

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF LOUISVILLE GAS AND ELECTRIC ) CASE NO.  
COMPANY FOR AN ORDER APPROVING THE ) 2009-00175  
ESTABLISHMENT OF A REGULATORY ASSET )

INITIAL 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 to file with the Commission the original and seven copies of the following information, with a copy to all parties of record. The information requested herein is due no later than June 15, 2009. Responses to requests for information shall be appropriately bound, tabbed, and indexed. Each response shall include the name of the witness responsible for responding to the questions related to the information provided.

Each response shall be answered under oath or, for representatives of a public or private corporation or a partnership or association or a governmental agency, be accompanied by a signed certification of the preparer or the 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.

LG&E shall make timely amendment to any prior response if it obtains information which indicates that the response was incorrect when made or, though

correct when made, is now incorrect in any material respect. For any request to which LG&E fails or refuses to furnish all or part of the requested information, LG&E shall provide a written explanation of the specific grounds for its failure to completely and precisely respond.

Careful attention shall be given to copied material to ensure that it is legible. 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. When applicable, the requested information shall be separately provided for total company operations and jurisdictional operations.

1. Refer to the second paragraph in Section 7 of LG&E's application.

a. Of the transmission system damage to lines, line segments and towers and poles that are listed on a combined basis for LG&E and its sister company, Kentucky Utilities Company ("KU"), provide the LG&E-specific levels.

b. The paragraph's last two sentences state that nearly 95 percent of the cost to repair the combined transmission systems of LG&E and KU was related to capital investment in transmission facilities and the LG&E's capital cost is not included as part of its application. In order to have a complete picture of the total cost incurred as a result of the January 2009 ice storm, provide, by account, the capital costs recorded by LG&E for repair of its transmission system.

c. To the extent that there were any capitalized costs recorded for the repair of LG&E's distribution system, provide, by account, the amounts so recorded.

2. Refer to the last paragraph in Section 8 of LG&E's application.

a. Of the total 6,016 workers involved in restoring service, provide the number that were not employees of LG&E, KU or SERVCO.

b. Provide a comparison of the number of restoration workers involved in this event to the numbers of workers used for the Hurricane Ike-related outages and any other major outages experienced by LG&E or KU in the past 20 years.

c. Provide the names of the contractors, mutual assistance crews and the 59 utilities that supplied non-employee restoration workers.

d. Was LG&E able to employ as many restoration workers as it believed were necessary for this outage event or was the number of workers limited in any way? If limited, explain the response.

e. To what extent does LG&E believe that having access to a greater number of restoration workers would have reduced the overall level of outage hours?

3. Refer to Section 10 of LG&E's application.

a. LG&E's estimate of 2009 Winter Storm related costs contains actual and estimated costs as of April 20, 2009 and an estimate of contingencies. Provide an update of the cost estimate based on the most recent information available and, using the same classifications as in Exhibit 1, provide the amounts of LG&E's actual known (not estimated) storm-related costs. Show the date on which the updated costs are based.

b. Provide a detailed description, with supporting calculations as necessary, which identifies the amounts characterized as estimates of contingencies and which shows their derivations.

c. What is LG&E's expectation of when the final actual costs related to restoring service in the aftermath of the 2009 Winter Storm will be known?

4. Refer to Section 11 of LG&E's application.

a. The text states that property and casualty insurance for distribution and transmission storm damage is prohibitively expensive. Provide the most recent estimate of the premium and deductible that LG&E would expect to incur for storm damage coverage and indicate the date of that estimate.

b. Explain whether LG&E, given its experience related to Hurricane Ike, had revisited the issue of carrying storm insurance prior to incurring the additional costs related to the ice storm. Were any quotes sought from providers of such insurance, and if so, provide the annual premiums and deductibles that were submitted.

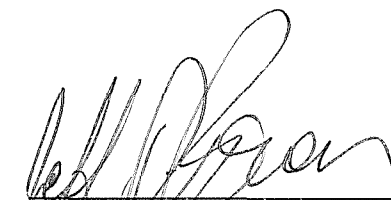
5. Refer to the last paragraph in Section 13 of LG&E's application. Information provided by electric cooperatives during the Commission's disaster preparedness and restoration efforts review indicates that they will be reimbursed for some of their storm-related costs by the Federal Emergency Management Agency ("FEMA"). However, no investor-owned electric utility has indicated that it expects to receive any reimbursement from FEMA. What is LG&E's understanding of the conditions or rules governing whether an electric utility is eligible to receive such funds from FEMA?

6. Refer to page 12, Table 2 of LG&E's application. Provide the costs to be credited by each account referenced in Table 2, listing each primary and sub-account included in the journal entry.

7. Refer to Exhibit 1 of LG&E's application.

a. Costs of \$2,609,697 are identified as "Miscellaneous". Provide a breakdown of these costs showing separately the actual known amounts and estimated amounts as of the same time used to respond to Item 3.a., above.

b. Explain why the \$236,640 of "Internal Employee Resource Costs – SERVCO Labor/Transportation charged to LG&E Storm" would be credited against KU's distribution costs.



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Jeff Derouen  
Executive Director  
Public Service Commission  
P.O. Box 615  
Frankfort, KY 40602-0615

DATED JUN - 2 2009

cc: All Parties

Case No. 2009-00175

Rick E Lovecamp  
Louisville Gas and Electric Company  
220 W. Main Street  
P. O. Box 32010  
Louisville, KY 40202

Honorable Kendrick R Riggs  
Attorney at Law  
Stoll Keenon Ogden, PLLC  
2000 PNC Plaza  
500 W Jefferson Street  
Louisville, KY 40202-2828

Honorable Allyson K Sturgeon  
Attorney at Law  
E.ON U.S. Services, Inc.  
220 West Main Street  
Louisville, KY 40202