

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

AN EXAMINATION BY THE PUBLIC SERVICE)	
COMMISSION OF THE ENVIRONMENTAL)	
SURCHARGE MECHANISM OF LOUISVILLE GAS)	CASE NO.
AND ELECTRIC COMPANY FOR THE TWO-YEAR)	2003-00236
BILLING PERIOD ENDING APRIL 30, 2003)	

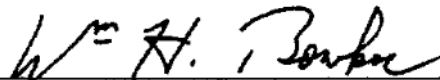
SECOND DATA REQUEST OF COMMISSION STAFF TO
LOUISVILLE GAS AND ELECTRIC COMPANY

Louisville Gas and Electric Company (LG&E) is requested, pursuant to 807 KAR 5:001, 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 on October 2, 2003. 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 direct testimony of Carol Foxworthy, page 10, line 21. LG&E recommends that the rate of return on the 1995 Plan should be established as 3.32 percent. As part of its proposal to re-establish the rate of return for the 1995 Plan, does LG&E also recommend that the rate of return for the 1995 Plan should be reset as part of each six-month review? Explain the response.

2. Refer to the response to the Commission Staff's First Data Request dated July 31, 2003, Item 7. Explain in detail why September 2002 was the first month the year-to-date expenses were included in the O&M Expenses and Determination of Cash Working Capital Allowance.

3. The true-up mechanism currently being used in the monthly LG&E filings multiplies the monthly environmental surcharge factor for a particular expense month by the retail jurisdictional revenues for the corresponding billing month. In Case No. 2003-00068,¹ the response to the Commission Staff's Second Data Request dated May 23, 2003, Item 8, Kentucky Utilities Company proposed a revision to change the true-up mechanism to compare actual surcharge revenues to the actual surcharge revenue requirement. That response also notes problems experienced by LG&E with its current true-up mechanism. If the Commission adopts the modification proposed in Case No. 2003-00068, should the same modification also be adopted in this case? Explain the response.



William H. Bowker
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Public Service Commission
P. O. Box 615
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DATED: September 18, 2003

cc: All parties

¹ Case No. 2003-00068, An Examination by the Public Service Commission of the Environmental Surcharge Mechanism of Kentucky Utilities Company for the Six-Month Billing Periods ending January 31, 2001, July 31, 2001, January 31, 2002, and January 31, 2003 and for the Two-Year Billing Periods Ending July 31, 2000 and July 31, 2002.