## COMMONWEALTH OF KENTUCKY

## BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF KENTUCKY UTILITIES COMPANY FOR AN ORDER AUTHORIZING THE ISSUANCE OF SECURITIES AND THE ASSUMPTION OF OBLIGATIONS

CASE NO. 2006-00390

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## INITIAL DATA REQUEST OF COMMISSION STAFF TO KENTUCKY UTILITIES COMPANY

Kentucky Utilities Company ("KU"), 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. Will KU be in compliance with KRS 278.2213(11) if it discloses to Fidelia the lowest interest rate quoted by another financial institution and then allows Fidelia to match that lowest-quoted interest rate? Explain in detail your response.

2. Assuming that Fidelia purchases KU's debt at an interest rate that is equal to the lowest rate available to KU from a non-affiliate, explain in detail any advantages to KU from issuing debt to Fidelia rather than to a non-affiliate.

3. If the Commission grants KU the relief requested in this case, is KU willing to commit to continue to file with the Commission all of the information that it currently files with the Federal Energy Regulatory Commission ("FERC") on the quarterly Form 3Q and Form 60 in the event that FERC reduces its filing requirements in the future?

4. If the Commission grants KU the relief requested in this case, will KU remain subject to all existing Securities and Exchange Commission ("SEC") requirements other than the requirements to file the 10-K, the 10-Q, and the 8-K reports? If no, explain fully each existing requirement that would no longer be applicable to KU.

5. If the Commission grants KU the relief requested in this case, is KU willing to commit to file with the Commission a report of each and every material event that would otherwise be reportable to the SEC on Form 8-K within 4 business days after occurrence of the event? If yes, provide the name and title of the officer of KU who will be responsible for both: (a) ensuring that the report of each material event is filed with the Commission within 4 business days; and (b) signing the report.

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

DATED: <u>October 3, 2006</u>

cc: All parties