as to which test year Legal expenses can be considered recurring or non-recurring.
c. Total legal expenses included in the Company's Board-approved budget for 2008.

64. With regard to Legal expenses charged to LG&E's *gas* operation and maintenance expenses, please provide the following information:

    a. Total Legal expenses booked in the test year as compared to total Legal expenses booked in the years 2003, 2004, 2005, 2006 and 2007.
    b. Breakout of actual test year Legal expenses by major legal issue and an indication as to which test year Legal expenses can be considered recurring or non-recurring.
    c. Total legal expenses included in the Company's Board-approved budget for 2008.

65. With regard to MGP clean-up costs amortization expenses, please provide the following information:

    a. Actual MGP clean-up cost amortization expenses included in the test year gas operating expenses, also indicating in which account number.
    b. Unamortized MGP clean-up cost balance at 4/30/08, the monthly amortization expense amount, and the expiration date of the amortization of the 4/30/08 MGP clean-up cost balance.

66. For each month from April 2007 through August 2008, provide the actual number of LG&E employees and LG&E-allocated service company employees and compare it to the equivalent number of employees used to determine the pro forma wages and salaries in this case. Provide the monthly employee data in total and as broken out by employee category.

67. With regard to Outside Services expenses charged to Account 923 for the gas and, separately, electric operations, please provide the following information:

    a. In the same format and detail as per the response to AG-1-74 in the prior rate case, Case No. 2003-00433, provide a breakout, by major outside service expense category, of the actual 923 expenses in the test year and each of the years 2004 through 2007.
    b. For any consulting fees included in the actual annual Account 923 expense components to be provide in response to part (a) above, provide another breakout showing the types of consulting activities.
    c. Total Account 923 expenses included in the Company's Board-approved budget for 2008.

68. Please provide the actual annual electric tree trimming expenses booked by LG&E in the test year as compared to the years 2003 through 2007. In addition, indicate the account number(s) in which these expenses are recorded.

69. In the responses to PSC-1-31, the Company has provided detailed invoices for all test year professional services expenses for both its electric and gas operations. In this regard, please provide the following information:

    a. Provide a summary of the total test year expenses for each major professional service category included in the electric and gas responses.
    b. Provide comparable professional services expense information, i.e., total expenses and a breakout of all major expense categories, for each of the years 2004 through 2007.

70. Separately for the electric and gas filings, provide all expenses and taxes included in the above-the-line operating results that are associated with non-utility properties and explain why they should be included for ratemaking purposes.

71. With regard to the response to PSC-1-33 (Lobbying expenses), please provide the following information:

    a. Provide detailed job descriptions (including descriptions of the various required functions and responsibilities) for G.R. Siemens, D.J. Friebert and M.S. Beer.
    b. Provide a detailed percentage breakout of the various functions and responsibilities to be provided in response to part (a) for each employee. The percentages should add to 100%.
    c. Explain why the Company only considers 30.4% of their functions and responsibilities to be lobbying related. In addition, provide a percentage breakout of the remaining 69.6% of their time including an indication how much of the remaining ratio of 69.6% represents lobbying activities for KU.
    d. Explain why the lobbying ratio of 30.4% is different from the assumed lobbying ratio of 46.6% reflected in the KU rate case.

72. With regard to expenses related to the Edison Electric Institute (EEI), please provide the following information:

    a. Total EEI expenses booked in the test year.
    b. Breakout (in approximate percentages) of the various EEI activities in the same format and detail as per the Company's response to AG-1-85(c) in Case No. 2003-00433.

73. With regard to AGA dues, please provide the following information:

    a. Amount of AGA dues included in the test year, including an indication in which expense account.
    b. Percentage breakout of "AGA Operating Expense Category" in the same format and detail as per Mr. Beer's Response to Post-Hearing Question No. 11, page 3 in the prior case, Case No. 2003-00433.
    c. Detailed description of the activities included in the Public Affairs section in the AGA activity breakout to be provided in response to part (b) above.

74. Separately for the electric and gas operations, please provide the following expenses (if included in above-the-line operating expenses):

    a. Employee memberships to clubs and associations. In addition, identify the nature of these clubs and/or associations.
    b. Employee memberships to professional organizations. In addition, identify the nature of these organizations.

75. Separately for the Company's gas and electric operations, please provide a description and the associated dollar amounts of all expenses booked in the above-the-line test year results relating to:

    a. Employee gifts and award banquets,
    b. Social events and parties,
    c. Other employee related social expenses,
    d. Charitable contributions, and
    e. Fines and penalties.

76. With regard to employee moving expenses, please provide the following information:

    a. Separately for the Company's electric and gas operations, provide all employee moving expenses included in the above-the-line test year expenses. Provide these moving expenses in total, as well as broken out by specific employee move with brief descriptions of the purpose of each employee move.
    b. Actual employee moving expenses booked in each of the years 2004 through 2007, separately for electric and gas operations.

77. With regard to the test year Account 930209 – Nondeductible Penalties expenses of $5,307 (electric) and $1,865 (gas), please provide the following information:

    a. Explanation of the nature and purpose of each of the penalty items that make up the above-referenced total expense amounts.

b. Explanation why these expenses should be included for ratemaking purposes in this case.

