

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

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PUBLIC SERVICE
COMMISSION

In the Matter of:

THE PLAN OF KENTUCKY UTILITIES)
COMPANY FOR THE VALUE DELIVERY) CASE NO. 2005-00351
SURCREDIT MECHANISM)

And

THE PLAN OF LOUISVILLE GAS AND)
ELECTRIC COMPANY FOR THE VALUE) CASE NO. 2005-00352
DELIVERY SURCREDIT MECHANISMS)

ATTORNEY GENERAL'S FIRST REQUEST FOR INFORMATION
FROM LOUISVILLE GAS AND ELECTRIC COMPANY AND
KENTUCKY UTILITIES COMPANY

Comes now the intervenor, the Attorney General of the Commonwealth of Kentucky, by and through his Office of Rate Intervention, and submits this First Request for Information to Louisville Gas and Electric Company and Kentucky Utilities Company 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) 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.

(4) If any request appears confusing, please request clarification directly from the Office of Attorney General.

(5) 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.

(6) 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.

(7) 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.

(8) 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.

(9) 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.

Respectfully submitted,

GREGORY D. STUMBO
ATTORNEY GENERAL OF KENTUCKY



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CERTIFICATE OF SERVICE AND NOTICE OF FILING

I hereby give notice that this the 21st day of October, 2005, I have filed the original and seven copies of the foregoing Request for Information with the Kentucky Public Service Commission at 211 Sower Boulevard, Frankfort, Kentucky, 40601 and certify that this same day I have served the parties by mailing a true copy of same, postage prepaid, to those listed below.

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LOUISVILLE GAS & ELECTRIC AND KENTUCKY UTILITIES
CASE NOS. 2005-00352 AND 2005-00351

1. With regard to the table shown at the bottom of page 5 of the LG&E testimony of Mr. Blake, please provide the following information:
 - a. Should the dollar amount for the 9/30/03 test year CTA Amortization for LG&E-Electric be \$23.9 million rather than the amount of \$29.9 million currently shown? If not, reconcile the \$29.9 million to the 2003 LG&E Electric CTA amortization of approximately \$24 million shown on Exhibit B attached to the Case No. 2001-169 Stipulation and explain how this CTA amount has resulted in net VDT savings of \$9.4 million.
 - b. Provide the exact dollar amounts for all of the line items in this table that were reflected in the pro forma test year results in the prior LGE&E Electric and Gas rate case, Case No. 2003-00433.
2. Using the 9/30/03 test year data included in the table at the bottom of page 5 of the LG&E testimony of Mr. Blake, please confirm that the Electric and Gas test year revenue requirements would be lower by \$33.3 million and \$8.6 million, respectively, under the assumption that (1) the test year would include no CTA amortization expenses, (2) the test year would include no pro forma adjustment for the 60% shareholder portion of any net VDT savings and (3) there would be no VDT Surcredit for the 40% ratepayer share of any net VDT savings. If you cannot confirm or do not agree with this statement, explain your disagreement in detail.
3. With regard to the table shown on page 5 of Mr. Blake's KU testimony, please provide the exact dollar amounts for all of the line items in this table that were reflected in the pro forma test year results in the prior KU rate case, Case No. 2003-00434.
4. Using the 9/30/03 test year data included in the table on page 5 of Mr. Blake's KU testimony, please confirm that the Electric test year revenue requirement would be lower by \$16.3 million, under the assumption that (1) the test year would include no CTA amortization expenses, (2) the test year would include no pro forma adjustment for the 60% shareholder portion of any net VDT savings and (3) there would be no VDT Surcredit for the 40% ratepayer share of any net VDT savings. If you cannot confirm or do not agree with this statement, explain your disagreement in detail.
5. Mr. Blake's Exhibit 1, page 3, line 35 shows that, based on a test year ended June 30, 2005, LG&E's test year electric and gas revenue requirements and KU's test year revenue requirement are reduced by \$39.160 million, \$10.510 million, and \$19.661 million, respectively, based on the assumptions that the Value Delivery Surcredit mechanism and the CTA cost amortizations have expired.
 - a. Confirm the above statement. If you do not agree with the statement, explain your disagreement.

- b. Confirm that if the same assumptions are applied to the 9/30/03 pro forma test year data used to set the current base rates, the equivalent test year revenue requirement reductions for LG&E electric and gas and KU would be \$33.3 million, \$8.6 million, and \$16.3 million, respectively.
- 6. Please confirm that the Companies responded to Question 6 of Commission Staff's first Request for Information Dated August 29, 2001, in Case No. 2001-169, *Joint Application of Louisville Gas and Electric Company and Kentucky Utilities Company for an Order Approving Proposed deferred Debits and Declaring the Amortization of the Deferred Debits to be included in Earnings Sharing Mechanism Calculations* as follows:

“The proposed amortization period results in appropriate recognition of the costs and savings from the WTSP through the Earnings Sharing Mechanism and avoids an otherwise one-time increase in rates to customers caused by the companies’ earnings falling below the ESM dead band.