

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

AN EXAMINATION OF THE APPLICATION OF THE )  
FUEL ADJUSTMENT CLAUSE OF LOUISVILLE GAS ) CASE NO. 2000-498  
AND ELECTRIC COMPANY FROM NOVEMBER 1, )  
1998 TO OCTOBER 31, 2000 )

COMMISSION STAFF'S INTERROGATORIES AND REQUESTS  
FOR PRODUCTION OF DOCUMENTS TO  
LOUISVILLE GAS AND ELECTRIC COMPANY

Pursuant to Administrative Regulation 807 KAR 5:001, Commission Staff requests that Louisville Gas and Electric Company ("LG&E") file the original and 8 copies of the following information with the Commission within 14 days of the date of this request, with a copy to all parties of record. Each copy of the information 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 its legibility. When the requested information has been previously provided in this proceeding in the requested format, reference may be made to the specific location of that information in responding to this request. When applicable, the requested information should be provided for total company operations and jurisdictional operations, separately.

1. Provide invoices for all power purchases that LG&E made during the months of May and August 2000.
2. Refer to LG&E's Supplemental Response to Information Requested by KIUC during Hearing 2/9/01.
  - a. List the name and address of each vendor that supplied power to LG&E for the period from January 1, 2000 through October 31, 2000.
  - b. For each supplier listed in Item 2(a), state whether that supplier provided LG&E with the fuel cost portion of the energy purchase.
  - c. For each supplier listed in Item 2(a), provide LG&E's request for information regarding the fuel cost portion of its purchase and all responses to such request(s).
3. Describe how LG&E determines if a power purchase is made on an economic dispatch basis.
4. Does LG&E routinely request that its purchase power vendors provide the fuel cost portion of its power purchases? If no, why not?
5. How did LG&E, prior to the temporary suspension of its fuel adjustment clause in 1999, calculate the fuel cost portion of its power purchases?
6.
  - a. Prior to January 2000, how did LG&E report the fuel cost portion of its power purchases when its fuel suppliers failed or refused to supply that information?
  - b. If LG&E has changed these reporting procedures, explain why.
7. Provide all internal memoranda, electronic mail messages, and other internal documents in which LG&E's change to its fuel adjustment accounting procedures is discussed.

8. Identify the LG&E officials who participated in the decision to change LG&E's fuel adjustment accounting procedures.

9. a. State whether LG&E agrees with the following statement: "LG&E's present fuel adjustment accounting procedures assume that each of its economy energy purchases contains no capacity or demand charges and is subject to recovery through LG&E's fuel adjustment clause."

b. If LG&E disagrees with the statement, explain why.

10. a. Explain why the presumption that each of its economy energy purchases contains no capacity or demand charges is reasonable.


b. Explain how such presumption is consistent with Administrative Regulation 807 KAR 5:056.

11. Explain why the Commission should permit the recovery through the uniform fuel adjustment clause of the cost of power purchases in which the electric utility is unable to demonstrate with some certainty the fuel cost portion of its power purchases.

12. In its Supplemental Response to Information Requested by KIUC during Hearing 2/9/01, LG&E proposes three methods for determining the fuel cost portion of a power purchase when the seller fails to identify this component. Are any of these methods consistent with the literal language of Administrative Regulation 807 KAR 5:056? Explain.

13. a. Is it LG&E's position that references in Administrative Regulation 807 KAR 5:056 to demand and capacity charges associated with energy purchases are outdated as a result of recent structural changes to the wholesale energy market?

b. If yes, describe the revisions, if any, that are needed to make Administrative Regulation 807 KAR 5:056 current with the present structure of the wholesale energy market.



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Thomas M. Dorman  
Executive Director  
Public Service Commission  
211 Sower Boulevard  
Post Office Box 615  
Frankfort, Kentucky 40602-0615

DATED: 5/22/01

cc: Parties of Record