

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF LOUISVILLE GAS AND)	
ELECTRIC COMPANY AND KENTUCKY)	
UTILITIES COMPANY FOR A CERTIFICATE OF)	CASE NO.
PUBLIC CONVENIENCE AND NECESSITY FOR)	2002-00381
THE ACQUISITION OF FOUR COMBUSTION)	
TURBINES AND A SITE COMPATIBILITY)	
CERTIFICATE FOR THE FACILITY)	

SECOND 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) are requested, pursuant to Administrative Regulation 807 KAR 5:001, to file with the Commission the original and 8 copies of the following information, with a copy to all parties of record. The information requested herein is due no later than December 23, 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 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 Item 6 of the response to the Commission Staff's First Data Request dated November 22, 2002, which refers to the negotiations with Texas Gas Pipeline Company (Texas Gas) for firm transportation service. The response indicates that negotiations are ongoing and that LG&E and KU expect to complete negotiations prior to the commercial operation of the proposed Combustion Turbines (CTs). Provide the current status of the negotiations as of December 23, 2002 and provide an update of that status on January 17, 2003.

2. Refer to Item 18 of the response to the Commission Staff's First Data Request dated November 22, 2002. Compare the current emission limits contained in Permit #V-01-012 with the limits anticipated after 2004.

3. Refer to Item 18(b) of the response to the Commission Staff's First Data Request dated November 22, 2002. The response indicates that the Companies submitted a Best Available Control Technology (BACT) analysis to the Kentucky Division of Air Quality (KYDAQ) that included two available post-combustion options for the CTs that exist today. The post-combustion options listed are SCNOx and Selective Catalytic Reduction (SCR) systems. Explain why the SCNOx and SCR technologies were rejected by the KYDAQ as BACT. Include copies of all documentation from KYDAQ.

4. Refer to the Direct Testimony of Caryl M. Pfeiffer, Exhibit CMP-5, page 10 of 21. Permit #V-01-012 states that if construction of the four CTs has not begun prior to 18 months after the issuance date of the permit, a new BACT assessment will be required.

a. Permit #V-01-012 was issued June 22, 2001. Under the terms of the permit, would LG&E and KU agree that construction of the four CTs must begin no later than January 22, 2003?

b. Will the four CTs be under construction by that date? If yes, what construction will have been undertaken by that date?

c. Page 10 of 21 of Permit #V-01-012 states the KYDAQ may waive the required BACT at the request of the permittee and for good cause shown. Describe what reasons LG&E and KU would have to provide to satisfy the for good cause shown provision.

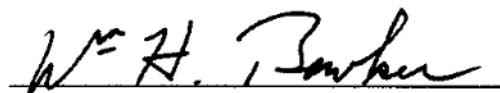
d. Would an Order from the Commission requiring the staggered installation of the four CTs constitute sufficient reason to justify a for good cause shown request? Explain the response in detail.

5. Indicate the relative importance of the following factors in LG&E and KU's determination that the four CTs need to be installed in 2004.

a. Meeting load growth, native load requirements, and reserve margin requirements.

b. The current GE contract calls for the delivery of four CTs in 2004 and any delay in the delivery could result in additional costs for the CTs.

c. Permit #V-01-012 requires the installation of the four CTs by no later than April 2004; any delay could require the preparation of a new BACT and the installation of additional emission control equipment.



Thomas M. Dorman
Executive Director
Public Service Commission
211 Sower Boulevard
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DATED December 13, 2002

cc: All Parties