

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

A REVIEW OF THE RATE UNBUNDLING)	
STUDIES FILED BY LOUISVILLE GAS)	CASE NO. 2001-333
AND ELECTRIC COMPANY AND)	
KENTUCKY UTILITIES COMPANY)	

SUPPLEMENTAL DATA REQUEST OF COMMISSION STAFF TO
LOUISVILLE GAS AND ELECTRIC COMPANY
AND KENTUCKY UTILITIES COMPANY

Louisville Gas and Electric Company (“LG&E”) and Kentucky Utilities Company (“KU”) (collectively, “the Companies”) are requested, pursuant to 807 KAR 5:001, to file with the Commission the original and seven copies of the following information, with a copy to all parties of record. The information requested herein is due on or before December 7, 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 the response to Item 3 of the Staff's first data request, which describes the relationship between the unbundled costs and rates shown on Schedules PMN-3 of the summaries of the Companies' rate unbundling studies.

a. As explained in the response, the unbundled rates included in Schedules PMN-3 reflect the Companies' existing bundled rates and to the extent that certain items, such as "Transmission Remaining Revenue Requirement" and "Customer Charge Shortfall" reflect the fact that existing rates do not fully recover the associated costs, the recovery of those costs has been shifted to "Total Distribution Revenue Recovery." For each rate schedule included in Schedule PMN-3 for both LG&E and KU, provide, in comparative form, the proposed unbundled rates, as limited by the existing bundled rates, at present class rates of return, as shown in Schedule PMN-3, and the "pure" unbundled rates resulting from the Companies' cost allocation studies, again at LG&E's and KU's present class rates of return.

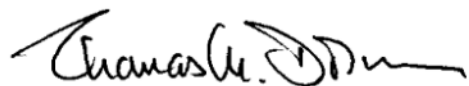
b. Should rate unbundling be implemented in Kentucky at some point in the future, would the Companies expect to unbundle rates in the manner reflected on Schedules PMN-3 or in a manner that tracks the results of their respective cost allocation studies, i.e. – the "pure" unbundled rates referenced in part (a) of this request? Explain the response in detail, identifying all the factors that the Companies would take into consideration in making such a decision.

2. Refer to the response to Item 3 of the Staff's first data request and Schedules PMN-1 of the summaries of the Companies' rate unbundling studies. LG&E's and KU's Schedules PMN-1 show, for each rate schedule and customer class,

the current rate of return compared to the total company rate of return of 8.19 percent, in the case of LG&E, and the Kentucky jurisdictional rate of return of 10.60 percent, in the case of KU.

a. For each of the Companies, provide a comparison of the total revenues at the current rate of return for each individual rate schedule and customer class with the revenue requirement for each individual rate schedule and customer class at each of the Companies' overall rate of return.

b. For each of the Companies, provide, in comparative form, the proposed unbundled rates, as limited by the existing bundled rates, at present class rates of return, as shown in Schedule PMN-3, and the rates for each rate schedule that are derived by applying the test year billing determinants to the individual rate schedule revenue requirements reflected in the response to part (a) of this request. These rates should also reflect the results of the Companies' cost allocation studies.



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DATED 11/21/01
cc: All Parties