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RECEIVED

MAR 02 2010

**PUBLIC SERVICE
COMMISSION**

Via Overnight Mail

March 1, 2010

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

Re: Case No. 2009-00549

Dear Mr. Derouen:

Please find enclosed the original and twelve (12) copies of the FIRST SET OF DATA REQUESTS OF KENTUCKY INDUSTRIAL UTILITY CUSTOMERS, INC. TO LOUISVILLE GAS & ELECTRIC COMPANY filed in the above-referenced matter. By copy of this letter, all parties listed on the Certificate of Service have been served.

Please place this document of file.

Very Truly Yours,



Michael L. Kurtz, Esq.

Kurt J. Boehm, Esq.

BOEHM, KURTZ & LOWRY

MLKkew
Attachment

cc: Certificate of Service

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing was served by mailing a true and correct copy via electronic mail (when available) and by first-class postage prepaid mail, to all parties on the 1st day of March, 2010.

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Kurt J. Boehm, Esq.

**COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION**

In The Matter Of: : **Case No. 2009-00549**
: :
Application Of Louisville Gas And Electric : :
Company For An Adjustment of Base Rates : :

**FIRST SET OF DATA REQUESTS OF
KENTUCKY INDUSTRIAL UTILITY CUSTOMERS, INC.
TO LOUISVILLE GAS & ELECTRIC COMPANY**

Dated: March 1, 2010

DEFINITIONS

1. "Document" means the original and all copies (regardless of origin and whether or not including additional writing thereon or attached thereto) of memoranda, reports, books, manuals, instructions, directives, records, forms, notes, letters, notices, confirmations, telegrams, pamphlets, notations of any sort concerning conversations, telephone calls, meetings or other communications, bulletins, transcripts, diaries, analyses, summaries, correspondence investigations, questionnaires, surveys, worksheets, and all drafts, preliminary versions, alterations, modifications, revisions, changes, amendments and written comments concerning the foregoing, in whatever form, stored or contained in or on whatever medium, including computerized memory or magnetic media.
2. "Study" means any written, recorded, transcribed, taped, filmed, or graphic matter, however produced or reproduced, either formally or informally, a particular issue or situation, in whatever detail, whether or not the consideration of the issue or situation is in a preliminary stage, and whether or not the consideration was discontinued prior to completion.
3. "Person" means any natural person, corporation, professional corporation, partnership, association, joint venture, proprietorship, firm, or the other business enterprise or legal entity.
4. A request to identify a natural person means to state his or her full name and residence address, his or her present last known position and business affiliation at the time in question.
5. A request to identify a document means to state the date or dates, author or originator, subject matter, all addressees and recipients, type of document (e.g., letter, memorandum, telegram, chart, etc.), number of code number thereof or other means of identifying it, and its present location and custodian. If any such document was, but is no longer in the Company's possession or subject to its control, state what disposition was made of it.
6. A request to identify a person other than a natural person means to state its full name, the address of its principal office, and the type of entity.
7. "And" and "or" should be considered to be both conjunctive and disjunctive, unless specifically stated otherwise.
8. "Each" and "any" should be considered to be both singular and plural, unless specifically stated otherwise.
9. Words in the past tense should be considered to include the present, and words in the present tense include the past, unless specifically stated otherwise.
10. "You" or "your" means the person whose filed testimony is the subject of these interrogatories and, to the extent relevant and necessary to provide full and complete answers to any request, "you" or "your" may be deemed to include any person with information relevant to any interrogatory who is or was employed by or otherwise associated with the witness or who assisted, in any way, in the preparation of the witness' testimony.
11. Company (LG&E) means Louisville Gas & Electric Company and/or any of their officers, directors, employees, or agents who may have knowledge of the particular matter addressed.

INSTRUCTIONS

1. If any matter is evidenced by, referenced to, reflected by, represented by, or recorded in any document, please identify and produce for discovery and inspection each such document.
2. These interrogatories are continuing in nature, and information which the responding party later becomes aware of, or has access to, and which is responsive to any request is to be made available to Kentucky Industrial Utility Customers. Any studies, documents, or other subject matter not yet completed that will be relied upon during the course of this case should be so identified and provided as soon as they are completed. The Respondent is obliged to change, supplement and correct all answers to interrogatories to conform to available information, including such information as it first becomes available to the Respondent after the answers hereto are served.
3. Unless otherwise expressly provided, each interrogatory should be construed independently and not with reference to any other interrogatory herein for purpose of limitation.
4. The answers provided should first restate the question asked and also identify the person(s) supplying the information.
5. Please answer each designated part of each information request separately. If you do not have complete information with respect to any interrogatory, so state and give as much information as you do have with respect to the matter inquired about, and identify each person whom you believe may have additional information with respect thereto.
6. In the case of multiple witnesses, each interrogatory should be considered to apply to each witness who will testify to the information requested. Where copies of testimony, transcripts or depositions are requested, each witness should respond individually to the information request.
7. The interrogatories are to be answered under oath by the witness(es) responsible for the answer.
8. Responses to requests for revenue, expense and rate base data should provide data on the basis of Total company as well as Intrastate data, unless otherwise requested.

