

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF KENTUCKY UTILITIES	)	
COMPANY FOR AN ORDER AUTHORIZING	)	
THE ISSUANCE OF SECURITIES AND THE	)	CASE NO. 2001-320
ASSUMPTION OF OBLIGATIONS	)	

FIRST DATA REQUEST OF COMMISSION STAFF TO  
KENTUCKY UTILITIES COMPANY

Kentucky Utilities Company ("KU"), pursuant to 807 KAR 5:001, is requested to file with the Commission the original and eight copies of the following information, with a copy to all parties of record. The information requested herein is due not later than 10 days from the date of this request. 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 herein has been previously 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 page 3 of the application, which indicates that certain existing pollution control bonds that are the subject of the proposed refinancing may be candidates for extension of maturity.

a. Identify, by series, the bonds that are potential candidates for extension of maturity.

b. Explain why the extension of the maturity date of existing bonds would provide further savings due to the refinancing.

c. Provide a worksheet similar to the Debt Refunding Analysis Assumptions & Summary included in Exhibit 2 that demonstrates the effect of an extension of maturity dates of existing bonds.

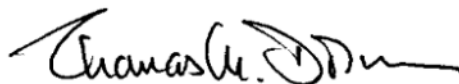
2. Refer to page 6, Item 6 of the application. KU estimates the total costs, in addition to redemption premiums, to be approximately \$1,120,000.

a. Explain why redemption premiums are not included as part of the costs of the refinancing.

b. Provide the total cost of refinancing including redemption premiums.

c. Explain whether the estimated cost of the refinancing includes expenses incurred for entering liquidity facilities and hedging agreements. If these expenses were not included in the estimate, provide a summary discussion of the impact of these expenses on the overall cost of the refinancing.

3. Refer to page 9, Item 10 of the application. If interest rate hedging agreements are entered in order to limit exposure to rising variable interest rates, explain whether KU is protected against the rate eventually exceeding a "ceiling."



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Thomas M. Dorman  
Executive Director  
Public Service Commission  
211 Sower Boulevard  
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Frankfort, Kentucky 40602

DATED \_\_\_\_\_  
cc: All Parties