



RECEIVED

APR 29 2011

PUBLIC SERVICE  
COMMISSION

Mr. Jeff Derouen  
Executive Director  
Kentucky Public Service Commission  
211 Sower Boulevard  
Frankfort, KY 40602

**LG&E and KU Energy LLC**  
State Regulation and Rates  
220 West Main Street  
PO Box 32010  
Louisville, Kentucky 40232  
www.lge-ku.com

F. Howard Bush  
Manager - Tariffs/Special  
Contracts  
T 859-367-5636 (Lexington)  
T 502-627-4136 (Louisville)  
F 502-627-3213  
howard.bush@lge-ku.com

April 29, 2011

**RE: *APPLICATION OF LOUISVILLE GAS AND ELECTRIC  
COMPANY AND KENTUCKY UTILITIES COMPANY TO MODIFY  
AND RENAME THE BROWNFIELD DEVELOPMENT RIDER AS  
THE ECONOMIC DEVELOPMENT RIDER  
CASE NO. 2011-00103***

Dear Mr. Derouen:

Please find enclosed and accept for filing the original and seven (7) copies of the Response of Louisville Gas and Electric Company and Kentucky Utilities Company to the Attorney General's Initial Data Request dated April 1, 2011, in the above-referenced matter.

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

Sincerely,

  
F. Howard Bush

Enclosures

cc: Parties of Record

**COMMONWEALTH OF KENTUCKY**  
**BEFORE THE PUBLIC SERVICE COMMISSION**

**In the Matter of:**

<b>APPLICATION OF LOUISVILLE GAS AND ELECTRIC</b>	)	
<b>COMPANY AND KENTUCKY UTILITIES COMPANY</b>	)	<b>CASE NO.</b>
<b>TO MODIFY AND RENAME THE BROWNFIELD</b>	)	<b>2011-00103</b>
<b>DEVELOPMENT RIDER AS THE ECONOMIC</b>	)	
<b>DEVELOPMENT RIDER</b>	)	

**RESPONSE OF**  
**LOUISVILLE GAS AND ELECTRIC COMPANY**  
**AND**  
**KENTUCKY UTILITIES COMPANY**  
**TO THE ATTORNEY GENERAL'S INITIAL DATA REQUESTS**  
**DATED APRIL 1, 2011**

**FILED: April 29, 2011**

VERIFICATION

COMMONWEALTH OF KENTUCKY )  
 ) SS:  
COUNTY OF JEFFERSON )

The undersigned, **F. Howard Bush**, being duly sworn, deposes and says that he is Manager – Tariffs / Special Contracts for LG&E and KU Services Company, and that he has personal knowledge of the matters set forth in the responses for which he is identified as the witness, and the answers contained therein are true and correct to the best of his information, knowledge and belief.

F. Howard Bush  
**F. Howard Bush**

Subscribed and sworn to before me, a Notary Public in and before said County and State, this 29<sup>th</sup> day of April 2011.

Victoria B. Harper (SEAL)  
Notary Public

My Commission Expires:

Sept 22, 2014





**LOUISVILLE GAS AND ELECTRIC COMPANY  
KENTUCKY UTILITIES COMPANY**

**Response to the Attorney General's Initial Data Requests  
Dated April 1, 2011**

**Case No. 2011-00103**

**Question No. 1**

**Witness: F. Howard Bush Jr.**

- Q-1. Regarding any and all reduced charges that would be applied to the rates of any entity successfully applying for and receiving service under the contemplated rider, state who would pay for such reduced charges: the companies' shareholders, or their ratepayers?
- a. If the shareholders, identify for what period of time this would remain true (i.e., is there, or could there conceivably be a point in time at which the ratepayers would start to subsidize the reduced charges of any participant in the contemplated filing)? If so, please provide complete details including any contemplated amortizations.
  - b. Identify what class of ratepayer(s) would be required to absorb any all cost associated with the implementation of the rider.
  - c. If the shareholders, identify any and all circumstances in which the financial risk for subsidizing the reduced charges for service any participant under the contemplated filing would receive could transfer to the ratepayers.
- A-1. a., b., c. The Companies' shareholders, not their customers, will bear the burden of any revenue shortfall caused by any customers' taking service under the EDR tariffs and receiving the associated reduced charges. For a discussion of related issues, please see my testimony at pages 5-6 and 8-9.



**LOUISVILLE GAS AND ELECTRIC COMPANY  
KENTUCKY UTILITIES COMPANY**

**Response to the Attorney General's Initial Data Requests  
Dated April 1, 2011**

**Case No. 2011-00103**

**Question No. 2**

**Witness: Cheryl E. Bruner / F. Howard Bush Jr.**

- Q-2. Do the companies propose any limits on the number of participants in the contemplated filing? If so please provide details, and state whether your answer could change the responses you provided to questions 1 (a) and (b), above.
- A-2. The Companies do not propose to limit the number of participants in the contemplated filing. This answer does not change the Companies' responses to Q-1 (a) and (b), above.





**LOUISVILLE GAS AND ELECTRIC COMPANY  
KENTUCKY UTILITIES COMPANY**

**Response to the Attorney General's Initial Data Requests  
Dated April 1, 2011**

**Case No. 2011-00103**

**Question No. 3**

**Witness: F. Howard Bush Jr.**

- Q-3. Do the companies contemplate any attempt to recover for any type or sort of costs incurred, whether directly or indirectly, as a result of providing service under the contemplated filing? If so, please provide complete details.
- A-3. With the exception of the initial five years of reduced charges, the Companies intend to recover all the costs of providing service to EDR customers, just as they do with respect to non-EDR customers. But as stated in my testimony and in the Companies' response to Q-1 above, at no time and under no circumstances will the Companies seek to have non-EDR customers cover the cost of the discounts provided to EDR customers.

The only difference in treatment of EDR and non-EDR customers is that recovery of any customer-specific costs not justified by revenues will be recovered by a customer contribution at the end of the contract period rather than at the beginning of the period.