

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

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MAR 31 2005

PUBLIC SERVICE
COMMISSION

In the Matter of:

AN ASSESSMENT OF KENTUCKY'S)	
ELECTRIC GENERATION, TRANSMISSION)	ADMINISTRATIVE
AND DISTRIBUTION NEEDS)	CASE NO. 2005-00090

PETITION OF LOUISVILLE GAS AND ELECTRIC COMPANY
FOR CONFIDENTIAL PROTECTION

Louisville Gas and Electric Company ("Company") hereby petitions to the Kentucky Public Service Commission ("Commission"), pursuant to 807 KAR 5:001, Section 7 and KRS 61.878(1)(c), to grant confidential protection to certain information requested of the Company by Commission Staff in Appendix B to the Commission's March 10, 2005 Order. In support of this petition, LG&E and KU state as follows:

1. On March 10, 2005, the Commission entered an Order establishing this proceeding. In Appendix B to that Order, Commission Staff issued requests for information to all jurisdictional electric utility companies.
2. The Kentucky Open Records Act exempts from disclosure certain commercial information. KRS 61.878(1)(c). To qualify for this exemption and, therefore, maintain the confidentiality of the information, a party must establish that disclosure of the commercial information would permit an unfair advantage to competitors of the party seeking confidentiality.

PSC Request No. 12

3. Request No. 12 in Appendix B seeks the estimated capital cost per KW and energy cost per kWh for new generation by technology (the "estimated cost information").

4. The estimated cost information is confidential and proprietary because the public disclosure of this information would disclose information on estimated capital and energy cost for new generation which is not otherwise publicly available and would provide unfair commercial advantages to the Company's competitors in the wholesale market for bulk and off-system power sales.

PSC Request No. 26

5. Request No. 26 in Appendix B seeks information regarding the yearly System Average Interruption Duration Index (“SAIDI”) and the System Average Interruption Frequency Index (“SAIFI”), excluding major outages, by feeder for each distribution substation.

6. The requested SAIDI and SAIFI information contains customer-specific data which, if publicly available, could impact the Company's ability to attract and compete for new customers to Kentucky and its service territory. For that reason, the public disclosure of such information would place the Company at a competitive disadvantage.

PSC Request No. 29

7. Request No. 29 in Appendix B seeks information regarding yearly Customer Average Interruption Duration Index (“CAIDI”) and the Customer Average Interruption Frequency Index (“CAIFI”), including and excluding major outages, on each system for the last five years.

8. The requested CAIDI and CAIFI information is of such a nature that, if publicly available, it could impact the Company's ability to attract and compete for new customers to Kentucky and its service territory. For that reason, the public disclosure of such information would place the Company at a competitive disadvantage.

PSC Request No. 32(b)

9. Request No. 32(b) in Appendix B requests a budget for the last five years for the vegetation management program.

10. This requested information contains financial information relating to expenditures for vegetation management. Public disclosure of this information would place the Company at a competitive disadvantage with contractors and suppliers who could use the information in future negotiations or proposals, thereby resulting in increased prices for the Company and its ratepayers, and could give competitive advantage to the Company's competitors.

PSC Request No. 32(c)

11. Request No. 32(c) requests a budget for the last five years relating to the transmission and distribution inspection program.

12. This requested information contains financial information relating to expenditures for system inspections. Public disclosure of this information would place the Company at a competitive disadvantage with contractors and suppliers who could use the information in future negotiations or proposals, thereby resulting in increased prices for the Company and its ratepayers, and could give competitive advantage to the Company's competitors.

PSC Request No. 33

13. Request No. 33 requests costs/budget information for pole and conductor replacements.

14. This requested information contains financial information relating to expenditures for pole and conductor replacements. Public disclosure of this information would place the Company at a competitive disadvantage with contractors and suppliers who could use the information in future negotiations or proposals, thereby resulting in increased prices for the

Company and its ratepayers, and could give competitive advantage to the Company's competitors.

15. All of the information set forth above in Request Nos. 12, 26, 29, 32(b) and (c) and 33, for which confidential protection is sought, is not known outside of the Company, and it is not disseminated within the Company except to those employees with a legitimate business need to know and act upon the information.

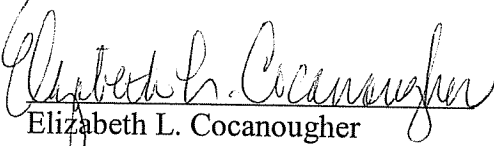
16. All of the information set forth above in Request Nos. 12, 26, 29, 32(b) and (c) and 33, for which confidential protection is sought, demonstrates on its face that it merits confidential protection. If the Commission disagrees, however, it must hold an evidentiary hearing to protect the due process rights of the Company and supply the Commission with a complete record to enable it to reach a decision with regard to this matter. Utility Regulatory Commission v. Kentucky Water Service Company, Inc., Ky. App., 642 S.W.2d 591, 592-94 (1982).

