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PUBLIC SERVICE
COMMISSION

Mr. Jeff DeRouen
Executive Director
Kentucky Public Service Commission
211 Sower Boulevard
Frankfort, KY 40602

Louisville Gas and
Electric Company
State Regulation and Rates
220 West Main Street
PO Box 32010
Louisville, Kentucky 40232
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September 22, 2009

Robert M. Conroy
Director - Rates
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**RE: *THE APPLICATION OF LOUISVILLE GAS AND ELECTRIC
COMPANY FOR CERTIFICATE OF PUBLIC CONVENIENCE
AND NECESSITY AND APPROVAL OF ITS 2009 COMPLIANCE
PLAN FOR RECOVERY BY ENVIRONMENTAL SURCHARGE
CASE NO. 2009-00198***

Dear Mr. DeRouen:

Please find enclosed and accept for filing the original and eight (8) copies of the Response of Louisville Gas and Electric Company to the Second Data Request of Commission Staff dated September 11, 2009, in the above-referenced matter.

Should you have any questions concerning the enclosed, please contact me at your convenience.

Sincerely,

A handwritten signature in black ink, appearing to read 'Robert M. Conroy', is written over a horizontal line. The signature is fluid and cursive.

Robert M. Conroy

Enclosures

cc: Parties of Record

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

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In the Matter of:

APPLICATION OF LOUISVILLE GAS AND)
ELECTRIC COMPANY FOR A CERTIFICATE)
OF PUBLIC CONVENIENCE AND NECESSITY) CASE NO.
AND APPROVAL OF ITS 2009 COMPLIANCE) 2009-00198
PLAN FOR RECOVERY BY ENVIRONMENTAL)
SURCHARGE)

RESPONSE OF
LOUISVILLE GAS AND ELECTRIC COMPANY
TO
SECOND DATA REQUEST OF COMMISSION STAFF
DATED SEPTEMBER 11, 2009

FILED: September 22, 2009

LOUISVILLE GAS AND ELECTRIC COMPANY

**Response to Second Data Request of Commission Staff
Dated September 11, 2009**

Case No. 2009-00198

Question No. 1

Witness: John N. Voyles, Jr.

Q-1. Refer to the response to Item 9.b. of Commission Staffs First Data Request (“Staffs First Request”). Describe the nature of the more robust inspections that ATC Associates, Inc. (“ATC”) is to perform on LG&E’s impoundment facilities by November 15, 2009. At a minimum, the description should address whether test drilling, physical measurement of dam features, material testing, and calculations of spillway capacities and embankment stability will be done as part of the inspections.

A-1. The following scope of work, based on the recommendations of ATC and the Companies’ engineering department, describes the activities that are currently expected to be performed as part of the inspections:

- Review of previous Findings and Recommendations with plant management for corrective actions completed since previous site visit.
- Site walkover of impoundment crest and embankment slopes.
- Field review of previous Findings and Recommendations.
- Physical measurements including crest width, slopes, freeboard, dam height, and spillway dimensions.
- Catalog and inventory conduits and piping that are used in the operation of the dam.
- Prepare updated Findings and Recommendations table for each impoundment.

Test drilling, material testing or spillway capacity calculations are not part of the scope of the inspections that are scheduled for completion by November 15, 2009. These tests and calculations are costly to perform and are not a required component of dam inspections; therefore, the tests and calculations typically are performed only when necessary based on the results of an inspection report.

LOUISVILLE GAS AND ELECTRIC COMPANY

**Response to Second Data Request of Commission Staff
Dated September 11, 2009**

Case No. 2009-00198

Question No. 2

Witness: John N. Voyles, Jr.

- Q-2. Refer to the ACT draft report provided in response to Item 21 of Commission Staffs First Data Request in Case No. 2009-00197,¹ specifically, its assessment of the Cane Run emergency pond. State whether LG&E has addressed the deficiencies noted in the report and describe how it addressed, or intends to address, those deficiencies.

¹ Case No. 2009-00197, Kentucky Utilities Company (Ky. PSC Aug.19, 2009).

- A-2. The referenced ATC report is a draft report and any deficiencies noted in the report are not final at this time.

Upon receipt of the final ATC report, expected by the end of 2009, LG&E will prioritize the noted deficiencies and address them in an appropriate and timely manner. A copy of the final report will be provided to the Commission when it is received.

The Cane Run emergency pond is a non-classified, low hazard impoundment and as such, is not subject to Kentucky Division of Dam Safety inspection regulations. The classification of LG&E's impoundments is addressed on page 7 of Exhibit JNV-2.