78. The test year gas expense Account 874 – Mains and Services expenses of $3,417,868 is 208% higher than the corresponding expense of $2,476,000 for the year prior to the test year and is also substantially higher than the actual expenses for 2006 and 2005 which range from $2.4 to $2.5 million. In this regard, please provide the following information:

    a. Detailed explanation of the reasons why the test year expense is so much higher than the year prior to the test year and the years 2006 and 2005.
    b. Should the actual test year expense of $3.4 million be considered a reasonable ongoing expense and, if so, explain why. If not, what would be a reasonable ongoing expense level?

79. The test year gas expense Account 887 – Maintenance of Mains expenses of $6,326,382 is substantially higher than the corresponding expense of $4,702,000 for the year prior to the test year and is also substantially higher than the actual expenses for 2006 and 2005 which range from $4.7 to $4.2 million. In this regard, please provide the following information:

    a. Detailed explanation of the reasons why the test year expense is so much higher than the year prior to the test year and the years 2006 and 2005.
    b. Should the actual test year expense of $6.3 million be considered a reasonable ongoing expense and, if so, explain why. If not, what would be a reasonable ongoing expense level?

80. With regard to the Company's Bad Debt expenses, please provide the following information:

    a. Workpaper showing the derivation of the .1835% bad debt ratio used in the calculation of the Gross Up Revenue Factor on Rives Exhibit 1, Schedule 1.42. In addition, reconcile this ratio to the uncollectible data shown in the response to PSC-1-35.
    b. For both the electric and gas operations, reconcile the annual uncollectible expenses shown in the response to PSC-1-35 for the test year and the years 2005 through 2007 to the Account 904 uncollectible expenses for the same years shown in the response to PSC-1-23(b), page 2.

81. Please provide a detailed dollar amount breakout and description of each of the expense items making up the total Account 930207 expenses of $174,486 (electric) and $26,263 (gas).

II. RATE OF RETURN

a. General Rate of Return Data Requests

82. Please provide copies of all presentations made to rating agencies and/or investment firms by LG&E between January 1, 2006 and the present.

83. Please provide copies of all prospectuses for any security issuances by LG&E since January 1, 2006.

84. Please provide copies of all studies performed by LG&E or by consultants or investment firms hired by LG&E to assess (1) LG&E financial performance, (2) the performance of LG&E relative to other utilities, or (3) the adequacy of LG&E's return on equity or overall rate of return.

85. Please provide copies of credit reports for LG&E the major credit rating agencies published since January 1, 2006.

86. Please provide copies of all correspondence between LG&E and any of the three major bond rating agencies (S&P, Moody's, and Fitch) from January 1, 2006 to the present. These include copies of letters, reports, presentations, emails, and notes from telephone conversations.

87. Please provide the breakdown in the expected return on pension plan assets. Specifically, please provide the expected return on different assets classes (bonds, US stocks, international stocks, etc) used in determining the expected return on plan assets. Please provide all associated source documents and work papers.

88. Please provide LG&E's authorized and earned return on common equity for electric and gas operations over the past ten years. Please show the figures used in calculating the earned return on common equity for each year, including all adjustments to net income and/or common equity. Please provide copies of all associated work papers and source documents. Please provide copies of the source documents, work papers, and data in both hard copy and electronic (Microsoft Excel) formats, with all data and formulas intact.

b. Testimony of Dr. William E. Avera

89. Please provide copies of the work papers used by Dr. Avera in preparing his testimony and schedules.

90. Please provide copies of the publications cited in the testimony.

91. With reference to page 3, lines 7-10, please indicate (1) whether Dr. Avera' return on equity recommendation pertains to the electric utility operations, the gas utility operations; (2) if the response to (1) is both, please provide copies of all studies performed which evaluate the riskiness of electric versus gas utilities; and (3) if the response to (1) is both, please provide copies of all studies performed which evaluate the riskiness of electric versus gas operations of LG&E.

92. With reference to page 24, lines 8-21, please (1) indicate the justification for each of the screens applied to the electric utilities in the Value Line Investment Survey, (2) the companies eliminated from the group from each of the screens, and (3) the reasons that each of the companies were eliminated.

93. With reference to page 25, lines 1-24, please provide the individual data for the companies in the proxy group which were used to assess the riskiness of the proxy group relative to LG&E.

94. Please provide a copy of page 28 of the testimony which is missing.

95. With reference to page 33, lines 6-18, and Schedule WEA-1, please provide the methodology used to eliminate the low and high DCF cost of estimates. Please show all calculations.

96. With reference to page 36, lines 1-15, and Schedule WEA-3, please (1) indicate the justification for each of the screens applied to the companies in the *Value Line Investment Survey* in establishing the comparable risk proxy group, (2) the companies eliminated from the group from each of the screens, and (3) the reasons that each of the companies were eliminated.

97. With reference to page 39, lines 13-25, and Schedule WEA-5, please provide copies of all source documents, workpapers, and data used in the DCF analysis applied to the S&P 500. Please provide the data and work papers in both hard copy and electronic formats (Microsoft Excel), with all data and formulas intact. With reference to pages 41-42 and Schedule WEA-7, please (1) list all regulatory cases (by name, docket number, and filing date) in which Dr. Avera has provided rate of return testimony and employed his Expected Earnings Approach to estimating the cost of equity capital, (2) indicate all cases (by name, docket number, and date), other than those cited, in which a regulatory commission has explicitly adopted Dr. Avera's Expected Earnings Approach to estimating the cost of equity capital in arriving at an overall rate of return, and (3) provide copies of the 'Rate of Return' section of the Commission's decisions for all cases in which a regulatory commission has adopted the Dr. Avera's Expected Earnings Approach. Please provide copies of all empirical studies performed that compare the business, financial, and investment risk of LG&E to the companies in the (1) Utility Proxy Group, and (2) the Non-Utility Proxy Group.

