

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION RECEIVED

In the Matter of:

NOV 12 2008

PUBLIC SERVICE
COMMISSION

APPLICATION OF LOUISVILLE GAS AND)
ELECTRIC COMPANY, INC. FOR AN)
ORDER APPROVING THE ESTABLISHMENT) CASE NO. 2008-00456
OF A REGULATORY ASSET)

ATTORNEY GENERAL'S
INITIAL REQUESTS FOR INFORMATION

Comes now the intervenor, the Attorney General of the Commonwealth of Kentucky, by and through his Office of Rate Intervention, and submits these Initial Requests for Information to Louisville Gas and Electric Company [hereinafter referred to as "LG&E"] to be answered by the date specified in the Commission's Order of Procedure, and in accord with the following:

(1) In each case where a request seeks data provided in response to a staff request, reference to the appropriate request item will be deemed a satisfactory response.

(2) Please identify the witness who will be prepared to answer questions concerning each request.

(3) Please repeat the question to which each response is intended to refer. The Office of the Attorney General can provide counsel for LG&E with an electronic version of these questions, upon request.

(4) These requests shall be deemed continuing so as to require further and supplemental responses if the company receives or generates additional

information within the scope of these requests between the time of the response and the time of any hearing conducted hereon.

(5) Each response shall be answered under oath or, for representatives of a public or private corporation or a partnership or association, be accompanied by a signed certification of the preparer or person supervising the preparation of the response on behalf of the entity that the response is true and accurate to the best of that person's knowledge, information, and belief formed after a reasonable inquiry.

(6) If any request appears confusing, please request clarification directly from the Office of Attorney General.

(7) To the extent that the specific document, workpaper or information as requested does not exist, but a similar document, workpaper or information does exist, provide the similar document, workpaper, or information.

(8) To the extent that any request may be answered by way of a computer printout, please identify each variable contained in the printout which would not be self evident to a person not familiar with the printout.

(9) If the company has objections to any request on the grounds that the requested information is proprietary in nature, or for any other reason, please notify the Office of the Attorney General as soon as possible.


(10) For any document withheld on the basis of privilege, state the following: date; author; addressee; indicated or blind copies; all persons to

whom distributed, shown, or explained; and, the nature and legal basis for the privilege asserted.

(11) In the event any document called for has been destroyed or transferred beyond the control of the company, please state: the identity of the person by whom it was destroyed or transferred, and the person authorizing the destruction or transfer; the time, place, and method of destruction or transfer; and, the reason(s) for its destruction or transfer. If destroyed or disposed of by operation of a retention policy, state the retention policy.

(12) Please provide written responses, together with any and all exhibits pertaining thereto, in one or more bound volumes, separately indexed and tabbed by each response.

Respectfully submitted,
JACK CONWAY
ATTORNEY GENERAL


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Certificate of Service and Filing

Counsel certifies that an original and ten photocopies of the foregoing were served and filed by hand delivery to Stephanie Stumbo, Executive Director, Public Service Commission, 211 Sower Boulevard, Frankfort, Kentucky 40601; counsel further states that true and accurate copies of the foregoing were mailed via First Class U.S. Mail, postage pre-paid, to:

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this ^{12~~th~~} day of November, 2008



Assistant Attorney General

LOUISVILLE GAS AND ELECTRIC COMPANY
CASE NO. 2008-00456
ATTORNEY GENERAL'S INITIAL REQUEST FOR INFORMATION

1. With regard to Exhibit 1 attached to the 10/27/08 Petition, please provide the following information:
 - a. For each cost line item shown in the LG&E column (adding to the estimated cost of \$25,282,568), provide (1) the actual cost incurred to date, including actual source documentation supporting these actual costs; (2) the estimated remaining costs, including the basis for these estimated costs and any source documentation in support of the estimates.
 - b. For the \$2,088,192 contingency cost, explain what this contingency cost exactly represents; what the basis is for the \$2.1 million amount; and a breakout of the actual and estimated portions of the \$2.1 million.
 - c. Explain why the \$3,048,718 (\$2,294,228 + \$754,490) cost for internal LG&E and SERVCO employees is not duplicative of the internal LG&E and SERVCO employee base and overtime labor costs embedded in LG&E's current rates and to be included in the rates to be established in LG&E's pending rate case.
 - d. Explain the nature and purpose of the \$107,437 cost for the Staging Areas for Contractors.
 - e. Please indicate how the Company determined and calculated the estimated amounts considered normal operations for the Contractor Resource cost amounts of \$124,714, \$149,418 and \$20,000.
 - f. Please provide a detailed explanation for each of the Internal Employee Resource Cost adjustments for LG&E of \$(625,565), \$(239,866), and \$(12,352) shown on page 14 of the 10/27/08 Petition. In addition, explain how the Company determined and calculated these cost amounts.

2. With regard to the Internal Employee Labor Costs – LG&E Employees of \$2,294,228, please provide the following information:
 - a. Was the \$2,294,228 internal labor cost incurred by existing LG&E employees who were on LG&E's payroll prior to and during the storm or is this cost associated with new employees hired by LG&E as a result of the storm?
 - b. Did LG&E hire additional employees specifically to address the storm? If so, provide all relevant details regarding these newly hired employees.

3. Reference LG&E's letter to the PSC dated Dec. 19, 2007, in Administrative Case No. 2006-00494. Attached to that letter is a document entitled, "Vegetation Management Plan" ["VMP"]. As a result of the Hurricane Ike-related storm damage, has the company made any determinations as to whether it followed the VMP in all respects? Provide a complete explanation.

LOUISVILLE GAS AND ELECTRIC COMPANY
CASE NO. 2008-00456
ATTORNEY GENERAL'S INITIAL REQUEST FOR INFORMATION

4. Does the company envision any changes to the VMP as a result of the Hurricane Ike-related storm damage? Explain.
5. Media reports issued during the period of restoration work indicated that the storm caused approximately 500 poles to break, fall down or otherwise cause outages. Provide a data run indicating the serial numbers of the affected poles and the vintage of each such pole. If the data is not available for each pole, provide the best data available indicating the average vintage of the affected poles.
 - a. Provide any company policies with regard to pole inspection and replacement.
 - b. For each such affected pole, provide any and all data regarding the last inspection dates.
 - c. As a result of the Hurricane Ike storm-related damage, does the company foresee any changes to its policies regarding replacement and/or inspection of both transmission and distribution poles of any type or sort?
6. By what method does LG&E determine when right-of-way ["ROW"] maintenance is necessary – cycle timing, specific circuit-to-station reliability results, or by inspection of ROW? As a result of the Hurricane Ike storm-related damage, does the company foresee any changes to these inspection policies? If not, why not?
7. Reference the company's response to PSC 2-9 (b) in Case No. 2006-00494, wherein the company stated it is capable of determining tree outage information by circuit number, the date, time and duration of each such outage, and a description of the cause of the outage. For each circuit in which the power outage resulting from Hurricane Ike storm-related damage existed for more than four (4) days, provide the last date on which the circuit was inspected for ROW maintenance and VMP needs.
 - a. Identify any and all circuits for which the company failed to adhere to the VMP.
 - b. For each circuit in which the power outage resulting from Hurricane Ike storm-related damage existed for more than four (4) days, identify how many fell within the "worst performing circuit plan" set forth on page 4 of the E.ON VMP provided to the PSC in Case No. 2006-00494 (attached in the company's letter to the PSC dated Dec. 19, 2007).
8. Given the severity of the damage to the company's system resulting from Hurricane Ike, does the company anticipate any changes to trim cycles for any affected circuits?