



STOLL · KEENON · OGDEN
P L L C

2000 PNC PLAZA
500 WEST JEFFERSON STREET
LOUISVILLE, KY 40202-2828
MAIN: (502) 333-6000
FAX: (502) 333-6099
www.skofirm.com

KENDRICK R. RIGGS
DIRECT DIAL: (502) 560-4222
DIRECT FAX: (502) 627-8722
kendrick.riggs@skofirm.com

March 9, 2010

RECEIVED

MAR 09 2010

PUBLIC SERVICE
COMMISSION

VIA HAND DELIVERY

Jeff DeRouen
Executive Director
Kentucky Public Service Commission
211 Sower Boulevard
Frankfort, KY 40601

RE: Application of Kentucky Utilities Company for an Adjustment of Base Rates
Case No. 2009-00548

Dear Mr. DeRouen:

On March 1, 2010, Kentucky Utilities Company ("KU") received 888 requests for information, including subparts, from the Commission and parties in this case. In accordance with the Commission's February 16, 2010 Order, KU is filing objections to 13 requests for information. KU is working diligently to provide the information requested in the remaining requests for information by March 15, 2010.

Yours very truly,


Kendrick R. Riggs

KRR:ec

cc: Parties of Record

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KENTUCKY UTILITIES COMPANY

CASE NO. 2009-00548

**Response to Attorney General's Initial Requests for Information
Dated March 1, 2010**

Question No. 30

Responding Witness: Counsel

- Q-30. List each proposed pro forma entry which was considered in this filing but not made and state the reason(s) why the entry was not made.
- A-30. All decisions regarding which adjustments to include in the application in this proceeding were made in consultation with legal counsel. Any response to this question necessarily requires the Company to reveal the contents of communications with counsel and the mental impressions of counsel, which information is protected from disclosure by the attorney-client privilege and the work product doctrine.

KENTUCKY UTILITIES COMPANY

CASE NO. 2009-00548

**Response to Attorney General's Initial Requests for Information
Dated March 1, 2010**

Question No. 32

Responding Witness: Counsel / Valerie Scott

- Q-32. Please provide a comparison by month, or if not available, by quarter, of budgeted versus actual retirements for each month of 2006, 2007, 2008, 2009 and 2010 to date. Please explain any significant variations.
- A-32. Consistent with its historical practice, the Company does not disclose information relating to budgets. Such projections are only estimates; there is no guarantee that such projections will be realized; and the estimates are based on a number of assumptions that may change over time. The Company has used an historic test year in this proceeding; not a forecasted test year. The Commission determined in its September 6, 1990 Ruling and September 21, 1990 Order in Case No. 90-158 that such information is not discoverable in historical test year rate cases. Without waiver of this objection, the Company intends to supplement this response on March 15, 2010 with information responsive to this request.

KENTUCKY UTILITIES COMPANY

CASE NO. 2009-00548

**Response to Attorney General's Initial Requests for Information
Dated March 1, 2010**

Question No. 43

Responding Witness: Counsel / Ron Miller

- Q-43. Please provide detailed calculations of federal income taxes (budgeted and actual) for the following accounting periods:
- a. the year ended 2007, 2008 and 2009.
- A-43. Consistent with its historical practice, the Company does not disclose information relating to budgets. Such projections are only estimates; there is no guarantee that such projections will be realized; and the estimates are based on a number of assumptions that may change over time. The Company has used an historic test year in this proceeding; not a forecasted test year. The Commission determined in its September 6, 1990 Ruling and September 21, 1990 Order in Case No. 90-158 that such information is not discoverable in historical test year rate cases. Without waiver of this objection, the Company intends to supplement this response on March 15, 2010 with information responsive to this subpart of the request and the other subparts.

