

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

RECEIVED

In the Matter of:

JUL 12 2011

PUBLIC SERVICE
COMMISSION

LOUISVILLE GAS & ELECTRIC COMPANY'S)
APPLICATION FOR AN AMENDED)
ENVIRONMENTAL COMPLIANCE PLAN,)
A REVISED SURCHARGE TO RECOVER)
COSTS, AND CERTIFICATES OF PUBLIC)
CONVENIENCE AND NECESSITY FOR THE)
CONSTRUCTION OF NECESSARY)
ENVIRONMENTAL EQUIPMENT)

Case No. 2011-00162

ATTORNEY GENERAL'S INITIAL DATA REQUESTS

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 & Electric Company ["LG&E"] to be answered by the date specified in the Commission's Order of Procedure, and in accord with the following instructions:

(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(es) 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 data requests, 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) As used herein, the words "document" or "documents" are to be construed broadly and shall mean the original of the same (and all non-identical copies or drafts

thereof) and if the original is not available, the best copy available. These terms include all information regardless of the medium or media in which they are recorded (including electronic media and e-mail), in any written, graphic or other tangible form including, but not necessarily limited to: all reports; memoranda; books or notebooks; written or recorded statements, interviews, affidavits and depositions; all letters or correspondence; telegrams, cables and telex messages; contracts, leases, insurance policies or other agreements; warnings and caution/hazard notices or labels; mechanical and electronic recordings and all information so stored, or transcripts of such recordings; calendars, appointment books, schedules, agendas and diary entries; notes or memoranda of conversations (telephonic or otherwise), meetings or conferences; legal pleadings and transcripts of legal proceedings; maps, models, charts, diagrams, graphs and other demonstrative materials; financial statements, annual reports, balance sheets and other accounting records; quotations or offers; bulletins, newsletters, pamphlets, brochures and all other similar publications; summaries or compilations of data; deeds, titles, or other instruments of ownership; blueprints and specifications; manuals, guidelines, regulations, procedures, policies and instructional materials of any type; photographs or pictures, film, microfilm and microfiche; videotapes; articles; announcements and notices of any type; surveys, studies, evaluations, tests and all research and development (R&D) materials; newspaper clippings and press releases; time cards / records, employee schedules or rosters, and other payroll records; cancelled checks, invoices, bills and receipts; and writings of any kind and all other tangible things upon which any handwriting, typing, printing,

drawings, representations, graphic matter, magnetic or electrical impulses, or other forms of communication are recorded or produced, including audio and video recordings, computer stored information (whether or not in printout form), computer-readable media or other electronically maintained or transmitted information, and all other rough drafts, revised drafts (including all handwritten notes or other marks on the same) and copies of documents as hereinbefore defined by whatever means made.

(11) 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.

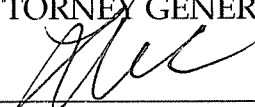
(12) In the event any document called for has been destroyed or transferred beyond the control of the company:

(a) please identify: (i) the person by whom it was destroyed and/or transferred; (ii) the transferee; and (iii) the person authorizing the destruction or transfer; and

(b) state: (i) the time, place, and method of destruction or transfer; and, (ii) the reason(s) for its destruction or transfer. If destroyed or disposed of by operation of a retention policy, state the retention policy.

(13) 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, in compliance with Kentucky Public Service Commission Regulations.

Respectfully submitted,
JACK CONWAY
ATTORNEY GENERAL



DENNIS G. HOWARD, II
LAWRENCE W. COOK
ASSISTANT ATTORNEYS GENERAL
1024 CAPITAL CENTER DRIVE, STE. 200
FRANKFORT KY 40601-8204
(502) 696-5453
FAX: (502) 573-8315

Certificate of Service and Filing

Counsel certifies that an original and ten photocopies of the foregoing were served and filed by hand delivery to Jeff Derouen, 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:

Lonnie Bellar
Robert M. Conroy
Allyson Sturgeon
LG&E and KU Energy LLC
220 W. Main St.
Louisville, KY 40202

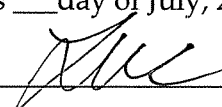
Thomas J FitzGerald
Counsel & Director
Kentucky Resources Council, Inc.
Post Office Box 1070
Frankfort, KY 40602

David Brown
Stites & Harbison, PLLC
1800 Providian Center
400 West Market Street
Louisville, KY 40202

Honorable Kendrick R Riggs
Attorney at Law
Stoll Keenon Ogden, PLLC
2000 PNC Plaza 500 W Jefferson Street
Louisville, KY 40202-2828

Hon. Michael L. Kurtz
Attorney at Law
Boehm, Kurtz & Lowry
36 East Seventh Street
Ste. 1510
Cincinnati, OH 45202

12th
this ___ day of July, 2011



Assistant Attorney General

Louisville Gas & Electric Company's Application for an Amended Environmental Compliance Plan, A Revised Surcharge to Recover Costs, and Certificates Of Public Convenience And Necessity for the Construction of Necessary Environmental Equipment
Case No. 2011-00162
Attorney General's Initial Data Requests

