

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

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PUBLIC SERVICE
COMMISSION

In the Matter of:

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

REVISED CONTINUED SUPPLEMENTAL REQUESTS FOR INFORMATION
OF JOINT INTERVENORS ATTORNEY GENERAL AND KENTUCKY
INDUSTRIAL UTILITY CUSTOMERS BASED ON EON COMPANIES'
CONTINUING RESPONSES TO JOINT INTERVENORS' INITIAL DATA
REQUESTS

PUBLIC REDACTED VERSION

Come now intervenors the Attorney General of the Commonwealth of Kentucky, by and through his Office of Rate Intervention, and Kentucky Industrial Utility Customers, Inc. [hereinafter jointly referred to as "Joint Intervenors"], and submit these Revised Continued Supplemental Requests for Information to Louisville Gas & Electric Co. and Kentucky Utilities Co. [hereinafter jointly referred to as: "EON Companies"] to be answered by the date specified in the Commission's Order of Procedure or by such date as agreed to by and among the parties, 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 Joint Intervenors can provide counsel for EON Companies 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. The companies have indeed indicated their production of documents in response to the Joint Intervenors' Initial Data Requests will likely continue beyond the date the instant Supplemental Requests are filed of record; therefore, Joint Intervenors reserve the right to submit additional Supplemental Data Requests to the E.ON Companies pertaining to any such documents produced after the Joint Intervenors submit the instant Supplemental Data Requests.

(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 Joint Intervenors.

(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 Joint Intervenors 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.

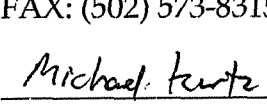

(12) Please provide written responses, together with any and all exhibits pertaining thereto, in one or more bound volumes, separately indexed and tabbed by each response.

Respectfully submitted,

JACK CONWAY
ATTORNEY GENERAL



DENNIS G. HOWARD, II
LAWRENCE W. COOK
ASSISTANT ATTORNEYS GENERAL
1024 CAPITAL CENTER DRIVE, STE. 200
FRANKFORT KY 40601-8204
(502) 696-5453
FAX: (502) 573-8315

 / 

MICHAEL KURTZ
ATTORNEY AT LAW
Counsel for
Kentucky Industrial Utility Customers, Inc.
Boehm, Kurtz & Lowry
36 E. 7th Street
Ste. 1510
Cincinnati, OH 45202

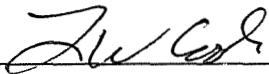
Certificate of Service and Filing

Counsel certifies that an original and ten photocopies of the foregoing were served and filed by hand delivery to Jeff Derouen, 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:

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

Hon. Allyson K. Sturgeon
Attorney at Law
E.ON U.S. LLC
220 W. Main St.
Louisville, KY 40202

this 29th day of January, 2010



Assistant Attorney General

Joint Intervenors' Revised Continued Supplemental Data Requests
to EON Companies Case No. 2009-00353
- PUBLIC REDACTED VERSION -

1. Reference Document no. [REDACTED] (e-mail from [REDACTED] [REDACTED] dated July 10, 2009). Discuss, in detail, why the EON U.S. and / or EON (AG) Board approved the contract(s) at issue in the instant case when [REDACTED]
 - a. Why could the company not find an alternative supplier of renewable energy sources [REDACTED]?
 - b. What [REDACTED] upon which [REDACTED] based his concerns? What options existed at the [REDACTED] prices?
 - c. Reference document no. [REDACTED] ([REDACTED] response to the above-referenced e-mail), in which [REDACTED] stated his thoughts that he wanted to "... [REDACTED]." Explain, in detail, the nature of "[REDACTED]" to which [REDACTED] refers. Does "[REDACTED]" refer to any understanding between the EON entities (or its affiliates) and [REDACTED]?

2. Reference Document no. [REDACTED] (e-mail between [REDACTED] and [REDACTED] [REDACTED], copied to [REDACTED], dated Aug. 24, 2009). The document states, in part: "[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]"
 - a. Identify what is meant by "[REDACTED]."
 - b. Clarify whether the prices of the contemplated wind power contracts would be cost effective compared with the "[REDACTED]."
 - c. If the companies' goal is to provide the most cost-effective method of energy generation, would it not be more cost effective to forego the wind generation and instead rely upon whatever method of [REDACTED] [REDACTED] to which this e-mail refers?

