

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

JOINT APPLICATION OF LOUISVILLE GAS AND)
ELECTRIC COMPANY AND KENTUCKY UTILITIES)
COMPANY FOR A CERTIFICATE OF PUBLIC)
CONVENIENCE AND NECESSITY AND SITE)
COMPATIBILITY CERTIFICATE FOR THE)
CONSTRUCTION OF A COMBINED CYCLE) CASE NO.
COMBUSTION TURBINE AT THE CANE RUN) 2011-00375
GENERATING STATION AND THE PURCHASE OF)
EXISTING SIMPLE CYCLE COMBUSTION TURBINE)
FACILITIES FROM BLUEGRASS GENERATION)
COMPANY, LLC IN LAGRANGE, KENTUCKY)

SECOND INFORMATION REQUEST OF COMMISSION STAFF TO
LOUISVILLE GAS AND ELECTRIC COMPANY AND
KENTUCKY UTILITIES COMPANY

Pursuant to 807 KAR 5:001, Louisville Gas and Electric Company ("LG&E") and Kentucky Utilities Company ("KU") (collectively "Companies") are to file with the Commission the original and 10 copies of the following information, with a copy to all parties of record. The information requested herein is due no later than December 6, 2011. Responses to requests for information shall be appropriately bound, tabbed and indexed. Each response shall include the name of the witness responsible for responding to the questions related to the information provided.

Each response shall be answered under oath or, for representatives of a public or private corporation or a partnership or association or a governmental agency, 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.

LG&E and KU shall make timely amendment to any prior response if they obtain information which indicates that the response was incorrect when made or, though correct when made, is now incorrect in any material respect. For any request to which LG&E and KU fail or refuse to furnish all or part of the requested information, LG&E and KU shall provide a written explanation of the specific grounds for their failure to completely and precisely respond.

Careful attention should be given to copied material to ensure that it is legible. When the requested information has been previously provided in this proceeding in the requested format, reference may be made to the specific location of that information in responding to this request. When applicable, the requested information shall be separately provided for total company operations and jurisdictional operations.

1. Refer to the Companies' response to Item 36 of Commission Staff's First Information Request.

a. Using the September 30, 2011 net book value of \$133,934,933, explain whether the Companies have an estimate of what impact the net book values of the six generating units targeted for retirement will have on the calculation of plant production depreciation rates in their next depreciation study.

b. The note in part d. of the response reads, "[t]he Accumulated Depreciation amounts in Column 2 below do not include the cost of removal and salvage components segregated previously in past studies."

(1) Provide the amount of removal and salvage components for the six generating units which were segregated previously in the Companies' 2006 depreciation studies.

(2) Explain whether removal and salvage amounts for the six generating units were included in calculating the depreciation rates last approved by the Commission.

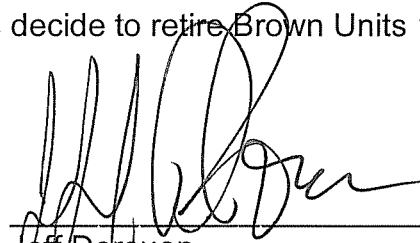
(3) If the removal and salvage amounts for the six generating units were excluded in calculating the depreciation rates last approved by the Commission, explain whether the amounts reflected in Column 2 "Accumulated Depreciation" would be lower or higher.

2. It is planned for KU to own 78 percent of the proposed Natural Gas Combined Cycle ("NGCC") facility at the Cane Run generating station. Given that the E.W. Brown generating station appears to be more centrally located to the KU system, explain the extent to which the E.W. Brown location was considered for construction of the proposed NGCC facility and the reasons why the Cane Run location was chosen.

3. In the settlement proposed by all parties to the Companies' pending environmental compliance plan cases,¹ KU agreed to withdraw and not refile until July 1, 2013 the portion of its application requesting a certificate to permit construction of a Particulate Matter Control System to serve Brown Units 1 and 2, with the exception of the sorbent injection systems related to protecting against sulfuric acid mist. Explain

¹ Case No. 2011-00161, Application of Kentucky Utilities Company for Certificates of Public Convenience and Necessity and Approval of Its 2011 Compliance Plan for Recovery by Environmental Surcharge, (Ky. PSC Jun 16, 2011); and Case No. 2011-00162, Application of Louisville Gas and Electric Company for Certificates of Public Convenience and Necessity and Approval of Its 2011 Compliance Plan for Recovery by Environmental Surcharge, (Ky. PSC Jun 16, 2011).

whether the terms of the proposed settlement agreement in any way affect the decision to construct the proposed NGCC facility at Cane Run, rather than at E.W. Brown. Include in the explanation a comparison of the capability of existing transmission facilities at Cane Run and at E.W. Brown to deliver power throughout the KU system at present, as well as in the event the Companies decide to retire Brown Units 1 and 2.



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DATED NOV 22 2011

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