COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE PLAN OF LOUISVILLE GAS AND	)	
ELECTRIC COMPANY FOR THE VALUE	)	CASE NO.
DELIVERY SURCREDIT MECHANISM	)	2005-00352

COMMISSION STAFF'S INITIAL DATA REQUEST
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 7 copies of the following information, with a copy to all parties of record. The information requested herein is due on November 2, 2005. 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 pages 15-16 of the Testimony of Kent W. Blake ("Blake Testimony") and Reference Schedule 1.12 of Blake Exhibit 1. Provide the supporting workpapers for the proposed adjustments to LG&E's demand-side management revenues and expenses, including all calculations and assumptions. Show the revenue and expense amounts by month for the 12 months ended June 30, 2005 and identify the specific accounts in which the amounts were recorded.

2. Refer to pages 3-4 of the Direct Testimony of Valerie L. Scott ("Scott Testimony") and Reference Schedule 1.13 of Blake Exhibit 1.

a. Provide the supporting workpapers for the proposed adjustments to eliminate the impact of revenues accrued but not billed associated with Environmental Cost Recovery and the Fuel Adjustment Clause for the 12 months ended June 30, 2005, including all calculations and assumptions.

b. Describe how these accrued amounts and these adjustments do or do not relate to the adjustment to eliminate unbilled revenues shown on Reference Schedule 1.20 of Blake Exhibit 1.

3. Refer to page 19 of the Blake Testimony and Reference Schedule 1.23 of Blake Exhibit 1 concerning the adjustments to reflect customer rate switching. Provide the supporting workpapers for the proposed adjustments, including all calculations and assumptions.

4. Refer to page 5 of the Scott Testimony and Reference Schedule 1.30 of Blake Exhibit 1 concerning the adjustment to normalize storm damage expense. The 12 months ended June 30, 2005 and calendar year 2004 both include the last 6 months of 2004. Provide a breakdown of the calendar year 2004 expense that separately identifies the amounts incurred during the first 6 months and the last 6 months of the year.

5. Refer to page 5 of the Scott Testimony and Reference Schedule 1.31 of Blake Exhibit 1 concerning the adjustments for injuries and damages expense. The 12 months ended June 30, 2005 and calendar year 2004 both include the last 6 months of 2004. Provide a breakdown of the calendar year 2004 expense that separately

identifies the amounts incurred during the first 6 months and the last 6 months of the year.

6. Refer to page 20 of the Blake Testimony and Reference Schedule 1.32 of Blake Exhibit 1 concerning the adjustment to normalize Off-System Sales ("OSS") to a 5-year level (2001 - June 30, 2005). The testimony cites the high plant availability and wholesale power prices during the period ended June 30, 2005 as the basis for the adjustment.

a. The testimony identifies the Equivalent Forced Outage Rates ("EFOR") for the combined LG&E and Kentucky Utilities Company ("KU") systems during calendar year 2004 and the 12 months ended June 30, 2005. There is an overlap of 6 months in these two periods. Provide the EFOR for the combined systems for calendar year 2004 that separately identifies the levels during the first 6 months and the last 6 months of the year.

b. Provide the EFORs for the combined systems for each of the years 2001, 2002 and 2003.

c. Explain why 5 years was selected as the length of time on which to base the proposed adjustment.

d. Provide LG&E's OSS margins and the combined systems' EFORs for the years 1998, 1999, and 2000.

7. Refer to pages 20-21 of the Blake Testimony and Reference Schedule 1.40 of Blake Exhibit 1 concerning the adjustments to annualize revenues and expenses based on actual customers at June 30, 2005. Provide the supporting workpapers for the proposed adjustments, including all calculations and assumptions.

8. Refer to page 7 of the Scott Testimony and Reference Schedule 1.43 of Blake Exhibit 1 concerning the adjustment to annualize the administrative expenses associated with the Midwest Independent System Operator's ("MISO") "Day 2" market.

a. Provide the supporting workpapers for the proposed adjustment, including all calculations and assumptions. Identify the specific accounts in which the amounts were recorded.

b. The adjustment is based on annualizing the expenses incurred for the 5 months from April through August of 2005. Provide the expense incurred for the month of September 2005 and identify the specific accounts in which the amounts were recorded.

9. Refer to pages 8-9 of the Scott Testimony and Reference Schedule 1.44 of Blake Exhibit 1 concerning the adjustment to annualize the MISO revenue neutrality uplift charges associated with the operation of its "Day 2" market.

a. Provide the supporting workpapers for the proposed adjustment, including all calculations and assumptions. Identify the specific accounts in which the amounts were recorded.

b. The adjustment is based on annualizing the expenses incurred for the 5 months from April through August of 2005. Provide the expense incurred for the month of September 2005 and identify the specific accounts in which the amounts were recorded.

10. Refer to pages 9-10 of the Scott Testimony and Reference Schedule 1.45 of the Blake Testimony concerning the adjustment to annualize the Revenue Sufficiency

Guarantee make-whole payments and incurred charges associated with MISO's "Day 2" operations.

a. Provide the supporting workpapers for the proposed adjustment, including all calculations and assumptions. Identify the specific accounts in which the amounts were recorded.

b. The adjustment is based on annualizing the amounts recorded during the 5 months from April through August of 2005. Provide the amounts recorded during the month of September 2005 and identify the specific accounts in which the amounts were recorded.

11. The Value Delivery Surcredit Rider reflects the costs and savings related to the Workforce Separation Program ("WSP"). Are the actual savings and benefits from the WSP reflected in the current rates of LG&E? Explain the response.

12. Refer to Rives Testimony page 7 concerning the treatment of purchased power agreements as fixed obligations equivalent to debt. Explain in detail why the purchased power agreements would be considered as an adjustment to the gas capital structure when purchased power agreements are part of electric operations.

13. Refer to Rives Testimony pages 10 and 11, concerning the need to adjust capitalization for the Asset Retirement Obligation ("ARO").

a. Prepare a revised Blake Exhibit 2 to reflect an ARO adjustment to capitalization consistent with the approach used by the Commission in LG&E's last rate case. Include all supporting workpapers and calculations.

b. Using the results from subpart (a) above, prepare a revised Blake Exhibit 4 reflecting the results from the revised Blake Exhibit 2. Include all supporting workpapers and calculations.

Robert A. Amato for

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Executive Director
Public Service Commission
P. O. Box 615
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DATED: _October 21, 2005_

cc: All Parties