98. Please provide copies of the source documents, work papers, and underlying data used in the development of Schedules WEA-1, WEA-2, WEA-3, WEA-4, WEA-5, WEA-6, WEA-7, and WEA-8. Please provide the data and work papers in both hard copy and electronic formats (Microsoft Excel), with all data and formulas intact.

99. Please provide electronic copies (Microsoft Excel) of Schedules WEA-1, WEA-2, WEA-3, WEA-4, WEA-5, WEA-6, WEA-7, WEA-8, and WEA-9. Please leave all data and formulas intact.

c. Testimony of Mr. S. Bradford Rives

100. With reference to page 19, line 15, please provide a copy of the S&P document.

101. With reference to pages 18-23 and Exhibit 2, please (1) provide copies of the data, source documents, and work papers used to develop the capital structure for the electric and gas operations of the company in Exhibit 2; (2) show the details and magnitude of all adjustments that were made to the capitalization as of April 30, 2008; (3) provide the monthly amounts of short-term debt used in arriving at the short-term debt in the capital structure; (4) provide the monthly cash flow and capitalization amounts, including all actual and pro forma financings. Please provide copies of the source documents, work papers, and data in both hard copy and electronic (Microsoft Excel) formats, with all data and formulas intact.

102. With reference to pages 21-27 and Exhibit 2, please provide the quarterly capitalization amounts and ratios, including and excluding short-term debt, for the past three years for LG&E. Please provide the data in both hard copy and electronic (Microsoft Excel) formats, with all data and formulas intact.

103. With reference to pages 21-27 and Exhibit 2, please provide (1) all data, work papers, source documents, and calculations used in computing the short-term and long-term cost rates; (2) all details (issue date, debt amounts, underwriter, underwriting spread, SEC filings, etc.) associated with all actual and pro forma financings used in determining the Company's short-term and long-term debt cost rates; and (3) the methodology, computations, and associated work papers used to compute the debt cost rates for pro forma long-term financings and for short-term debt. Please provide the data in both hard copy and electronic (Microsoft Excel) formats, with all data and formulas intact.

III. RATE DESIGN

a. Electric Operations

104. Please provide a fully executable computerized copy of the LG&E electric class cost of service study in Microsoft Excel format. In this response provide all linked files.

105. Please provide all industry manuals, academic articles, text books, and other authoritative sources supporting and discussing the "Modified Base-Intermediate-Peak" methodology utilized by Mr. Seelye. This request does not seek reference to the traditional Base-Intermediate-Peak method discussed for example, in the NARUC Electric Cost Allocation Manual, but rather the "modified" approach utilized by Mr. Seelye.

106. Please explain and provide all workpapers and spreadsheets showing the determination of the separation of electric Production plant between Base (33.58%); Intermediate (39.97%), and Peak (26.45%) implicit in LG&E Seelye Exhibit 26, page 1. In this response, explain the relevance or relationship with LG&E Seelye Exhibit 25. Please provide in hard copy as well as in Microsoft readable electronic format (preferably Microsoft Excel).

107. With regard to Mr. Seelye's LG&E direct testimony, pages 66 and 68, Mr. Seelye refers to his electric class cost of service study as "time differentiated":
    (a) please explain and identify exactly the time periods that are differentiated, what costs are differentiated by time periods, and provide each time period's allocated costs;
    (b) the 12-CP allocates costs based on 12 monthly peak demands. Does Mr. Seelye consider the 12-CP method to be a time differentiated cost allocation methodology?;
    (c) Would Mr. Seelye consider an allocation method that allocates annual demand-related costs to classes based on the combined sum of the single Winter Peak and single Summer Peak demands to be time differentiated?; and,
    (d) please define "time differentiated cost of service study" as used in standard industry practice.

108. Please provide a detailed explanation or definition of each external and internal allocation and functionalization factor utilized in Mr. Seelye's LG&E electric class cost of service studies.

109. Please provide all workpapers, source documents, and electronic spreadsheets showing the development of each external allocator (including functionalization factors) utilized in Mr. Seelye's LG&E electric class cost of service study. In this

response, provide the source for all data and the bases for any weightings. Please provide in hard copy as well as in Microsoft readable electronic format (preferably Microsoft Excel).

110. For each KU and LG&E generating unit owned individually, jointly, or partially, please provide the following:
   (a) names of owners (and ownership percentages),
   (b) type and fuels,
   (c) total nameplate (rated) capacity (MW),
   (d) total and individual company gross investment at 4/30/08,
   (e) total and individual company depreciation reserve at 4/30/08,
   (f) total and individual company annual test year depreciation expense,
   (g) gross KWH produced during the test year, and,
   (h) net (less station use) KWH produced during the test year.

111. Please provide the combined KU and LG&E generating order of dispatch by unit and basis for this order of dispatch.

112. For each KU and LG&E generating unit, please provide hourly gross and net output (peak or average MW or MWH) for the period 5/1/07 through 4/30/08. Please provide in hardcopy as well as in Microsoft readable electronic format (preferably Microsoft Excel).

113. Please provide separately, KU and LG&E's hourly purchased power (MWH) by source for the period 5/1/07 through 4/30/08. In this response, exclude LG&E purchases from KU, and KU purchases from LG&E. Please provide in hardcopy as well as in Microsoft readable electronic format (preferably Microsoft Excel).

