COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF LOUISVILLE GAS AND ELECTRIC COMPANY FOR AN ORDER AUTHORIZING THE ISSUANCE OF SECURITIES AND THE ASSUMPTION OF OBLIGATIONS	)	CASE NO. 2003-00299

INITIAL 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 8 copies of the following information, with a copy to all parties of record. The information requested herein is due within 10 days of the date of this request. 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 page 3 of the August 4, 2003 application, which indicates that LG&E is investigating whether it may be possible to extend the maturity of the proposed refunding bonds to a later date, not to exceed 30 years from their issuance date. Explain when LG&E expects the results of its investigation to be known.

2. Refer to page 3 of LG&E s application. LG&E states that it may enter into one or more interest rate hedging agreements to limit its exposure to variable interest rates. Identify and describe the circumstances under which LG&E would issue variable interest rate refunding bonds, without entering into hedging agreements, rather than issue fixed rate refunding bonds.

3. Refer to Exhibit 4, page 3 of LG&E s application. If approval is granted for the proposed refinancing of the 1993 Series B and Series C Bonds in an aggregate principal amount of $128 million, only $40 million of the outstanding $616 million in First Mortgage Bonds will remain at a fixed rate of interest.

a. Explain why LG&E has chosen not to issue any of its bonds at a fixed interest rate during a period near record low interest rates.

b. From the list of First Mortgage Bonds provided, identify each issue for which LG&E has utilized specific interest rate management techniques or interest rate management agreements. For each issue identified, describe in detail the interest rate management technique or agreement utilized.

Thomas M. Dorman
Executive Director
Public Service Commission
Post Office Box 615
Frankfort, KY 40602-0615

DATED: __August 27, 2003__

cc: All parties