17. In accordance with the provisions of 807 KAR 5:001 Section 7, the Company is filing with the Commission one (1) set of the confidential information provided in response to the aforementioned requests with the confidential information highlighted in yellow, and ten (10) copies with the confidential information redacted.

WHEREFORE, Louisville Gas and Electric Company respectfully requests that the Commission grant confidential protection for the information at issue, or in the alternative, schedule an evidentiary hearing on all factual issues while maintaining the confidentiality of the information pending the outcome of the hearing.

Dated: March 31, 2005

Respectfully submitted,



Elizabeth L. Cocanougher
Senior Corporate Attorney
LG&E Energy LLC
220 West Main Street
Post Office Box 32010
Louisville, Kentucky 40232
Telephone: (502) 627-4850

Kendrick R. Riggs
J. Gregory Cornett
OGDEN NEWELL & WELCH PLLC
1700 PNC Plaza
500 West Jefferson Street
Louisville, Kentucky 40202
Telephone: (502) 582-1601

Counsel for Louisville Gas and Electric
Company

CERTIFICATE OF SERVICE

The undersigned hereby certifies that a true and correct copy of the foregoing Petition for Confidential Protection was served on the following persons on the 31st day of March 2005, U.S. mail, postage prepaid:

Allen Anderson
South Kentucky R.E.C.C.
P. O. Box 910
925-929 N. Main Street
Somerset, KY 42502-0910

Larry Hicks
Salt River Electric Cooperative Corp.
111 West Brashear Avenue
P. O. Box 609
Bardstown, KY 40004

Mark A. Bailey
Kenergy Corp.
3111 Fairview Drive
P. O. Box 1389
Owensboro, KY 42302

James L. Jacobus
Inter-County Energy Cooperative Corporation
1009 Hustonville Road
P. O. Box 87
Danville, KY 40423-0087

Honorable David F. Boehm
Attorney at Law
Boehm, Kurtz & Lowry
36 East Seventh Street, Suite 1510
Cincinnati, OH 45202

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

Sarah Botkin
Business Service Manager
Berea College Electric Utility Department
CPO 2207
Berea, KY 40404

Robert M. Marshall
Owen Electric Cooperative, Inc.
8205 Highway 127 North
P. O. Box 400
Owenton, KY 40359

Dudley Bottom, Jr.
Shelby Energy Cooperative, Inc.
620 Old Finchville Road
Shelbyville, KY 40065

Burns E. Mercer
Meade County R.E.C.C.
P. O. Box 489
Brandenburg, KY 40108-0489

Daniel W. Brewer
Blue Grass Energy Cooperative Corp.
P. O. Box 990
1201 Lexington Road
Nicholasville, KY 40340-0990

Michael L. Miller
President & CEO
Nolin R.E.C.C.
411 Ring Road
Elizabethtown, KY 42701-8701

Jackie B. Browning
Farmers R.E.C.C.
504 South Broadway
P. O. Box 1298
Glasgow, KY 42141-1298

Honorable James M. Miller
Sullivan, Mountjoy, Stainback & Miller, PSC
100 St. Ann Street
P.O. Box 727
Owensboro, KY 42302-0727

Overt L. Carroll
Clark Energy Cooperative, Inc.
P. O. Box 748
2640 Ironworks Road
Winchester, KY 40392-0748

Sharon K. Carson
Finance & Accounting Manager
Jackson Energy Cooperative
P. O. Box 307
U. S. Highway 421S
McKee, KY 40447

Michael H. Core
Big Rivers Electric Corporation
201 Third Street
P. O. Box 24
Henderson, KY 42420

Bill Duncan
Licking Valley R.E.C.C.
P. O. Box 605
271 Main Street
West Liberty, KY 41472

Carol H. Fraley
President and CEO
Grayson R.E.C.C.
109 Bagby Park
Grayson, KY 41143

James B. Gainer
Legal Division
The Union Light Heat & Power Co
139 E. Fourth Street
Cincinnati, OH 45202

Ted Hampton
Cumberland Valley Electric, Inc.
Highway 25E, P. O. Box 440
Gray, KY 40734

Timothy C. Mosher
American Electric Power
101A Enterprise Drive
P. O. Box 5190
Frankfort, KY 40602

Barry L. Myers
Manager
Taylor County R.E.C.C.
100 West Main Street
P. O. Box 100
Campbellsville, KY 42719

G. Kelly Nuckols
Jackson Purchase Energy Corporation
2900 Irvin Cobb Drive
P. O. Box 4030
Paducah, KY 42002-4030

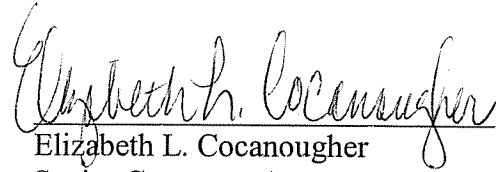
Anthony P. Overbey
Fleming-Mason Energy Cooperative
P. O. Box 328
Flemingsburg, KY 41041