114. Please provide hourly electric sales from KU to LG&E for the period 5/1/07 through 4/30/07. Please provide in hardcopy as well as in Microsoft readable electronic format (preferably Microsoft Excel).

115. Please provide hourly electric sales from LG&E to KU for the period 5/1/07 through 4/30/08. Please provide in hardcopy as well as in Microsoft readable electronic format (preferably Microsoft Excel).

116. For each hour during the period 5/1/07 through 4/30/08, please provide the following:
   (a) total combined KU and LG&E system load (MW),
   (b) KU and LG&E total load (MW) separately,
   (c) KU native load (MW) (define native load),
   (d) LG&E native load (MW) (define native load),
   (e) KU non-native load (MW), and,
   (f) LG&E non-native load (MW).

Please provide in hardcopy as well as in Microsoft readable electronic format (preferably Microsoft Excel).

117. For each KU and LG&E generating unit, please provide all scheduled (planned) outages (dates, time, and duration) by unit for the period 5/1/07 through 4/30/08.

118. For each KU and LG&E generating unit, please provide all forced (unscheduled) outages (dates, time, and duration) by unit for the period 5/1/07 through 4/30/08.

119. Please identify and explain any events or circumstance occurring during the test year that materially (significantly) altered the normal (typical) economic dispatch of LG&E's and KU's electric Production resources (if any).

120. For each KU and LG&E generating unit, please provide average annual fuel cost per KWH and average annual variable running costs (lambda) for the period 5/1/07 through 4/30/08. Note: If this exact period is unavailable, the most recent available 12-month period may be used (specify time period).

121. Please provide a copy of the most recent LG&E line-loss study, or KU and LG&E combined, as available.

122. Please specifically explain and define how LG&E distinguishes between primary and secondary voltage; e.g., voltage level.

123. Please provide a copy of the most recent LG&E electric class load study including all supporting tables, schedules, and data.

124. Please provide all workpapers, analyses, calculations, etc. supporting all LG&E class demands (loads) utilized in the electric class cost of service studies. In this response, please explain and indicate how class demands were specifically determined or estimated. Include all definitions of demand utilized, e.g., CP, NCP and sum of individual customers. Please provide in hard copy as well as in Microsoft readable electronic format (preferably Microsoft Excel).

125. For each LG&E substation, please provide hourly demands (maximum load) for the period 5/1/07 through 4/30/08. Please provide in hard copy as well as in Microsoft readable electronic format (preferably Microsoft Excel).

126. For each LG&E substation dedicated to specific native load customer(s) or non-native load customer(s), please identify each substation and the type of dedicated customer served by the substation; i.e., rate schedules, customer name, and non-jurisdictional/jurisdictional.

127. Please explain in detail and itemize individual "Property Taxes" and "Other Taxes" included in LG&E Seelye Exhibit 27 page 25.

128. Please explain what "Merger Surcredit Amortization" represents on LG&E Seelye Exhibit 27, page 37, as well as the detailed basis for class assignment.

129. Please provide details for "Miscellaneous Service Revenues" totaling $863,121 on LG&E Seelye Exhibit 27, page 37.

130. Please provide details for "Rent From Electric Property" totaling $3,037,655 on LG&E Seelye Exhibit 27, page 37.

131. Please explain how interruptible (curtailment rider) customers' demands and energy usage are reflected in the LG&E electric class cost of service study.

132. With regard to LG&E electric Curtailment Service Rider 1 ("CSR1"), please provide the following amounts by rate schedule, separated between Primary and Transmission, for each month of the test year:
   (a) number of customers,
   (b) total firm contract demand,
   (c) total contract curtailment load,
   (d) total billing demand,
   (e) total demand credits,
   (f) total non-compliance charges by month, and,
   (g) listing of date, time, duration, and estimated MW curtailment.

   Please provide in hard copy as well as in Microsoft readable electronic format (preferably Microsoft Excel).

133. With regard to LG&E electric Curtailment Service Rider 2 ("CSR2"), please provide the following amounts by rate schedule, separated between Primary and Transmission, for each month of the test year:
   (a) number of customers,
   (b) total firm contract demand,
   (c) total contract curtailment load,
   (d) total billing demand,
   (e) total demand credits,
   (f) total non-compliance charges by month, and,
   (g) listing of date, time, duration, and estimated MW curtailment.

   Please provide in hard copy as well as in Microsoft readable electronic format (preferably Microsoft Excel).

134. With regard to LG&E electric Curtailment Service Rider 3 ("CSR3"), please provide the following amounts by rate schedule, separated between Primary and Transmission, for each month of the test year:

(a) number of customers,
(b) total firm contract demand,
(c) total contract curtailment load,
(d) total billing demand,
(e) total demand credits,
(f) total non-compliance charges, and,
(g) listing of date, time, duration, and estimated MW curtailment.

Please provide in hard copy as well as in Microsoft readable electronic format (preferably Microsoft Excel).

135. With regards to Interruptible Credits shown in LG&E Seelye Exhibit 27, page 37 through 39:
   (a) please explain what the <$6,266,793> of the "Specific Assignment of Interruptible Credit" represents and provide all workpapers showing the determination of this amount;
   (b) please explain and provide all workpapers, spreadsheets, source documents, and analyses showing how the "specific assignments" were made to individual classes; and,
   (c) please explain the basis and provide all workpapers and spreadsheets showing how the allocation of Interruptible Credits were made, e.g., the development of allocation vector "INTCRE."

