

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF LOUISVILLE GAS AND)	
ELECTRIC COMPANY TO IMPLEMENT)	CASE NO. 2002-00136
A NATURAL GAS SUPPLY HEDGE PLAN)	

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

Louisville Gas and Electric Company (LG&E), pursuant to 807 KAR 5:001, is requested to file with the Commission the original and 5 copies of the following information, with a copy to all parties of record. The information requested herein is due May 24, 2002. 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 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 the response to Item 1 of the Commission's May 6, 2002 data request in which LG&E indicates it has conducted no customer surveys related to its hedging plan.

a. Does LG&E plan on conducting such surveys in the future?

b. Does LG&E believe there are benefits from conducting such surveys? If yes, describe the benefits. If no, explain why.

2. Refer to the response to Item 2 of the Commission's May 6, 2002 data request. The response includes LG&E's price expectations for only the 2002 summer injection season, although the question asked for LG&E's price expectations for several different periods. Provide the information originally requested for the summer injection season of 2003 as well as the heating seasons of 2002/2003 and 2003/2004, the periods covered by the proposed hedging plan.

3. Refer to the response to Item 3 of the Commission's May 6, 2002 data request. For each individual listed provide his or her prior experience with hedging activity.

4. Refer to the response to Item 11 of the Commission's May 6, 2002 data request, which refers to the timeframe in which LG&E intends to file reports on its hedging activity with the Commission.

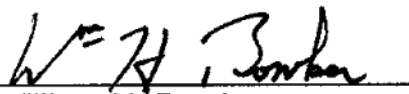
a. In its prior hedging plan filing, in Case No. 2001-253, LG&E proposed to file its initial report immediately after the beginning of the first month of the Hedge Period. Explain in detail what has changed since the prior case to cause LG&E to now propose to file its initial report 60 days after the first month of the Hedge Period.

b. The response indicates that LG&E intends to file its final report 60 days after the end of the Hedge Period. Would LG&E expect to revise this timetable, and file the report earlier, if the Commission were to order that any hedging plan proposed for the following heating season could not be filed prior to when the final report is filed? Explain the response in detail.

5. Refer to the response to Item 12 of the Commission's May 6, 2002 data request, which describes the accounting treatment LG&E is seeking for its proposed hedging activity transactions.

a. The response indicates that LG&E is seeking to record its hedging transactions in accordance with Financial Accounting Standards No. 71, Accounting for the Effects of Certain Types of Regulation, rather than Financial Accounting Standard 133, Accounting for Derivative Instruments and Hedging Activities, (FAS 133). Explain in detail whether the treatment described in the response represents a change from the accounting treatment described on pages 17 and 18 of LG&E's application.

b. In its prior hedging plan filing, in Case No. 2001-253, LG&E cited only the requirements of FAS 133 in describing its proposed accounting treatment of the hedging activities and transactions that would be part of its proposed hedging plan. Explain in detail what has changed since the prior case that causes LG&E to now seek different accounting treatment for the hedging plan(s) included in its current application.


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DATED May 20, 2002

cc: All Parties