KENTUCKY UTILITIES COMPANY

CASE NO. 2009-00548

**Response to Attorney General's Initial Requests for Information
Dated March 1, 2010**

Question No. 77

Responding Witness: S. Bradford Rives / Counsel

- Q-77. Please provide a copy of the Company's five-year (or shorter if 5 years is not prepared) operating, maintenance, and capital budgets prepared in 2007, 2008 and 2009.
- A-77. Consistent with its historical practice, the Company does not disclose information relating to budgets. Such projections are only estimates; there is no guarantee that such projections will be realized; and the estimates are based on a number of assumptions that may change over time. The Company has used an historic test year in this proceeding; not a forecasted test year. The Commission determined in its September 6, 1990 Ruling and September 21, 1990 Order in Case No. 90-158 that such information is not discoverable in historical test year rate cases. The budgetary information requested in this data request is not relevant to the analysis of known and measurable pro forma adjustments in this case.

KENTUCKY UTILITIES COMPANY

CASE NO. 2009-00548

**Response to Attorney General's Initial Requests for Information
Dated March 1, 2010**

Question No. 78

Responding Witness: S. Bradford Rives / Counsel

- Q-78. For the budgets supplied in response to the preceding question, please provide a description of all variations from actual expense levels which are due to known and certain changes, providing supporting documentation. Indicate all variations from actual levels which result from the application of inflation or escalation factors. In those instances where inflation or escalation factors were utilized, explain the derivation of the factors used in each case. If a single factor was used, a summary description will suffice.
- A-78. Consistent with its historical practice, the Company does not disclose information relating to budgets. Such projections are only estimates; there is no guarantee that such projections will be realized; and the estimates are based on a number of assumptions that may change over time. The Company has used an historic test year in this proceeding; not a forecasted test year. The Commission determined in its September 6, 1990 Ruling and September 21, 1990 Order in Case No. 90-158 that such information is not discoverable in historical test year rate cases. The budgetary information requested in this data request is not relevant to the analysis of known and measurable pro forma adjustments in this case.

KENTUCKY UTILITIES COMPANY

CASE NO. 2009-00548

**Response to Attorney General's Initial Requests for Information
Dated March 1, 2010**

Question No. 112

Responding Witness: Counsel / Paul W. Thompson

Q-112. With regard to research and development (R&D) expenditures, please provide:

b. A comparison of actual vs. budgeted expenditures for 2007, 2008 and 2009.

A-112. b. Consistent with its historical practice, the Company does not disclose information relating to budgets. Such projections are only estimates; there is no guarantee that such projections will be realized; and the estimates are based on a number of assumptions that may change over time. The Company has used an historic test year in this proceeding; not a forecasted test year. The Commission determined in its September 6, 1990 Ruling and September 21, 1990 Order in Case No. 90-158 that such information is not discoverable in historical test year rate cases. Without waiver of this objection, the Company intends to supplement this response on March 15, 2010 with information responsive to this subpart of the request and the other subparts.

KENTUCKY UTILITIES COMPANY

CASE NO. 2009-00548

**Response to Attorney General's Initial Requests for Information
Dated March 1, 2010**

Question No. 114

Responding Witness: Counsel / Shannon L. Charnas

Q-114. With regard to all capital and expense accounts included in the filing, please provide:

b. A comparison of actual vs. budgeted expenditures for 2007, 2008 and 2009.

A-114. b. Consistent with its historical practice, the Company does not disclose information relating to budgets. Such projections are only estimates; there is no guarantee that such projections will be realized; and the estimates are based on a number of assumptions that may change over time. The Company has used an historic test year in this proceeding; not a forecasted test year. The Commission determined in its September 6, 1990 Ruling and September 21, 1990 Order in Case No. 90-158 that such information is not discoverable in historical test year rate cases. Without waiver of this objection, the Company intends to supplement this response on March 15, 2010 with information responsive to this subpart of the request and the other subparts.

KENTUCKY UTILITIES COMPANY

CASE NO. 2009-00548

**Response to Attorney General's Initial Requests for Information
Dated March 1, 2010**

Question No. 128

Responding Witness: Counsel / S. Bradford Rives

- Q-128. Provide a complete explanation of any and all expense reduction goals (cost savings programs) the Company had concerning the development of the 2007, 2008 and 2009 budgets.
- A-128. Consistent with its historical practice, the Company does not disclose information relating to budgets. Such projections are only estimates; there is no guarantee that such projections will be realized; and the estimates are based on a number of assumptions that may change over time. The Company has used an historic test year in this proceeding; not a forecasted test year. The Commission determined in its September 6, 1990 Ruling and September 21, 1990 Order in Case No. 90-158 that such information is not discoverable in historical test year rate cases. The budgetary information requested in this data request is not relevant to the analysis of known and measurable pro forma adjustments in this case.

