

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

| | | |
|---|---|------------|
| JOINT APPLICATION OF KENTUCKY UTILITIES |) | |
| COMPANY AND LOUISVILLE GAS AND |) | CASE NO. |
| ELECTRIC COMPANY FOR APPROVAL OF |) | 2009-00329 |
| DEPRECIATION RATES FOR TRIMBLE COUNTY |) | |
| UNIT 2 |) | |

COMMISSION STAFF'S FIRST DATA REQUEST

Pursuant to 807 KAR 5:001, Kentucky Utilities Company ("KU") and Louisville Gas and Electric Company ("LG&E") are to file jointly 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 on or before September 28, 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 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.

KU and 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 KU and LG&E fail or refuse to furnish all or part of the requested information, KU and LG&E shall provide a written explanation of the specific grounds for their failure to completely and precisely respond.

Careful attention should 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 paragraph 7 of the application, which indicates that, as of the date the application was prepared, unit testing was expected to begin in December of 2009. Explain whether unit testing is still expected to begin in December 2009.

2. Refer to paragraphs 8 and 9 of the application. Given the differences between the depreciation rates for Ghent and Trimble County Generating Unit 1 ("TC1") and those proposed for Trimble County Generating Unit 2 ("TC2"), explain how the depreciation rates provided by Mr. John Spanos for TC2 are consistent with "the service lives the Commission approved in the Companies' most recent base rate and depreciation study proceedings."

3. The second sentence in paragraph 9 reads "Unless the Commission has approved rates for depreciating the Companies' TC2-related assets before that testing begins, the Companies will have to use the most recently approved depreciation rates for their generating units."

a. The companies request that an Order be issued by December 1, 2009, presumably, because of the need to be able to record depreciation on TC2 in December, when unit testing is expected to begin. Provide the date that the companies will close their books of account for December 2009.

b. Based on the response provided to part 3. a. of this request, provide the latest date by which an Order can be issued that will allow the companies to use the approved rates to calculate depreciation on TC2 for December 2009.

4. Refer to Exhibit 1 attached to the application.

a. Provide a definition for an “interim survivor curve” and explain how it differs from a typical survivor curve.

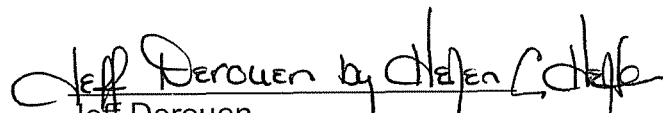
b. Provide the depreciation studies, analyses, work papers, etc. relied upon by Mr. Spanos. Include a narrative description of the data provided in response to this request item and an explanation of how it was used by Mr. Spanos.

5. Provide a side-by-side comparison of the survivor curves, life spans, and net salvage percentages for Ghent, TC1, and TC2.

6. Refer to Exhibit 1 attached to the application and paragraph 5 of the application. Exhibit 1 indicates that TC2 will be a 750 MW unit, while paragraph 5 of the application indicates that TC2 is now an 838 MW unit.

a. Explain the discrepancy between the two documents regarding the generating capacity of TC2.

b. Assuming TC2 is an 838 MW unit, as indicated in the application, does that impact Mr. Spanos' proposed depreciation accrual rates proposed in Exhibit 1? If yes, provide updated depreciation accrual rates.



Jeff Derouen
Executive Director
Public Service Commission
P.O. Box 615
Frankfort, Ky. 40602

DATED SEP 18 2009

cc: All parties

Case No. 2009-00329

Robert M Conroy
State Regulation and Rates
E.ON U.S. LLC
220 West Main Street
Louisville, KY 40202

Honorable Michael L Kurtz
Attorney at Law
Boehm, Kurtz & Lowry
36 East Seventh Street
Suite 1510
Cincinnati, OH 45202

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
Senior Corporate Attorney
E.ON U.S. LLC
220 West Main Street
Louisville, KY 40202