

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

A FORMAL REVIEW OF THE CURRENT STATUS )  
OF TRIMBLE COUNTY UNIT NO. 1 ) CASE NO. 9934

O R D E R

IT IS ORDERED that Louisville Gas and Electric Company ("LG&E") shall file an original and twelve copies of the following information with this Commission, with a copy to all parties of record, by July 24, 1987. Moreover, LG&E shall furnish the name of the witness who will be responsible for responding to questions concerning each area of information outlined below. If the information cannot be provided by this date, you should submit a motion for an extension of time stating the reason delay is necessary and include a date by which it will be furnished. Such motion will be considered by the Commission.

1. Pertaining to "Estimated Cancellation and Restoration Cost." The support costs show both LG&E Labor Costs and Contract Labor Costs on the support costs page.
  - a. Provide more explicit information defining what these costs are and how they were determined.
  - b. Explain how the salvage value was determined.
2. Pertaining to "Contracted Demolition/Disposal/

Restoration Items." Specifically define "Item 5 Seeding" and cost supports for \$1,500,000 for this item. Also define the other eleven items here.

3. At Section 1, page 6, System 60, of the Project Construction Plan, it states "The turbine generator will be erected and stored on the existing foundation." What provision will be made to prevent rotor shaft deformation? Will the rotor be on a turning gear?

4. At Section 1, page 7, of the Project Construction Plan, it states "...engineering for major orders would have to commence in 1987 to achieve material delivery dates...." What are these "major orders?"

5. In LG&E's Electric Load Forecast, the following assumptions are made by LG&E in the residential end-use model.

These assumptions relate to annual increases in saturation percentages and contributions to average use of certain electric appliances (end-uses).

Annual Increases

	<u>Saturation Percentage</u>	<u>Average Use</u>
Electric Water Heater	1.3%	0.4%
Electric Heating		
(1) Heat Pump	2.6%	2.21%
(2) Resistance	1.4%	1.06%
General Use/Lighting		1.0%

Provide further explanation and support for these assumptions.

6. In Exhibit 4, of the Electric Load Forecast, residential average use exhibits an average annual increase of 0.46% for the years 1985-1990. This average annual increase then levels off to 0.15% for the remaining 20 years of the forecast period. Provide an explanation and support for the initial surge in the residential average use.

7. In Ryan Exhibit 1, at page 2, it states that LG&E decided to use the customer projections it derived using the University of Louisville Urban Studies Center source entitled "How Many Kentuckians: Population Forecasts, 1980-2020" as opposed to those derived using the Urban Studies Center's household forecast entitled "Kentucky Household Forecasts" dated August 1986.

a. Does LG&E prefer its model's projections because it is a more conservative forecast?

8. In Ryan Exhibit 1, at page i of the Executive Summary, it states that "Energy and demand forecasting is a vital aspect of planning." At page ii it states "Where judgment was required, conservative estimates were used that would not favor a high forecast." If accurate forecasts are so crucial to the planning process, why does LG&E intentionally bias its forecasts in a conservative manner?

Done at Frankfort, Kentucky, this 10th day of July, 1987.

PUBLIC SERVICE COMMISSION

  
Richard D. Hensburgh  
For the Commission

ATTEST:

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Executive Director