

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

AN ADJUSTMENT OF THE GAS AND ELECTRIC)	
RATES, TERMS, AND CONDITIONS OF)	CASE NO.
LOUISVILLE GAS AND ELECTRIC COMPANY)	2003-00433

REHEARING 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 7 copies of the following information, with a copy to all parties of record. The information requested herein is due on or before January 20, 2006. 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 witness 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. When applicable, the information requested herein should be provided for total company operations and jurisdictional operations, separately.

1. During this proceeding, LG&E has opposed the use of the effective Kentucky corporate income tax rate to determine the tax expense resulting from its pro forma adjustments. Is this still LG&E's position? Explain the response.

2. Refer to LG&E's Response to the Commission's July 26, 2004 Order, Item 2. In that response, LG&E utilized a combined effective state income tax rate of 8.07 percent, which reflected both the Kentucky and Indiana income tax rates.

a. Provide the calculations used to determine the combined income tax rate of 8.07 percent.

b. Provide the Kentucky-only effective income tax rate, including all calculations used to determine the rate.

c. In the response to Item 2, LG&E determined that the difference in the "Overall Revenue Deficiency" using the 8.07 percent income tax rate was \$504,596. Using the format shown in the response to Item 2, provide the calculation of the difference in the "Overall Revenue Deficiency" using the Kentucky-only effective income tax rate, as determined in part (b) above. Include any supporting calculations, workpapers, or assumptions used in calculating the difference.

3. On page 10 of the Rebuttal Testimony of S. Bradford Rives is the statement that LG&E pays Indiana income taxes on a portion of its off-system sales. Is this the only type of transaction on which LG&E pays Indiana income taxes? Explain the response.

4. The pro forma adjustments as determined by the Commission in its June 30, 2004 Order were related to all of LG&E's operations, not just its off-system sales. If its off-system sales are the only transactions on which LG&E pays Indiana income taxes, explain in detail why LG&E believes a combined Kentucky and Indiana income tax rate should be used to determine the state income tax expense resulting from those pro forma adjustments.



Beth O'Donnell
Executive Director
Public Service Commission
P. O. Box 615
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DATED January 6, 2006

cc: All Parties