136. Please provide LG&E distribution transformer investment and number of units separated between primary and secondary voltage.

137. Please provide a list of LG&E distribution transformers by type and capacity that are currently being installed, separated by primary system and secondary system.

138. Please provide a list of LG&E distribution overhead conductor types and sizes currently being installed (typical), separated by primary system and secondary system.

139. Please explain why Mr. Seelye combined all distribution conductors (primary and secondary) for LG&E classification purposes.

140. Please provide the number of LG&E electric customer bills by rate schedule during the test year with annual energy usage less than 500 KWH.

141. Please explain why Mr. Seelye believes it is appropriate to classify the following LG&E plant as partially customer-related (as opposed to 100% demand-related):
   (a) secondary conductors,
   (b) primary conductors, and,
   (c) line transformers.

142. Please provide LG&E's practices manual (or policies) regarding the size and type of installation for:
   (a) distribution Poles,
   (b) Secondary Overhead conductors,
   (c) Primary Overhead conductors,
   (d) Secondary Underground conductors,
   (e) Primary Underground conductors, and,
   (f) Line Transformers.

143. Please explain and define "Power Pool" transformer as referenced in LG&E Seelye Exhibit 26, page 1.

144. Please provide the total installed LG&E primary voltage Overhead conductors footage.

145. Please provide the total installed LG&E secondary voltage Overhead conductors footage.

146. With regard to Mr. Seelye's LG&E direct testimony, page 74, line 13 through page 75, line 8, please provide all academic and theoretical references supporting or discussing "weighted regression analysis" as utilized by Mr. Seelye.

147. Please explain why Mr. Seelye did not conduct a zero-intercept analysis for LG&E distribution Poles.

148. With respect to Mr. Seelye's LG&E electric zero-intercept analysis (summarized in Exhibits 28 through 30), please provide:
   (a) statistical output including all diagnostic statistics,
   (b) specific definition of dependent and independent variable(s) utilized corresponding to the data provided on page 4 of each Exhibit,
   (c) specific regression model (including coefficient),
   (d) definition of "size" for each account,
   (e) definition of "units" for each account, and,
   (f) source documents supporting Mr. Seelye's regression data.

149. With regard to Mr. Seelye's electric "weighted regression" analyses, please explain and provide support for his selected weighted regression based on the square root of "n" (as opposed to some other weighting method). In this response, please provide all engineering and/or statistical support for the square root weighting.

150. Please provide Seelye LG&E Exhibits 28 through 30 in executable electronic spreadsheets. In this response include all analyses and calculations conducted to develop each zero-intercept analysis.

151. Please provide the following by vintage year, size, and type for LG&E Account 364 (Poles) in the greatest level of detail available:
   (a) installed units,
   (b) gross investment,
   (c) materials investment,
   (d) capitalized labor, and,
   (e) Handy-Whitman Cost Index or equivalent.

   If all data is not available for all years, please provide the level of detail that is available. Please provide in hard copy as well as in Microsoft readable electronic format (preferably Microsoft Excel).

152. Please provide the following separated between primary and secondary (as available) by vintage year, size, and type for LG&E Account 365 (Overhead Conductors) in the greatest level of detail available:
   (a) installed footage,
   (b) gross investment,
   (c) materials investment,
   (d) capitalized labor, and,
   (e) Handy-Whitman Cost Index or equivalent.

   If all data is not available for all years, please provide the level of detail that is available. Please provide in hard copy as well as in Microsoft readable electronic format (preferably Microsoft Excel).

153. Please provide the following separated between primary and secondary (as available) by vintage year, size, and type for LG&E Account 367 (Underground Conductors) in the greatest level of detail available:
   (a) installed footage,
   (b) gross investment,
   (c) materials investment,
   (d) capitalized labor, and,
   (e) Handy-Whitman Cost Index or equivalent.

   If all data is not available for all years, please provide the level of detail that is available. Please provide in hard copy as well as in Microsoft readable electronic format (preferably Microsoft Excel).

154. Please provide the following separated between primary and secondary as available by vintage year, size and type for LG&E Account 368 (Line Transformers) in the greatest level of detail available:
   (a) installed units,
   (b) gross investment,
   (c) materials investment,
   (d) capitalized labor, and,
   (e) Handy-Whitman Cost Index or equivalent.

If all data is not available for all years, please provide the level of detail that is available. Please provide in hard copy as well as in Microsoft readable electronic format (preferably Microsoft Excel).

155. Please explain how and where Curtailable Rider revenue credits are reflected in the LG&E electric revenue proof (Seelye Exhibit 5) and class cost of service study (Seelye Exhibits 26 and 27).

156. Regarding Mr. Seelye's LG&E direct testimony, page 66, footnote 5, please provide:
(a) a copy of the referenced Order,
(b) a copy of Mr. Seelye's direct testimony and exhibits in the referenced case, and,
(c) a copy of any rebuttal and surrebuttal testimony filed on behalf of the Applicant (by any witness) in the referenced case.

157. With regard to Mr. Seelye's LG&E direct testimony, page 6, line 18 through page 7, line 2, please explain and provide all workpapers showing the method and basis for the decision to increase residential electric revenue by 4.46%, as well as to increase lighting rates by 4.54%.

