



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

E.ON U.S. LLC
State Regulation and Rates
220 West Main Street
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Louisville, Kentucky 40232
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RECEIVED

JUN 22 2010

PUBLIC SERVICE
COMMISSION

Robert M. Conroy
Director - Rates
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June 22, 2010

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

Application of Louisville Gas and Electric Company for an Adjustment of Its Electric and Gas Base Rates – Case No. 2009-00549

Dear Mr. DeRouen:

Please find enclosed and accept for filing two originals and ten (10) copies of the Response of Kentucky Utilities Company and Louisville Gas and Electric Company to the Post-Hearing Data Request of the Commission Staff in the above-referenced matters.

Should you have any questions regarding the enclosed, please contact me at your convenience.

Sincerely,

Robert M. Conroy

cc: Parties of Record

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF KENTUCKY UTILITIES)	CASE NO.
COMPANY FOR AN ADJUSTMENT OF)	2009-00548
ITS BASE RATES)	

In the Matter of:

APPLICATION OF LOUISVILLE GAS AND)	CASE NO.
ELECTRIC COMPANY FOR AN ADJUSTMENT)	2009-00549
OF ITS ELECTRIC AND GAS BASE RATES)	

RESPONSE OF
KENTUCKY UTILITIES COMPANY
AND
LOUISVILLE GAS AND ELECTRIC COMPANY
TO THE
INFORMATION REQUESTED IN HEARING
DATED JUNE 8, 2010

FILED: June 22, 2010

VERIFICATION

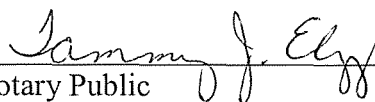
COMMONWEALTH OF KENTUCKY)
) SS:
COUNTY OF JEFFERSON)

The undersigned, **Lonnie E. Bellar**, being duly sworn, deposes and says that he is Vice President, State Regulation and Rates for Kentucky Utilities Company and Louisville Gas and Electric Company and an employee of E.ON U.S. Services, Inc., and that he has personal knowledge of the matters set forth in the responses for which he is identified as the witness, and the answers contained therein are true and correct to the best of his information, knowledge and belief.



Lonnie E. Bellar

Subscribed and sworn to before me, a Notary Public in and before said County and State, this 22nd day of June 2010.

 (SEAL)

Notary Public

My Commission Expires:

November 9, 2010

**KENTUCKY UTILITIES COMPANY
LOUISVILLE GAS AND ELECTRIC COMPANY**

CASE NO. 2009-00548

CASE NO. 2009-00549

**Response to Information Requested in Hearing
Dated June 8, 2010**

Question No. 1

Responding Witness: Lonnie E. Bellar

- Q-1. Please provide the portion of the revenue requirement requested by the Companies that is associated with the investment in Trimble County Unit 2 since the end of the test year in the 2008 rate case.
- A-1. Please see the attached. The portion of the revenue requirement and requested base rate increase in these proceedings associated with the investment in Trimble County Unit 2 ("TC2") comprises: 1) a return on the amount of construction work in progress ("CWIP") for the Companies' generation and transmission investment since April 30, 2008 and the end of the test year in these proceedings (October 31, 2009); and 2) the pro rata depreciation expense associated with the CWIP balance at October 31, 2009 and other TC2-related investments. The Companies have spent \$256 million for TC2 (in non-ECR related assets) since the end of the test year in the 2008 rate case. This investment along with the depreciation expense has a revenue requirement of \$48 million for KU and \$15 million for LG&E.

2010 RATE CASE**Trimble County Unit 2 Investment**

(\$ Millions)

	KU	LG&E Electric	TOTAL
TC2 Non-ECR Capital Spend (May '08 - Oct '09) ¹ :			
1 Generation	163	46	209
2 Transmission	26	21	47
3 Total	<u>189</u>	<u>67</u>	<u>256</u>
4 Total Cost of Capital (Exhibit 2, Col 16)	8.32%	8.32%	8.59%
5 Net Return on Capital (Line 3 x Line 4)	16	6	22
6 Gross Up Revenue Factor - Exhibit 1, Reference Schedule 1.47	0.6281	0.6252	0.6286
7 Revenue Requirement for TC2 Capital Spend (Line 5 / Line 6)	25	10	35
8 TC2 Depreciation Expense (Exhibit 1, Reference Schedule 1.15)	23	5	28
9 Total TC2 Revenue Requirement (Line 7 + Line 8)	<u><u>48</u></u>	<u><u>15</u></u>	<u><u>63</u></u>

¹ Does not include Advanced Coal Investment Tax Credits.

**KENTUCKY UTILITIES COMPANY
LOUISVILLE GAS AND ELECTRIC COMPANY**

CASE NO. 2009-00548

CASE NO. 2009-00549

**Response to Information Requested in Hearing
Dated June 8, 2010**

Question No. 2

Responding Witness: Counsel

Q-2. Upon request, would the Companies be willing to provide intervenors in Case No. 2010-00204 access to E.ON AG's Hart-Scott-Rodino filing subject to a Petition for Confidential Protection.

A-2. Yes.