

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF LOUISVILLE GAS AND)
ELECTRIC COMPANY FOR APPROVAL OF) CASE NO. 98-426
AN ALTERNATIVE METHOD OF REGULATION)
OF ITS RATES AND SERVICES)

In the Matter of:

APPLICATION OF KENTUCKY UTILITIES COMPANY)
FOR APPROVAL OF AN ALTERNATIVE METHOD) CASE NO. 98-474
OF REGULATION OF ITS RATES AND SERVICES)

O R D E R

IT IS ORDERED that Kentucky Industrial Utility Customers ("KIUC") shall file the original and 12 copies of the following information with the 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 herein has been provided previously, in the format requested herein, reference may be made to the specific location of said information in responding to this information request. The information requested herein shall be filed no later than February 23, 1999.

1. Refer to page 20, "Examples of Earnings Based PBR," of the Performance Based Rate-Making handout from the January 28, 1999 informal conference. For each company listed:

a. Provide the date the PBR was adopted by the regulatory commission and the date the PBR plan became effective.

b. Who initiated the proceeding: the company, the regulatory commission, or an intervenor?

c. Provide a brief summary of the major components of the PBR plan.

2. Refer to the "Summary of Cost of Capital Based on KU Filing with KPSC" schedule from the January 28, 1999 informal conference. Explain why investment tax credits were included in the determination of total capitalization.

3. Refer to the "Summary of Rate Base Based on KU Filing with KPSC" schedule from the January 28, 1999 informal conference.

a. Explain why the following items were included in the determination of KU's rate base:

(1) Net Miscellaneous Deferred Debits/Credits.

(2) Customer Deposits.

(3) Investment Tax Credit.

b. Explain why the following items were not included in the determination of KU's rate base:

(1) Stores Expense.

(2) Prepayments.

(3) Cash Working Capital Allowance.

c. Explain why the Investment Tax Credit was included in the determination of both the total capitalization and the rate base for KU.

4. Refer to the "Summary of Rate Base Based on LG&E Filing with KPSC" schedule from the January 28, 1999 informal conference.

a. Explain why the following items were included in the determination of LG&E's rate base:

- (1) Net Miscellaneous Deferred Debits/Credits.
- (2) Customer Deposits.

b. Explain why the following items were not included in the determination of LG&E's rate base:

- (1) Prepayments.
- (2) Cash Working Capital Allowance.

Done at Frankfort, Kentucky, this 12th day of February, 1999.

By the Commission

ATTEST:

Executive Director