

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

AN EXAMINATION BY THE PUBLIC SERVICE)
COMMISSION OF THE APPLICATION OF THE)
FUEL ADJUSTMENT CLAUSE OF LOUISVILLE) CASE NO. 2002-00225
GAS & ELECTRIC COMPANY FROM)
NOVEMBER 1, 2002 TO APRIL 30, 2002)

COMMISSION STAFF S 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 no later than August 16, 2002, with a copy to all parties of record. Each copy of the information requested shall 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 shall 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.

1. Refer to Direct Testimony of Mike Dotson, Exhibit MD-1. State whether the policies and procedures set forth in Louisville Gas & Electric Company Coal Supply Department Policy Manual were in effect during the review period.

2. Refer to Direct Testimony of Mike Dotson, Exhibit MD-2. State the date when the policies and procedures found at this Exhibit became or will become effective.

3. Refer to Direct Testimony of Mike Dotson, Exhibit MD-2. Explain why the revised policies and procedures are necessary.

4. Section K of Direct Testimony of Mike Dotson, Exhibit MD-2, provides that LG&E may purchase coal from an affiliate at cost if such a transfer is reasonably required by the Company to meet an emergency and the parties believe in good faith that, under the circumstances, the transaction will be to the advantage of the Company. Describe LG&E's responsibilities, if any, to inform the Commission of the existence of such emergency and of LG&E's response.

5. Describe the process that LG&E follows when it receives an unsolicited offer for the sale of coal. This description should include the actions that LG&E takes to evaluate the offer and to obtain approval for acceptance of such offer.

6. Describe how unsolicited offers for the sale of coal are generally made to LG&E. This description should discuss the general form of such offers (i.e., oral or written), the frequency of such offers, the effect of market conditions on the frequency of such offers, the general quality of the coal that is offered for sale, and any recent trends involving such offers (e.g., an increase in the number of unsolicited offers).

7. Refer to LG&E's Response to the Commission's Order of June 27, 2002, Item 7 at 5.

a. Describe the effects of prolonged forced outage at Mill Creek Unit No. 1 during December 2001 and January 2002 on LG&E's ability to meet its load requirements.

b. Describe the repairs that were performed to Mill Creek Unit No. 1 during December 2001 and January 2002 and state whether any related forced outages have occurred at Mill Creek Unit 1 since then.

8. Refer to LG&E's Response to the Commission's Order of June 27, 2002, Item 7 at 10.

a. Describe the effect on LG&E's fuel costs of the 423-hour outage at Trimble County Unit No. 1 during November 2001.

b. State whether additional SCR-related modifications are planned at Trimble County Unit No. 1 and the estimated duration of any outages related to these modifications.

c. State the estimated effect on LG&E's fuel costs of additional planned SCR-related outages.

9. Refer to LG&E's Response to the Commission's Order of July 19, 2002, Item 8.

a. Describe the expected degree of difficulty to replace the coal supplied through the Colona Synfuel, LLP and the Kindill Mining contracts.

b. State LG&E's preferred method (i.e., contract purchase or spot market purchase) for replacing the tonnage lost due to the expiration of these contracts. Explain.

10. Refer to LG&E s Response to the Commission s Order of June 27, 2002, Item 8 at 7 and 16. No minimum tonnage requirements are given for the Hopkins County Coal contract and the Synfuel Solutions Operating, LLC contract. State LG&E s expectation for actual deliveries for the remainder of 2002 and 2003 for these contracts.

11. Refer to LG&E s Response to the Commission s Order of June 27, 2002, Item 8 at 17.

a. Explain why LG&E did not receive any shipments under its contract with Vandetta Company in 2001 or 2002.

b. Describe the current status of the Vandetta Company contract.

12. Refer to LG&E s Response to the Commission s Order of June 27, 2002, Item 17.

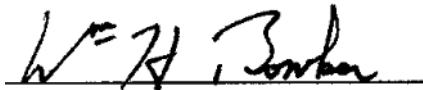
a. Describe each change in reporting responsibilities and explain why this change was made.

b. Provide an organizational chart showing the individuals involved in LG&E s coal procurement activities before and after the changes in reporting responsibility. This chart should show the name, title and employer of the person in each position responsible for coal procurement activities and contain a brief description of the activities for which the individual is responsible.

13. In its Response to the Commission s Order of June 27, 2002, Item 19, LG&E states that no single line loss factor can be quoted for the Midwest Independent System Operator (MISO).

a. State why, if MISO calculates individual transaction losses, an average loss rate cannot be determined for all LG&E/MISO transactions that take place in a given period (e.g., calendar month).

b. LG&E calculates one percent transmission losses for off-system sales which is shown on page 2 of 5 of its monthly FAC reports. Describe the extent to which this loss calculation is affected by, or related to, the transmission losses attributed to LG&E through the MISO calculation.



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DATED: August 2, 2002

cc: Parties of Record