158. With regards to LG&E Seelye Exhibit 2 which references Seeley Exhibit 27 as the source, please provide specific references to Seelye Exhibit 27 as to how (where) the following Residential amounts are developed or determined:
(a) Distribution Customer Rate Base ($179,824,501),
(b) Rate Base Adjustment (-$2,922,528),
(c) Customer-Related Expenses Excluding Taxes ($52,477,846),
(d) Adjusted Income Taxes ($2,317,685),
(e) Incremental Income Taxes ($1,102,250),
(f) Expense Adjustments (-$2,253,096), and,
(g) Other Revenue ($5,554,128).

159. Please provide LG&E Seelye Exhibit 5 in executable Excel format.

160. Please provide LG&E adjusted test year electric General plant by FERC account and sub-account.

161. Please provide LG&E adjusted test year electric CWIP in the greatest detail available. Please provide in hard copy as well as in Microsoft readable electronic format (preferably Microsoft Excel).

162. Please provide LG&E adjusted test year electric depreciation reserve and depreciation expense by FERC account.

163. Please provide all LG&E calculated, known, or estimated electric uncollectible expense by customer class.

164. Please provide LG&E electric customer deposits by class as of 4/30/2008.

165. Please provide LG&E electric interest on customer deposits by class.

166. Please provide actual and estimated LG&E electric meter reads by class during the test year.

167. Please explain how and where customer deposits and/or interest on customer deposits is reflected in the LG&E electric class cost of service study.

168. Please provide the following by month for the period January 2003 through July 2008 by rate schedule for LG&E electric:
    (a) customers billed, and,
    (b) billed KWH (as applicable).
    Please provide in hard copy as well as in Microsoft readable electronic format (preferably Microsoft Excel).

169. Please provide the following by month and by billing cycle for the period January 2003 through July 2008 for each LG&E electric rate schedule (separately):
    (a) customers billed; and,
    (b) billed KWH.
    Please provide in hard copy as well as in Microsoft readable electronic format (preferably Microsoft Excel).

170. With regard to LG&E Purchased Power (Account 555) in Seelye Exhibit 26, page 13, please provide:
    (a) all workpapers and analyses showing the determination of total demand costs ($10,759,242),
    (b) all workpapers and analyses showing the determination of total energy costs ($71,042,950),
    (c) all test year purchased power invoices that include a demand or capacity charge, and,
    (d) a detailed explanation along with all workpapers and analyses showing the pricing methodology (basis) and amount for sales from LG&E to KU.
    Please provide in hard copy as well as in Microsoft readable electronic format (preferably Microsoft Excel).

171. With regard to LG&E electric Purchased Power expenses incorporated in the class cost of service study, please reconcile the two different Total System amounts referenced below:
    (a) Seelye Exhibit 26, page 13, "555 Purchased Power" of $81,802,192, and,

(b) Seelye Exhibit 26, page 43, "Purchased Power Expenses" of $83,608,926. Please include in this response all references, data, calculations, etc. as appropriate.

172. With regard to LG&E Intercompany electric sales, please provide:
   (a) a detailed explanation along with all workpapers and analyses showing the pricing methodology (basis) and amount (units and dollars) for sales to affiliates, and,
   (b) if not provided in (a) above, please provide the detailed determination of test year Intercompany sales (units and dollars) by month and by affiliate.

173. With regard to Mr. Seelye's LG&E direct testimony, page 30, lines 8 through 13:
   (a) please provide all statistical studies that do and do not "indicate that temperature sensitive loads are less significant in the range of temperature between 60°F and 70°F,"
   (b) please provide all studies and references substantiating the statement: "cooling loads are often not significant until mean daily temperatures exceed 70°F, and heating loads are often not significant until mean daily temperatures drop below 60°F," and,
   (c) please provide all studies that indicate cooling loads are not significant until mean daily temperatures exceed 70°F, and/or heating loads are not significant until mean daily temperatures drop below 60°F.

174. With regard to Mr. Seelye's LG&E direct testimony, page 32, lines 22 and 23, should this sentence refer to "one" standard deviation, instead of "two"? If no, please reconcile with statement on lines 25 and 26 of page 26.

175. With regard to Mr. Seelye's LG&E direct testimony, page 32, lines 2 through 12, please provide a complete copy of the referenced Order.

176. With regard to Mr. Seelye's LG&E direct testimony, page 42, line 15, please explain in layman's terms:
   (a) what F-statistic means and relates to, and,
   (b) why a 0.50 level of significance was selected.

   In addition, please provide support and references regarding the criteria for selecting an appropriate F-statistic level of significance.

177. Regarding Mr. Seelye's LG&E direct testimony, page 45, lines 17 and 18, please provide all analyses, studies, and observations supporting the statement: "We have long observed that sales patterns can be different on Mondays and Fridays than other days of the week."

178. Regarding Mr. Seelye's LG&E direct testimony, page 43, line 22 through page 44, line 2, please provide all analyses, studies, and observations supporting the

statement: "For many years, my colleagues and I have noticed that using a base of 70°F for determining cooling degree days produces a better fit than using a 65°F base temperature."

179. Regarding Mr. Seelye's LG&E direct testimony, page 49, lines 10 and 11, please provide support for the statement: "a typical rule is that none of the VIF's should exceed 10."

180. Regarding Mr. Seelye's LG&E direct testimony, page 52, lines 17 through 19, please provide all references and complete Commission Orders that "expressed concerns with using billing-cycle degree days . . . for purposes of calculating the electric temperature normalization adjustment."

