

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE ANNUAL EARNINGS SHARING)
MECHANISM FILING OF KENTUCKY) CASE NO. 2001-055
UTILITIES COMPANY)

FIRST DATA REQUEST OF COMMISSION STAFF
TO KENTUCKY UTILITIES COMPANY

Kentucky Utilities Company ("KU") is requested, pursuant to 807 KAR 5:001, to file with the Commission the original and 10 copies of the following information, with a copy to all parties of record. The information requested herein is due on or before April 20, 2001. 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 person 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, in the format requested herein, reference may be made to the specific location of said information in responding to this information request.

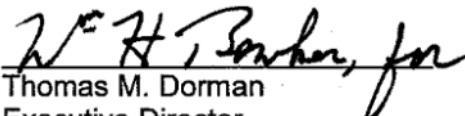
1. Refer to Form 1(a) of the March 1, 2001 filing. Explain why this form contains references to estimated revenues, when the Commission's June 1, 2000 Order

in Case No. 98-474¹ requires the use of actual revenues in the calculation of the Earnings Sharing Mechanism (“ESM”) factor.

2. Refer to Form 3 and Form 3(d) of the March 1, 2001 filing.
 - a. Describe the terms and conditions of the financial instruments and transactions reported as Notes Payable to Associated Companies in the amount of \$61,239,490. Provide for each note outstanding the date of issuance and expected date of payoff.
 - b. Explain the reasons why intra-company financing is being utilized and how the Commission can readily and objectively determine that this financing will be less costly than other forms of short-term financing.
 - c. Explain in detail why KU believes these Notes Payable to Associated Companies should be classified as Short-Term Debt in its Capitalization.
 - d. Provide citations to KU proceedings in which the Commission has included Notes Payable to Associated Companies as Short-Term Debt in its Capitalization.
3. Provide a revised version of the Annual ESM Filing reflecting the exclusion of Notes Payable to Associated Companies from KU’s Capitalization.

DATED April 5, 2001

cc: All Parties


Thomas M. Dorman
Executive Director
Public Service Commission
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P. O. Box 115
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¹ Case No. 98-474, Application of Kentucky Utilities Company for Approval of an Alternative Method of Regulation of Its Rates and Service.