

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

AN EXAMINATION OF THE APPLICATION OF)
THE FUEL ADJUSTMENT CLAUSE OF)
KENTUCKY UTILITIES COMPANY FROM) CASE NO. 2006-00509
NOVEMBER 1, 2004 TO OCTOBER 31, 2006)

COMMISSION STAFF'S INTERROGATORIES AND REQUESTS FOR
PRODUCTION OF DOCUMENTS TO KENTUCKY UTILITIES COMPANY

Pursuant to Administrative Regulation 807 KAR 5:001, Commission Staff requests that Kentucky Utilities Company ("KU") file the original and 5 copies of the following information with the Commission, with a copy to all parties of record. The information requested herein is due on or before February 23, 2007. Each copy of the information requested shall 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 shall 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. Refer to KU's December 2005 Analysis of Coal Purchased for Fuel Clause Backup Report filed with the Commission February 14, 2006. KU purchased 9,361 tons of coal from Nalley & Hamilton Enterprises at 314.56 cents per MMBtu under a long-

term contract. The cost was considerably higher than the cost of similar quality coal purchased under long-term contract during the same period of time. Explain what factors, including market conditions, contributed to the higher cost of this purchase.

2. Refer to KU's response to Item 11 of the Commission's December 18, 2006 Order. Provide an update on the status of the Owensboro Municipal Utilities contract.

3. Refer to Item 13 of KU's response to the Commission's December 18, 2006 Order. Explain why, on a month-to-month comparison basis, line losses for 2005 exceed losses for 2006.

4. Refer to Item 14, page 1 of KU's response to the Commission's December 18, 2006 Order. Explain whether KU has set any deadline for a decision concerning possible retirement of the mothballed Tyrone units.

5. Refer to Item 14, pages 17-19 of KU's response to the Commission's December 18, 2006 Order. Each of the 3 Haefling units have experienced prolonged outages during the review period. Explain KU's plans for the Haefling units for the foreseeable future.

6. Refer to Item 15, page 3 of KU's response to the Commission's December 18, 2006 Order. KU experienced a shortfall during 2006 in the percentage of annual tonnage received under its contract with Alpha Coal Sales (K06001). Explain whether KU expects the tonnage to be made up or whether additional shipments are expected under the contract.

7. Refer to Item 26 of KU's response to the Commission's December 18, 2006 Order.

a. Explain whether the contract purchase of 3,132 tons of coal is related to Coal Supply Agreement KUF-06145, which is discussed on page 2 of KU's response to Item 23.

b. If the purchase from Bronco Hazelton Company shown in Item 26 is a new transaction, explain why additional purchases of coal have been made from a company that has already failed to deliver 445,910 tons under an existing contract.



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Public Service Commission
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DATED February 8, 2007
cc: All Parties