

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

JOINT APPLICATION OF KENTUCKY UTILITIES)	
COMPANY AND LOUISVILLE GAS AND)	CASE NO.
ELECTRIC COMPANY FOR APPROVAL OF)	2009-00329
DEPRECIATION RATES FOR TRIMBLE COUNTY)	
UNIT 2)	

COMMISSION STAFF'S FIRST DATA REQUEST

Pursuant to 807 KAR 5:001, Kentucky Industrial Utility Customers, Inc. ("KUIC") is to file with the Commission the original and seven copies of the following information, with a copy to all parties of record. The information requested herein is due ten days from the date of this Order. 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.

KUIC shall make timely amendment to any prior response if it obtains 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 KUIC fails or refuses to furnish all or part of the requested information, KUIC 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 Direct Testimony and Exhibits of Lane Kollen (“Kollen Testimony”) at pages 9–10, specifically his discussion of the manner in which Louisville Gas and Electric Company’s (“LG&E”) depreciation rates for Trimble County Unit No. 1 (“TC1”) were addressed in LG&E’s two most recent general rate cases.

a. Were the depreciation rates included in the settlement in LG&E’s most recent rate case, Case No. 2008-00252,¹ based on the Average Service Life (“ASL”) method or the Equal Group Life (“ELG”) method?

b. Were the depreciation rates included in the settlement in LG&E’s 2003 rate case, Case No. 2003-00433,² based on the ASL method or the ELG method?

c. The TC1 depreciation rates currently in effect, which were part of the settlement in Case No. 2008-00252, are already in the record of this proceeding. Provide the TC1 depreciation rates that KIUC agreed to in Case No. 2003-00433.

¹ Case No. 2008-00252, Application of Louisville Gas and Electric Company for an Adjustment of its Electric and Gas Base Rates (Ky. PSC Feb. 9, 2009).

² Case No. 2003-00433, An Adjustment of the Gas and Electric Rates, Terms, and Conditions of Louisville Gas and Electric Company (Ky. PSC June 30, 2004).

2. Refer to page 14 of the Kollen Testimony. Provide a narrative description and supporting work papers that show the derivation of the percentages in the column headed "Corrected TC2 Net Salvage %" in the table on page 14.

3. Refer to page 16 of the Kollen Testimony, specifically the recommendation that the Commission approve "interim depreciation rates" for Trimble County Unit No. 2 ("TC2") in this proceeding and review all components of depreciation in the future. Explain why Mr. Kollen believes that the depreciation rates authorized in this proceeding should only be authorized on an interim basis.

4. In item 4.b. of its second data request to LG&E and Kentucky Utilities Company, Commission Staff asked whether any consideration was given to using TC1's depreciation rates for TC2. The response indicated that consideration was given, but went on to explain why the companies' believed that would be inappropriate.

a. Explain whether KIUC agrees that it would be inappropriate to use the TC1 depreciation rates for TC2.

b. If the Commission were to adopt Mr. Kollen's recommendation and establish depreciation rates in this proceeding on an interim basis and determine that all components of the companies' depreciation rates should be reviewed in their next base rate cases, what would KIUC's position be on using the TC1 depreciation rates for TC2 strictly on an interim basis?


on behalf of
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DATED NOV - 9 2009

cc: All parties

Case No. 2009-00329

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