

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 SECOND SET OF 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. Exhibit A shows a comparison of LG&E's monthly report (Form B) to LG&E's Response to Commission Staff's First Set of Interrogatories and Requests for

Production of Documents. Shaded areas note transactions for which LG&E produced no invoice.

a. Provide the invoices that were omitted. If no invoice exists for a transaction, file all documents that indicate the total KWH and dollars for the transaction and describe how LG&E determined the amount of the transaction to pass through its fuel adjustment clause ("FAC").

b. Show for each vendor from whom LG&E purchased power in May and August 2000 how LG&E determined the appropriate portion of the purchase to pass through its FAC. Show all calculations and state all assumptions used. Where the invoice amount differs from the Form B amount, state the disposition of the purchased power (e.g., resale, reserve margin) that was not passed through LG&E's FAC.

c. Exhibit A shows that for the month of May 2000, LG&E reported purchases from O.V.E.C. and The Energy Authority on its Form B that are larger than the amount reported on the transaction invoices. Explain the apparent discrepancy.

2. Provide a copy of the notice that LG&E submitted to the Commission before taking the actions set forth below. If notice was provided in a non-written form, describe the form of the notice.

a. LG&E's decision to use 75 percent of the purchased energy cost as the fuel cost portion for those purchases for which fuel was not reported.

b. LG&E's decision to cease requesting the fuel portion of its power purchases from its power suppliers.

c. LG&E's decision to recover the total purchase power cost through its FAC.

3. Refer to LG&E's Response to Commission Staff's First Set of Interrogatories and Requests for Production of Documents, Item 7. Provide an unredacted copy of the electronic mail message from Ron Willhite to Robert Hewitt.

4. At Item 4 of its Response to Commission Staff's First Set of Interrogatories and Requests for Production of Documents, LG&E states: "Kentucky Utilities Company has recovered the energy charge for economy power purchases pursuant to 807 KAR 5:056 Section 1(3)(c) for over twenty years pursuant to Commission Orders." Provide the Commission Order(s) in which the Commission made specific findings regarding Kentucky Utilities Company's FAC accounting practices for its economy power purchases. In lieu of providing a copy of the Commission Order, a citation to the Order may be provided.



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

DATED: 7/11/2001

cc. Parties of Record

## EXHIBIT A

### LG&E OFF-SYSTEM POWER PURCHASES

	May				Aug.			
	Form B		Invoice		Form B		Invoice	
	MWH	\$	MWH	\$	MWH	\$	MWH	\$
Allegheny Power	25	\$ 825	575	\$ 48,100	1,468	\$ 77,970	2,000	\$ 99,500
Ameren Corp.	334	\$ 7,598	1,400	\$ 32,575				
A E P	32,204	\$ 1,634,642	85,958	\$ 4,688,611	3,459	\$ 204,404	25,255	\$ 806,081
Big Rivers	11	\$ 1,108	17	\$ 1,747	20	\$ 2,042	24	\$ 2,466
Aquilla					333	\$ 17,168	2,550	\$ 128,100
Cinergy Corp.	4,486	\$ 153,182	35,252	\$ 1,862,760	4,609	\$ 262,357	9,720	\$ 452,630
ComEd	762	\$ 18,835	5,226	\$ 210,625	1,335	\$ 101,848	1,675	\$ 123,400
Constellation	63	\$ 1,300	51,275	\$ 469,475	928	\$ 29,720	1,900	\$ 75,040
Coral Power	1,174	\$ 267,968	1,706	\$ 349,021				
Dayton	439	\$ 13,964	953	\$ 29,064	1,472	\$ 48,273	2,145	\$ 69,909
Dynergy	8,136	\$ 377,692	41,103	\$ 1,073,713				
Duke					7,082	\$ 961,433	20,000	\$ 2,543,800
E K P	80	\$ 5,244	181	\$ 9,620	79	\$ 4,510	132	\$ 6,600
El Paso Energy	1	\$ 33	7,200	\$ 29,200		\$ (771)		
Enron					14,208	\$ 1,992,365	36,725	\$ 5,141,375
Engage Energy	750	\$ 18,560	1,600	\$ 40,800				
Entergy	33	\$ 10,749	3,686	\$ 175,090				
FP&L	646	\$ 136,903		\$ 254,400				
K.U.	91,063	\$ 1,281,041			73,541	\$ 1,352,637		
Merrill Lynch					1,409	\$ 150,018	4,000	\$ 420,000
Koch Power	95	\$ 3,393	1,750	\$ 56,950	413	\$ 14,325	700	\$ 24,150
Michigan Electric						\$ (623)		
Morgan Stanley					7,512	\$ 1,135,704	18,400	\$ 2,778,400
O.V.E.C.	3,442	\$ 30,761		\$ 2,389	38,357	\$ 2,113,888	498,000	\$ 862,000
Peco Energy	307	\$ 9,472	1,320	\$ 40,015	458	\$ 13,715	846	\$ 25,332
Reliant Energy	2,233	\$ 175,426	13,316	\$ 815,809	74	\$ 3,294	140	\$ 6,290
S.I. G. E.	1,345	\$ 44,392	2,661	\$ 80,338	157	\$ 5,952	375	\$ 11,575
Southeastern P.A.	86	\$ 3,773						
Southern Co.	95	\$ 5,359	14,843	\$ 594,625				
T.V.A.	19	\$ 1,900	150	\$ 7,500				
The Energy Auth.	45	\$ 2,647	83	\$ 1,702				
Tractebel	283	\$ 61,782	1,050	\$ 116,000				
Virginia Power	1,123	\$ 39,078	2,900	\$ 112,900	672	\$ 53,767	2,664	\$ 67,708
Wabash Valley	229	\$ 7,128	3,680	\$ 115,753				
Williams Energy	1,767	\$ 41,125	6,448	\$ 276,948	2,485	\$ 111,846	21,688	\$ 1,127,266

Shaded Areas indicate that no invoice was filed.