181. With regard to Mr. Seelye's LG&E direct testimony, page 53, lines 14 through 17:
   (a) please provide a specific reference to where the FERC predominance methodology is discussed later in this testimony. Note: if this discussion was inadvertently omitted, please explain and discuss the FERC predominance methodology in this response, and,
   (b) please provide reference to FERC cases, rules, and/or procedures discussing and utilizing the "FERC predominance methodology."

182. With regard to LG&E Seelye Exhibit 17, please provide all detailed SAS output reports including diagnostic statistics, confidence intervals, number of observations, coefficients, etc.

183. Please provide all SAS stepwise selection and output reports generated during Mr. Seelye's LG&E electric weather normalization analysis.

184. With regard to LG&E Seelye Exhibit 17, page 1, please explain what timing and size metrics the coefficients measure in terms of usage. In other words, do the coefficients relate to daily or monthly usage, sample size, or total class usage? If sample size, please explain in detail and provide all workpapers, analyses, and spreadsheets used to adjust from sample to population amounts.

185. Please provide all weather related data for all weather stations in LG&E's (or its Kentucky affiliates) possession (whether utilized or not in this case) in electronic format. Please provide in Microsoft Excel format if available. If not available in Excel format, please provide in ASCII, common delineated or fixed field format with all fields labeled or identified. In this response, include all weather stations for which data is available, all periods in which data in available, and all weather characteristics available (e.g., HDD, CDD, Max Temp, Min Temp, wind, etc.).

186. Please identify the weather station(s) utilized by Mr. Seelye to conduct his LG&E electric weather normalization analyses.

187. Please provide all source documents, analyses, and spreadsheets supporting Seelye LG&E Exhibit 15.

188. With regard to Seelye LG&E Exhibit 17, please provide all input data (as selected) for each model in electronic format. Please provide in Microsoft Excel format if available. If Excel format is not available, please provide in ASCII common delineated or field format with all fields labeled or identified.

189. With regard to Seelye LG&E Exhibit 18:
   (a) please provide the Exhibit in executable Excel format (include all linked files); and,
   (b) using Index 1 (Residential Rate RS), month 5 as an example, please explain in detail how the "CDD70" value of -4369.87 was obtained as well as how the "max temp" value of -6230.33 was obtained. In this response, please also explain how the load data sample was applied to the entire class (population).

190. With regard to Mr. Seelye's LG&E direct testimony, page 41, lines 9 through 15, please explain in detail whether Mr. Seelye utilized the entire sample load research data available, or a subset of all sampled load research data observations (customer) in conducting his weather normalization regression analyses. If a subset of the total sampled load research data was utilized, please explain and provide all analyses showing how the selected sample reasonably reflects the usage characteristics of the class.

b. <u>Gas Operations</u>

191. With regard to the LG&E Direct Testimony of Mr. Seelye, page 17, line 22 through page 18 line 4 and LG&E Exhibit 10, please provide all workpapers, data, electronic computer models and spreadsheets, assumptions, calculations, etc. that show how the proposed class revenue percentage increases and the corresponding revenue dollar increases were determined.

192. Please provide a listing of the LG&E gas rate schedules that are included in each of the customer classes presented in the gas CCOSS; i.e., Residential Gas Service, Commercial Gas Service, Industrial Gas Service, As-Available Gas Service, Firm Transportation, and Special Contracts.

193. With regard to the LG&E direct testimony of Mr. Seelye, page 80, line 18 through page 86, Line 4; and Exhibit 32, pages 14 and 15, please provide all workpapers, data, electronic computer models and spreadsheets, assumptions, calculations, etc.

showing how each of the allocation and functionalization factors used in the CCOSS was developed. Please provide in hard copy as well as in Microsoft readable electronic format (preferably Microsoft Excel).

194. With regard to the LG&E direct testimony of Mr. Seelye, page 86, Footnote 6/, please explain and provide all source documents, workpapers, spreadsheets, assumptions, calculations, etc. that show the basis for each "cost weighting factor" referenced in Footnote 6/ of Mr. Seelye's LG&E direct testimony. Please provide in hard copy as well as in Microsoft readable electronic format (preferably Microsoft Excel).

195. With regard to the LG&E direct testimony of Mr. Seelye, page 86, lines 6 through 9, please provide an executable computer spreadsheet of Seelye LG&E Exhibit 35, gas Zero Intercept Analysis.

196. With regard to the LG&E direct testimony of Mr. Seelye, Exhibits 33 and 34, please provide an executable computer spreadsheet of Mr. Seelye's LG&E gas class cost of service study (Exhibits 33 and Exhibit 34).

197. Please provide LG&E Seelye Exhibit 11 in executable Microsoft Excel format.

198. With regard to LG&E gas Special Contracts customers, please provide:
- (a) the requirements and criteria for eligibility to be served under gas special contracts,
- (b) the specific criteria and circumstances that exist for each Special Contract customers,
- (c) all contracts with "special contracts" customers,
- (d) all workpapers, analyses, internal memoranda, and correspondence regarding the threat of bypass, alternative fuel switching, and determination of rates charged to each Special Contract customer, and,
- (e) an explanation of the monitoring and/or on-going evaluations, etc. that LG&E undertakes to validate the continued eligibility of special customers.