Roy M. Palk
East Kentucky Power Cooperative, Inc.
4775 Lexington Road
P. O. Box 707
Winchester, KY 40392-0707

Bobby D. Sexton
President/General Manager
Big Sandy R.E.C.C.
504 11th Street
Paintsville, KY 41240-1422

Honorable David Edward Spenard
Assistant Attorney General
Office of the Attorney General
Utility & Rate Intervention Division
1024 Capital Center Drive
Suite 200
Frankfort, KY 40601-8204

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



Elizabeth L. Cocanougher
Senior Corporate Attorney
LG&E Energy LLC
220 West Main Street
Post Office Box 32010
Louisville, Kentucky 40232
Telephone: (502) 627-4850

Kendrick R. Riggs
J. Gregory Cornett
OGDEN NEWELL & WELCH PLLC
1700 PNC Plaza
500 West Jefferson Street
Louisville, Kentucky 40202
Telephone: (502) 582-1601

Counsel for Kentucky Utilities Company

LOUISVILLE GAS AND ELECTRIC COMPANY

**RESPONSE TO INFORMATION REQUESTED IN APPENDIX B OF THE
COMMISSION'S ORDER DATED MARCH 10, 2005
IN ADMINISTRATIVE CASE NO. 2005-00090**

Question No. 12

Responding Witness: John P. Malloy

Q-12. What is the estimated-capital cost per kW and energy cost per kWh for new generation by technology?

A-12. For the technologies listed in the answer to question 11, the following estimated costs are shown, based on 2004 dollars (filed with a Petition for Confidential Protection):

Technology	Capital Cost (\$/kW)	Energy Cost per kWh
Trimble County Unit 2		
148 MW Greenfield CT		
181 MW WV Hydro PPA		
732 MW Greenfield Coal unit		

Climbing inspection runs on the same schedule as the ground line inspection. Expenditure is approximately \$ 75,000 per year.

LG&E Right of Way and Inspection Costs 2000-2004

	2000	2001	2002	2003	2004
ROW	-	-	390,090	309,872	265,592
Inspections	-	-	80,426	145,878	42,680

For the Companies' distribution system:

- a. The distribution right-of-way management program includes a facility inspection program and a vegetation management program as described in (b) and (c).
- b. The distribution vegetation management program includes inspection of LG&E's overhead lines. It is a centrally managed and supervised by one forestry manager and two utility arborists. Two contract tree companies provide the resources to trim trees and apply herbicides.

Distribution Actual \$ for Last Five Years (filed with a Petition for Confidential Treatment):

	2004	2003	2002	2001	2000
Total \$					

- c. The distribution facilities are inspected as required by regulation 807 KAR 5:006 Section 25 – Inspection of Systems. LG&E inspection of overhead and underground facilities every two years. Network underground facilities are inspected every six months. Each operation center is responsible for scheduling inspections, completing work requests, and maintaining records.

Distribution Inspection Actual \$ for Last Five Years (filed with a Petition for Confidential Treatment):

LOUISVILLE GAS AND ELECTRIC COMPANY

**RESPONSE TO INFORMATION REQUESTED IN APPENDIX B OF THE
COMMISSION'S ORDER DATED MARCH 10, 2005
IN ADMINISTRATIVE CASE NO. 2005-00090**

Question No. 33

Responding Witness: Mark S. Johnson / Paul G. Thomas

Q-33. Explain the criteria your utility uses to determine if pole or conductor replacement is necessary. Provide costs/budgets for transmission and distribution facilities replacement for the years 2000 through 2025.

A-33. The Transmission Line section uses a variety of resources to determine its pole and conductor replacement criteria. The basic program for pole replacement is the ground line inspection and treatment program in conjunction with a climbing inspection program. Poles and cross arms are designated for replacement when they are identified as falling below acceptable condition and strength requirements. This program is augmented by the aerial inspection program and walking inspection program. These programs are outlined in response to Question No. 32 part c. Conductor replacements are initiated by either being in poor mechanical condition identified through a poor operating history or an infrared inspection or as a result of increase loads requiring larger conductors. The average annual capital budget to replace existing facilities (without upgrades) is approximately \$2,500,000 for KU and \$650,000 for LG&E.

All distribution poles and conductors are inspected during the required 2 year inspection program. Poles determined to be defective are scheduled in the work management system to be replaced or reinforced. Conductors are replaced when damaged or when the conductor loading is projected to exceed capacity. The current distribution business plan projects the budget through a three-year period (2005 - 2007). LG&E does not budget for amounts beyond this timeframe.

Distribution Pole and Conductor Replacement Cost/Budget 2000 – 2007
(filed with a Motion for Confidential Treatment):



The table is a grid of approximately 15 columns and 2 rows. The top row contains several white squares, while the bottom row is almost entirely black, indicating that the data has been redacted.