

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

INVESTIGATION INTO THE MEMBERSHIP	)	
OF LOUISVILLE GAS AND ELECTRIC	)	
COMPANY AND KENTUCKY UTILITIES	)	CASE NO. 2003-00266
COMPANY IN THE MIDWEST INDEPENDENT	)	
TRANSMISSION SYSTEM OPERATOR, INC.	)	

COMMISSION STAFF'S SUPPLEMENTAL DATA REQUEST TO  
MIDWEST INDEPENDENT TRANSMISSION SYSTEM OPERATOR, INC.

Pursuant to 807 KAR 5:001, Commission Staff requests that Midwest Independent Transmission System Operator, Inc. ("MISO") file the original and 5 copies of the following information with the Commission on or before October 26, 2004, with a copy to all parties of record. Each copy of the information 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 witness who will be responsible for responding to questions relating to the information provided. Careful attention should 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. What is the current calculation of the total exit fee if Louisville Gas and Electric Company ("LG&E") and Kentucky Utilities Company ("KU") withdraw from MISO? Provide all details to support the calculation.

2. Has the current amount of the exit fee changed from MISO's previous calculation filed in this case? If yes, explain why the amount has changed.

3. Is there a plan at MISO to consolidate control areas and reduce individual control area responsibilities? If yes, explain the plan and the anticipated timing of its implementation.

4. If control areas are consolidated at MISO, and functions are reassigned to a central control area, would LG&E and KU be able to continue operating their own control area and dispatching power within their own footprint as they do now?

5. Explain the overall benefits to the MISO footprint of consolidating existing control areas.

6. Explain whether there are any potential negative impacts to utilities within MISO, such as LG&E and KU, of consolidating control areas within the MISO footprint.

7. Refer to Dr. McNamara's testimony at page 3.

a. Are any of the LG&E or KU grandfathered transmission service agreements (GFA's) affected by the September 16, 2004 Order of the Federal Energy Regulatory Commission?

b. If so, which GFA's are affected, how many megawatts are involved, and what impact, if any, will they have on Schedule 16 and 17 charges?

8. Refer to Dr. McNamara's testimony at page 14.

a. Will LG&E and KU be required to offer excess capacity?

b. If LG&E and KU are required to offer excess capacity, what price will they receive for that capacity?

c. Is it possible that LG&E and KU could be required to offer their excess capacity at a price that is lower than their marginal cost to produce that power?

d. Would it be reasonable to assume that if the market price is higher than LG&E's or KU's marginal cost to produce the power, they would offer the power into the market voluntarily?



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Beth O'Donnell  
Executive Director  
Public Service Commission  
P. O. Box 615  
Frankfort, KY 40602

DATED: October 13, 2004

cc: Parties of Record