3. Reference Document nos. [REDACTED]. [REDACTED]'s e-mail message indicates that "... [REDACTED]
[REDACTED]" The companies' non-confidential response to Joint Intervenors' 1-17 indicates that the capacity would be excluded from the capacity available to the PJM. Is this a discrepancy? Explain in detail.

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4. Reference Document no. [REDACTED] (e-mail conversations with [REDACTED], dated June 10, 2009), in which [REDACTED] states, "[REDACTED]
[REDACTED]
[REDACTED] ...".
- Describe what the [REDACTED] is. Why did company officials believe at that time that [REDACTED] [REDACTED]?
 - Describe what is meant by the phrase "[REDACTED]."
 - Why did the company believe it was "[REDACTED]" to assume that [REDACTED] [REDACTED]?"?
5. Reference Document no. [REDACTED]. Why did the company assign [REDACTED] [REDACTED] the subject contracts and the [REDACTED] [REDACTED]?
6. Reference Document nos. [REDACTED] through [REDACTED]. Mr. [REDACTED] makes the statement that the proposed contracts " . . . [REDACTED] [REDACTED]. " Also reference non-confidential document 1005745, in which [REDACTED] states he was adding sections on [REDACTED] [REDACTED] implications, and with regard to apparent changes in the [REDACTED] [REDACTED] will apparently require in EON's recently-filed rate cases.
- How much profit will the companies earn from the proposed contracts? Will that profit margin increase each year of the proposed contracts' duration?
 - Is there a correlation between the profit margin and the fact that the company itself deemed the contracts to be "[REDACTED]" as referenced in question no. 1, above?
7. Reference non-confidential Document no. 1005852. Are the EON companies asking any Kentucky State Legislators to sponsor the proposed legislation referenced in said document? Has a version of this proposed legislation been filed with the Kentucky Legislature? If so, state the bill number.

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8. Reference non-confidential Document no. 1006205. Has the company reconsidered whether to seek recovery of costs in the current general rate case, or will it continue to seek the cost tracking recovery mechanism outlined in the instant case?
9. Reference non-confidential Document no. 1011831. Is Mr. Barker's concern that the companies would have to pay for MW hours that could not be produced by the wind farms correct? Has the company calculated the types and extents of losses they could incur if such a scenario occurs? If so, provide details and relevant data.
10. To address the rating agencies imputation of off-balance sheet purchased power contracts as debt in the capital structure, do the Companies plan to increase their actual per books common equity ratio or to seek an imputed common equity ratio greater than the actual per books common equity ratio for ratemaking purposes? Please explain.
11. Do the Companies agree that regardless of whether they increase the actual per books common equity ratio or seek an imputed common equity ratio greater than the actual per books common equity ratio for ratemaking purposes, that this will constitute another cost of the wind power purchases? Please explain.
12. Refer to the Companies' confidential response to discovery with Bates page number LGE-KU [REDACTED]. Do the Companies consider [REDACTED]" on the wind power PPAs? Please explain.
13. Please confirm that the Companies do not plan and will commit to not seek in the future a proforma increase from their per books common equity for ratemaking purposes to offset any debt that is imputed by the debt rating agencies for the purchased power agreements off-balance sheet obligations. If the Companies are unwilling to make this commitment, then please explain why they are not willing to do so.
14. Please confirm that the Companies plan to and will commit to seek in the future a proforma reduction to their per books common equity for ratemaking purposes to remove incremental common equity resulting from the need to offset any debt that is imputed by the debt rating agencies for the purchased power agreements off-balance sheet obligations. If the Companies are unwilling to make this commitment, then please explain why they are not willing to do so.

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15. Please confirm that any increases to the actual per books common equity ratio or an imputed common equity ratio greater than the actual per books common equity ratio will affect both base rates and ECR rates. Please explain.
16. Refer to the confidential study of the revenue requirement effects of wind power purchased power agreements reflected on Bates page numbers LGE-KU- [REDACTED] through LGE-KU- [REDACTED]. Are the effects on page LGE-KU- [REDACTED] projected for actual per books or imputed for ratemaking purposes?
17. Refer to the Companies' response to Staff 1-7. Please revise the table showing the "incremental annual production costs associated with incorporating the wind contracts" on pages 2 and 3 of the response to include the cost associated with an increased common equity ratio to offset the debt imputed by the rating agencies for the purchased power agreements. Provide all assumptions, computations and workpapers, including electronic spreadsheets used to quantify this additional cost.