

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

MODIFICATIONS TO LOUISVILLE GAS AND)
ELECTRIC COMPANY'S GAS SUPPLY CLAUSE TO) CASE NO. 97-171
INCORPORATE AN EXPERIMENTAL)
PERFORMANCE-BASED RATEMAKING MECHANISM)

O R D E R

IT IS ORDERED that Louisville Gas and Electric Company ("LG&E") shall file the original and 8 copies of the following information with the Commission no later than June 18, 1997, with a copy to all parties of record. LG&E shall furnish with each response the name of the witness who will be available to respond to questions concerning each item of information requested should a public hearing be scheduled.

1. Refer to LG&E's responses to Items 3 and 51 of the Commission's May 16, 1997 Order. Does LG&E consider incremental salary expenses and administrative costs to be gas supply costs?

2. Refer to LG&E's response to Item 5 of the Commission's May 16, 1997 Order. Calculate the Historical Reservation Fees for the 12 months ended October 31, 1996, as well as for the 24 months ended October 31, 1996.

3. Refer to LG&E's response to Item 26 of the Commission's May 16, 1997 Order. The second sentence of its answer lists three bases upon which LG&E will calculate the volume of capacity it should be able to release, the third of which is "its ability to release available capacity by Season during the previous 12-month period."

Explain why LG&E does not consider this particular basis as being dependent upon historical weather patterns.

4. Refer to LG&E's response to Item 40 of the Commission's May 16, 1997 Order. How would LG&E propose to reflect savings attributable to penalty avoidance in the GCA mechanism? How much has LG&E paid in such penalties over the last five years?

Done at Frankfort, Kentucky, this 11th day of June, 1997.

PUBLIC SERVICE COMMISSION


For the Commission

ATTEST:


Executive Director