199. With regard to LG&E gas Special Contract customers (including serving Generation customers with natural gas):
- (a) please explain and reconcile the rates and amounts in:
  - (i) Seelye LG&E Exhibit 11, pages 7 and 8,
  - (ii) Seelye LG&E Exhibit 24, and,
  - (iii) "Summary of Proposed Changes Under Gas Special Contracts" provided in Tab 7 of 807KAR5:001 Section 10(a)7.
- (b) please explain why Daily Storage charge revenues are not included in Seelye LG&E Exhibit 11, pages 7 and 8,

(c) please explain if each Special Contracts customer is served directly from LG&E's transmission system, high pressure distribution system or low pressure distribution system, and,

(d) please provide a map or schematic showing each Special Contracts customer with LG&E transmission and distribution Mains.

200. For each LG&E gas customer that is an electrical generator, please provide:

(a) name of customer,

(b) rate schedule(s) under which gas service is taken, and,

(c) test year billing determinants and revenue by month.

201. Please provide a map or schematic of the LG&E gas system showing all producing and gathering facilities, storage facilities, compressor facilities, transmission Mains, high pressure distribution Mains, and major low pressure distribution Mains. In this response, please provide the size of all Mains shown.

202. For each LG&E gas customer taking service from the high pressure system, please provide:

(a) rate schedule;

(b) test year sales volume;

(c) test year transportation volume;

(d) size of Main at customer connection;

(e) contract demand (as applicable); and,

(f) pressure at the low side of the regulator at the location(s) where the customer is taking service.

Please provide in hard copy as well as in Microsoft readable electronic format (preferably Microsoft Excel).

203. With regard to LG&E gas storage, please provide:

(a) test year total injections and withdrawals of LG&E owned gas;

(b) test year total injections and withdrawals of customer-owned gas by distribution customer served by the LG&E gas system; and,

(c) test year total injections and withdrawals of gas owned for the use of customers not served by the LG&E distribution system (i.e., off-system customers).

204. Please provide a detailed explanation of all LG&E gas storage services provided on behalf of KU and LG&E electric operations.

205. With regard to Seelye LG&E Exhibit 33, page 1:

(a) Please explain the caption at the top of page 1: ". . . on February 7 Design Day (0 degrees)"; e.g., What is the relationship between February 7, Design day, and 0 degrees?; and,

(b) Why storage withdrawals are bifurcated between pre and post February 7, and why it is appropriate to allocate storage withdrawals differentially for the two time periods?

206. Please provide test year daily storage injections, withdrawals, and balancing volumes. Please provide in hard copy as well as in Microsoft readable electronic format (preferably Microsoft Excel).

207. Please provide test year daily LG&E total distribution system send-out (throughput). Please provide in hard copy as well as in Microsoft readable electronic format (preferably Microsoft Excel).

208. With regard to Seelye LG&E Exhibit 34, please provide:
(a) an explanation including support for the design day average temperature of -12 degrees (77HDD),
(b) all workpapers and analyses showing how the implicit design day demands for high pressure customers was determined, i.e., the differences between "Demand-High Pressure Distribution System" and "Demand-Low and Medium Pressure Distribution System, and
(c) an explanation of the workpapers and analyses in (b) above.

209. Please provide a copy of LG&E's most recent natural gas integrated resource plan and long-term demand forecast.

210. Please provide monthly gas sales and transportation (separately) customers and volumes by month for the period 5/1/03 through 4/30/08. Please provide in hard copy as well as in Microsoft readable electronic format (preferably Microsoft Excel).

211. Please provide all source documents, workpapers, and analyses supporting Seelye LG&E Exhibit 35. Please provide in hard copy as well as in Microsoft readable electronic format (preferably Microsoft Excel).

212. Please provide the following separated between high pressure Mains and medium/low pressure Mains (as available) by vintage year, size, and type (plastic, steel, cast iron, etc.) for LG&E gas Account 376 in the greatest level of detail available:
(a) installed footage,
(b) gross investment,
(c) materials investment,
(d) capitalized labor, and,
(e) Handy-Whitman Cost Index.

If all data is not available for all years, please provide the level of detail that is available. Please provide in hard copy as well as in Microsoft readable electronic format (preferably Microsoft Excel).

213. Please provide the annual coldest average daily temperature (or HDD) by year during the last 50 years for the weather station used by LG&E gas for determining design day requirements.

214. For each of the ten highest LG&E gas distribution system daily sendouts during the test year, please provide the following:
   (a) date,
   (b) daily distribution system volume,
   (c) volumes by rate schedule for those customers metered on a daily basis, and,
   (d) distribution system curtailments (if any).

215. With regards to LG&E Seelye Exhibit 6. This exhibit references Seeley Exhibit 32 as the source. Please provide specific references to Seelye Exhibit 32 as to how (where) the following Residential amounts are developed or determined:
   (a) Rate Base ($136,852,239),
   (b) Operating Expenses ($31,304,496),
   (c) Income Taxes ($4,180,485), and,
   (d) Miscellaneous Revenues & Billing Credits (-$402,635).

216. Please provide LG&E adjusted test year gas General plant by FERC account.

217. Please provide LG&E gas adjusted test year CWIP in the greatest detail available. Please provide in hard copy as well as in Microsoft readable electronic format (preferably Microsoft Excel).

218. Please provide LG&E gas adjusted test year depreciation reserve and depreciation expense by FERC account.

219. Please provide all LG&E gas calculated, known, or estimated uncollectible expense by customer class.

220. Please provide LG&E gas customer deposits by class as of 4/30/2008.

221. Please provide LG&E gas interest on customer deposits by class.

222. Please provide actual and estimated LG&E gas meter reads by class during the test year.

223. Please explain how and where customer deposits and/or interest on customer deposits is reflected in the LG&E gas class cost of service study.