1. Company testimony indicates that by 2020, LG&E's O & M costs will rise to \$60 million.
 - a. Is this figure solely in regard to new environmental plant? If so, please state whether this estimate is on an annualized basis, or if it is not on annualized basis, identify the basis.
 - b. If the \$60 million figure pertains to both new and existing O & M costs, please provide a break-out depicting existing O & M costs contrasted with projected O & M costs relating to new plant.
2. Provide copies of all correspondence, memoranda and e-mails regarding any and all alternatives to the proposed environmental compliance plan set forth in the company's petition in the instant matter:
 - a. by and among the employees, officers and directors of LG&E / KU; and
 - b. between the company's employees and any and all external consultants.
 - c. For purposes of this question, the term "company" includes any and all subsidiaries, affiliates and holding companies within the PPL corporate family.
3. The goal of KU's Project 29 (Brown, Amended) is to convert Brown's main ash pond from wet to dry storage. Please discuss whether any of LG&E's ash ponds will or may require any work of a similar nature in order to satisfy the requirements of the CCR regulation, and/or any other regulation. In your discussion please distinguish between actions that will or may have to be taken based upon EPA's pending determination regarding whether CCRs are a hazardous or a non-hazardous waste.
4. State whether the company anticipates any additional compliance work having to be done which was not outlined in the petition and accompanying testimony. If yes, please describe in detail.
5. Regarding the construction plans detailed in projects 26 and 27, identify which are due to compliance with forthcoming environmental regulations / rules, and which are being implemented to settle or otherwise resolve prior violations and/or prior alleged violations.

Louisville Gas & Electric Company's Application for an Amended Environmental Compliance Plan, A Revised Surcharge to Recover Costs, and Certificates Of Public Convenience And Necessity for the Construction of Necessary Environmental Equipment
Case No. 2011-00162
Attorney General's Initial Data Requests

6. Reference the testimony of Mr. Bellar at page 14. Please identify precisely how long LG&E has been working on the matters at issue in application.
 - a. Provide copies of any and all documents, emails, correspondence, memorandum, reports, letters, studies, analyses, conclusions, or opinions that relate to the preparation of the application, whether prepared by LG&E or any other entity involved, including but not limited to KU, an affiliate company, PPL, an independent contractor, or any agent of the aforementioned entities. In complying with this and all other specific requests set forth in the Attorney General's Initial Requests, please pay careful attention to the definition of "document" as set forth in instruction no. 10 of the attached instructions.
 - b. If not provided in the prior response, provide copies of all Board of Directors' meeting minutes, emails, correspondence, memorandum, reports, letters and/or any and all other documents that discuss the preparation of the application.
7. Reference the testimony of Mr. Bellar at page 14. If it has not been provided, please provide a copy of the Bleak and Veatch report.
8. Reference the testimony of Mr. Bellar at page 15. Please explain in complete detail why the utilities "cannot afford to wait for the rules to become final before they act to comply" given the fact that some of the rules may change as the company admits at pages 7 – 8 of Mr. Bellar's testimony.
9. Reference the testimony of Mr. Bellar at page 10. What is meant with the statement that "the approved stipulation in the Company's most recent base rate case thus eliminated the controversy often associated with this issue [the determination of an ROE for the company]"?
10. Reference the testimony of Mr. Bellar at page 13. Explain in complete detail how "LG&E expects to finance the costs of the new facilities with a combination of new debt and equity."
11. Provide copies of all financial modeling, studies, analyses, reports and studies used by the company in reaching its result for its determination to finance the projects, which have not already been provided in the company's application.

Louisville Gas & Electric Company's Application for an Amended Environmental Compliance Plan, A Revised Surcharge to Recover Costs, and Certificates Of Public Convenience And Necessity for the Construction of Necessary Environmental Equipment
Case No. 2011-00162
Attorney General's Initial Data Requests

12. Has the company conducted any studies, analyses, reports or otherwise on the effect of the proposed rate increase on the affordability of its customers to pay their bills? If so, please provide copies of all such documents.
13. Has the company conducted any studies, analyses, reports or otherwise on the effect of the proposed rate increase on the economic impact relative to:
 - a. Job retention;
 - b. Job recruitment;
 - c. Exiting of industrial customers;
 - d. Exiting of commercial customers;
 - e. General effect on the local economy?

If so, please provide copies of all such documents.

14. Based on the company's request of a 10.63% ROE in the application and pre-filed testimony, and assuming the Commission grants same, how much profit will the company earn on a yearly basis over the next ten years, broken down by each year?
15. Has the company, through its ultimate holder PPL or any other affiliate within the PPL corporate group, represented to the financial and/or investment communities that that the ECR mechanism is a profit center for PPL? Has the company used any words of any similar nature whatsoever in any representation(s) to the financial and/or investment communities that could reasonably be construed to imply such? If so, provide copies of any and all documents.