KENTUCKY UTILITIES COMPANY

CASE NO. 2009-00548

**Response to Attorney General's Initial Requests for Information
Dated March 1, 2010**

Question No. 181

Responding Witness: Counsel / Daniel K. Arbough

- Q-181. Please provide copies of all presentations made to rating agencies and/or investment firms by KU between January 1, 2009 and the present.
- A-181. Objections are made to the request for the production of documents on the grounds that it seeks the production of documents that are irrelevant to the issues in this case and relate to non-utility activities or hypothetical scenarios based upon projections. Such projections are only estimates; there is no guarantee that such projections will be realized; and the estimates are based on a number of assumptions that may change over time. These non-utility activities and projected information are not relevant to the analysis of known and measurable pro forma adjustments in this case. Without waiver of these objections, the Company intends to supplement this response on March 15, 2010 with information responsive to the request for information.

KENTUCKY UTILITIES COMPANY

CASE NO. 2009-00548

**Response to Attorney General's Initial Requests for Information
Dated March 1, 2010**

Question No. 185

Responding Witness: Counsel / Daniel K. Arbough

- Q-185. Please provide copies of all correspondence between E.ON AG, E.ON. U.S. LLC, and KU and any of the three major bond rating agencies (S&P, Moody's, and Fitch) from January 1, 2008 to the present. These include copies of letters, reports, presentations, emails, and notes from telephone conversations.
- A-185. Objections are made to the request for the production of documents on the ground that it is overly broad and unduly burdensome and seeks the production of documents that are irrelevant to the issues in this case and documents that relate to hypothetical scenarios based upon projections. Without waiver of these objections, the Company intends to supplement this response on March 15, 2010 with information responsive to the request for information.

KENTUCKY UTILITIES COMPANY

CASE NO. 2009-00548

**Response to First Set of Data Requests of
Kentucky Industrial Utility Customers, Inc.
Dated March 1, 2010**

Question No. 1

Responding Witness: Counsel

- Q-1. Referring to the proposed Curtailable Service Rider CSR:
- d. Identify and provide all alternatives to Rider CSR as proposed that KU considered but rejected.
- A-1. d. All decisions regarding which adjustments to include in the application in this proceeding were made in consultation with legal counsel. Any response to this question necessarily requires the Company to reveal the contents of communications with counsel and the mental impressions of counsel, which information is protected from disclosure by the attorney-client privilege and the work product doctrine.

KENTUCKY UTILITIES COMPANY

CASE NO. 2009-00548

**Response to First Set of Data Requests of
Kentucky Industrial Utility Customers, Inc.
Dated March 1, 2010**

Question No. 25

Responding Witness: Counsel

- Q-25. Did the Company consider, but not prepare, any other class cost of service study beyond the BIP study filed in this case? If so, please identify the type of study and list the differences between such study and the BIP study filed in this case.
- A-25. All decisions regarding which adjustments to include in the application in this proceeding were made in consultation with legal counsel. Any response to this question necessarily requires the Company to reveal the contents of communications with counsel and the mental impressions of counsel, which information is protected from disclosure by the attorney-client privilege and the work product doctrine.

KENTUCKY UTILITIES COMPANY

CASE NO. 2009-00548

**Response to First Set of Data Requests of
Kentucky Industrial Utility Customers, Inc.
Dated March 1, 2010**

Question No. 64

Responding Witness: Counsel / Lonnie Bellar

Q-64. Please provide a copy of the Company's operating budget for the calendar year 2010.

A-64. Consistent with its historical practice, the Company does not disclose information relating to budgets. Such projections are only estimates; there is no guarantee that such projections will be realized; and the estimates are based on a number of assumptions that may change over time. The Company has used an historic test year in this proceeding; not a forecasted test year. The Commission determined in its September 6, 1990 Ruling and September 21, 1990 Order in Case No. 90-158 that such information is not discoverable in historical test year rate cases. The budgetary information requested in this data request is not relevant to the analysis of known and measurable pro forma adjustments in this case.