

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF LOUISVILLE GAS AND ELECTRIC )  
COMPANY AND KENTUCKY UTILITIES COMPANY FOR ) CASE NO.  
APPROVAL OF PURCHASED POWER AGREEMENTS ) 2009-00353  
AND RECOVERY OF ASSOCIATED COSTS )

FIRST DATA REQUEST OF COMMISSION STAFF TO  
LOUISVILLE GAS AND ELECTRIC COMPANY  
AND KENTUCKY UTILITIES COMPANY

Louisville Gas and Electric Company and Kentucky Utilities Company ("Joint Applicants"), pursuant to 807 KAR 5:001, are to file with the Commission the original and eight copies of the following information, with a copy to all parties of record. The information requested herein is due no later than January 6, 2010. 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.

Joint Applicants shall make timely amendment to any prior response if they obtain 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 Joint Applicants fail or refuse to furnish all or part of the requested information, they shall provide a written explanation of the specific grounds for their 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.

1. Refer to page 6, paragraph 11, of Joint Applicants' September 28, 2009 application ("Application"), which cites a number of states near Kentucky that have implemented Renewable Portfolio Standards ("RPS"). Provide summary descriptions of the RPS in place in Illinois, Missouri and Ohio.

2. Refer to page 8, paragraph 14, of the Application. Provide a thorough description of Invenergy LLC ("Invenergy"), the parent of Grand Ridge I. At a minimum, the description should include: (1) the state of its incorporation; (2) the nature of all its business ventures involved in or related to the energy industry; (3) a listing and brief summary of all wind power entities it presently owns or operates; and (4) names of any regulated counter-parties to wind power contracts which it or any affiliates, subsidiaries, etc. have executed.

3. Refer to the table on page 9 of the Application.

a. Identify the cost(s) to which the costs of the proposed contracts were compared to derive the estimated incremental costs shown in the table.

b. Assuming Waxman-Markey, HR 2454, was implemented, explain whether it would be correct to consider an "alternative compliance payment" as the

incremental cost Joint Applicants would incur if they opted to not meet its RPS requirements.

4. Refer to page 9, footnote 11, of the Application. Explain why a 31-percent capacity factor was used to project the first-year expense under the proposed contracts. Provide all assumptions relied upon to determine that 31 percent is a reasonable capacity factor to expect under the contracts.

5. Refer to page 10, paragraph 20, of the Application.

a. Provide a general definition of special-purpose entities as the term is applied here to Grand Ridge I and Grand Ridge IV.

b. Provide the names of the parties and location of the relevant wind power facilities of the other wind energy purchased power agreements Joint Applicants have studied.

6. Refer to page 11, paragraph 20 of the Application. Given that there is neither a national nor Kentucky RPS in place, explain how the Commission can make a determination that Joint Applicants' assumption of the obligations created by the proposed wind power contracts is necessary for Joint Applicants' service to the public.

7. Refer to the table on page 12 of the Application. Provide the workpapers, including all assumptions, used to develop the amounts included in the table. Include a narrative description of the assumptions and calculations.

8. Refer to the answer at the top of page 6 of the Testimony of Lonnie E. Bellar ("Bellar Testimony"). Explain how the "dependable combined summer peak capacity" of the proposed contracts was determined.

9. Refer to the answer at the bottom of page 6 of the Bellar Testimony. Describe, generally, the nature of the production tax credits (“PTCs”) for which Joint Applicants will be obligated to compensate Invenergy under the proposed contracts.

10. Refer to page 10 of the Bellar Testimony, specifically, the discussion which indicates Joint Applicants expect to contract for firm point-to-point transmission service for the full nameplate capacity of the wind farms. Given the nature of wind energy generation, explain why Joint Applicants believe firm transmission service for the full nameplate capacity of the wind farms is appropriate and cost-effective.

11. Refer to page 25, Section 5.09, Forecasting, of the Grand Ridge contract. Describe the extent to which Joint Applicants have analyzed or reviewed the reliability of similar forecasting that has been performed historically by Invenergy or other entities affiliated with Grand Ridge.

12. Refer to page 28, Section 6.02(f) of the Grand Ridge contract. Describe, generally, the types of actions Joint Applicants may consider reasonably necessary to enable Grand Ridge to receive the full benefits of PTCs associated with the facility.

13. Refer to page 47, Section 12.01, of the Grand Ridge Contract. Given that Grand Ridge Energy LLC is organized under Delaware law, its wind energy facilities are located in Illinois, and Joint Applicants are organized under Kentucky law, explain why the contract is executed under the laws of the state of New York.

14. Refer to pages 49-52, Sections 12.07 and 12.14, of the Grand Ridge contract. Explain whether Commission personnel, under these sections, would be allowed to accompany Joint Applicants when auditing the books of Grand Ridge.

15. Refer to page 8 of the Grand Ridge IV contract. Explain why PTCs are described in greater detail, with additional provisions pertaining to investment tax credits

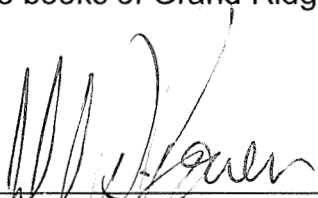
and payments under the American Recovery and Reinvestment Act of 2009, than what is contained in the Grand Ridge contract.

16. Refer to page 24, Section 5.09, Forecasting, of the Grand Ridge IV contract. Describe the extent to which Joint Applicants have analyzed or reviewed the reliability of similar forecasting that has been performed historically by Invenergy or other entities affiliated with Grand Ridge IV.

17. Refer to page 27, Section 6.02(f), of the Grand Ridge IV contract. Describe, generally, the types of actions Joint Applicants may consider reasonably necessary to enable Grand Ridge IV to receive the full benefits of PTCs associated with the facility.

18. Refer to page 45, Section 12.01, of the Grand Ridge IV contract. Given that Grand Ridge Energy IV LLC is organized under Delaware law, its wind energy facilities are located in Illinois, and Joint Applicants are organized under Kentucky law, explain why the contract is executed under the laws of the state of New York.

19. Refer to pages 47-51, Sections 12.07 and 12.14, of the Grand Ridge IV contract. Explain whether Commission personnel, under these sections, would be allowed to accompany Joint Applicants when auditing the books of Grand Ridge IV.

  
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Jeff Derpue  
Executive Director  
Public Service Commission  
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DATED DEC 21 2009

cc: Parties of Record

Case No. 2009-00353

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