

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF KENTUCKY UTILITIES COMPANY )  
FOR A CERTIFICATE OF CONVENIENCE AND )  
NECESSITY TO CONSTRUCT A 110 MEGAWATT )  
COMBUSTION TURBINE GENERATING UNIT AND ) CASE NO. 93-474  
ASSOCIATED FACILITIES SCHEDULED FOR )  
COMPLETION IN 1996 TO BE LOCATED AT THE )  
COMPANY'S E. W. BROWN GENERATING STATION )  
IN MERCER COUNTY, KENTUCKY )

O R D E R

IT IS ORDERED that the Kentucky Utilities Company ("Kentucky Utilities") shall file an original and 15 copies of the following information with this Commission, with a copy to all parties of record. Each copy of the data requested should be placed in a bound volume with each item tabbed. When a number of sheets are required for an item, each sheet should be appropriately indexed, for example, Item 1(a), Sheet 2 of 6. Include with each response the name of the witness who will be responsible for responding to questions relating to the information provided. Careful attention should be given to copied material to ensure that it is legible. Where information requested herein has been provided along with the original application, in the format requested herein, reference may be made to the specific location of said information in responding to this information request. When applicable, the information requested herein should be provided for total company operations and jurisdictional operations, separately. The information requested herein is due no later than February 18, 1994. If the

information cannot be provided by this date, you should submit a motion for an extension of time stating the reason a delay is necessary and include a date by which it will be furnished. Such motion will be considered by the Commission.

1. Kentucky Utilities refers to internal and external financing in Exhibit 5 of the application. What type of external financing is Kentucky Utilities proposing? Also, include in this explanation two separate listings of those external sources referred to as short term and those referred to as permanent.

2. Refer to Exhibit 5 of the application. Provide an explanation of how annual capital requirements of \$85,372 for 1998 was calculated.

3. Provide a copy of the completed analysis referred to on Page 8-87, Section 8.(5)(c) of the Integrated Resource Plan.

4. For each utility listed in Hawley Exhibit 1 of the application, provide the following:

- a. Amount (MW) available each year.
- b. Annual demand charge in purchase year dollars.
- c. Energy charge by month in 1994 dollars.
- d. Annual energy escalation rate.
- e. Charge for SO<sub>2</sub> allowances, if any.
- f. Power scheduling requirements.
- g. Transmission service charge.

5. Provide the following:

a. A spreadsheet analysis of Kentucky Utilities' proposal to construct the combustion turbine which is similar to

that provided in Tab E-1 in the response of Kentucky Utilities to the Commission's December 6, 1991 and December 19, 1991 Orders in PSC Case No. 91-115.<sup>1</sup>

b. A spreadsheet analysis of cumulative variation from the base case of the present value cost of constructing the combustion turbine and the cost of the bids that were sufficiently substantive to be ranked in Hawley Exhibit 1, page 1 of 1 of the application.

c. For both analyses, explanations of each column of the spreadsheets and the screening study assumptions relied on.

6. Provide a present value table for the 9.73 percent return factor.

7. Provide an explanation of why the discount rate is targeted capital structure instead of an actual capital structure.

Done at Frankfort, Kentucky, this 4th day February, 1994.

PUBLIC SERVICE COMMISSION

  
For the Commission

ATTEST:

  
Executive Director

<sup>1</sup> Case No. 91-115, Application of Kentucky Utilities Company For a Certificate of Convenience and Necessity and a Certificate of Environmental Compatibility to Construct Four 75 Megawatt Combustion Turbine Peaking Units and Associated Facilities Scheduled for Completion in 1994 and 1995, respectively, to be located at the Company's E.W. Brown Generating Station in Mercer County, Kentucky.