**KIUC's FIRST SET OF DATA REQUESTS TO
LOUISVILLE GAS & ELECTRIC COMPANY
PSC CASE NO. 2009-00549**

- KIUC 1-1 Referring to the proposed Curtailable Service Rider CSR:
- a. Please provide all workpapers, studies, analyses, and documents supporting and/or underlying the development of the proposed rider.
 - b. Provide all studies and/or analyses that LG&E conducted concerning expected customer acceptance of and willingness to receive service under the proposed rider.
 - c. Identify and provide all documents provided to and correspondence with existing and potential interruptible customers related to the development, implementation, and operation of the proposed CSR rider.
 - d. Identify and provide all alternatives to Rider CSR as proposed that LG&E considered but rejected.
- KIUC 1-2 Referring to existing Riders CSR1, CSR2, and CSR3:
- a. For each customer (identified only by reference number) served under one of these riders, identify the applicable rider and the total MW of curtailable/interruptible load under contract.
 - b. State the number of months in which each customer in subpart (a) above has been continuously served under the existing rider or its predecessor.
 - c. For each customer identified in the subpart (a) above, provide the customer's firm contract demand.
- KIUC 1-3 Referring to existing Riders CSR1, CSR2, and CSR3:
- a. For each customer (identified only by reference number) served under one of these riders, identify the date, time, and duration of each curtailment called by LG&E in the past 60 months?
 - b. For each curtailment referenced in the response to subpart (a) above, specify whether the curtailment was an emergency or a buy-through event, identify the MW of load curtailment requested, and identify the MW of load that failed to comply with the curtailment request.
 - c. For each buy-through curtailment identified in the response to subpart (b) above, specify whether the customer bought through the curtailment, the amount of buy-through energy purchased, the price paid for such buy-through energy, and the source (system supply or market) of the buy-through price.
- KIUC 1-4 Referring to Rider CSR2, please explain why (in LG&E's opinion) no customers are currently served under the rider. Provide all workpapers, studies, analyses, and documents supporting and/or underlying the response.

- KIUC 1-5 Please identify all reports, studies, and/or analyses conducted by on behalf of LG&E or its parent company in the past 5 years related in total or in part to retail interruptible or curtailable electric service in Kentucky.
- KIUC 1-6 Please explain in detail how LG&E (acting alone or in conjunction with affiliates) treats interruptible/curtailable load in:
- a. Developing its long-run load forecast?
 - b. Determining its long-run need for future supply-side resources?
 - c. Determining its need for operating reserve capacity?
 - d. Providing ancillary services?
- KIUC 1-7 Identify all reserve sharing and/or coordination arrangements that LG&E has with other utility systems or organizations, and provide a current copy of all agreements related to such arrangements.
- KIUC 1-8 Please explain in detail how LG&E treats curtailment buy-through revenues in setting base rates and/or modifying its Fuel Adjustment Clause.
- KIUC 1-9 Please identify and explain in detail how LG&E treats test-year curtailment buy-through revenues in the electric cost-of-service study filed in this case.
- KIUC 1-10 Please identify and explain in detail how LG&E treats test-year curtailment credits paid to CSR1 and CSR3 customers in the electric cost-of-service study filed in this case.
- KIUC 1-11 Please identify and describe in detail the conditions and circumstances under which LG&E can issue a curtailment request under:
- a. Existing Riders CSR1, CSR2, and CSR3?
 - b. Proposed Rider CSR.
- KIUC 1-12 Please provide LG&E's current estimated cost in 2010 dollars of an installed combustion turbine. Provide all workpapers, studies, analyses, and documents supporting and/or underlying this estimate.
- KIUC 1-13 Please provide a levelized fixed charge rate for a new combustion turbine using LG&E's cost of capital and tax rates. Provide all workpapers, studies, analyses, and documents supporting and/or underlying this response.
- KIUC 1-14 Please provide the estimated fixed O&M for a new combustion turbine in 2010 dollars. Provide all workpapers, studies, analyses, and documents supporting and/or underlying this response.
- KIUC 1-15 Please provide LG&E's required reserve margin for capacity planning. Provide all workpapers, studies, analyses, and documents supporting and/or underlying this response.
- KIUC 1-16 Please provide a copy of LG&E's most recent integrated resource plan.
- KIUC 1-17 Referring to the direct testimony of LG&E witness Seelye at 21:15 – 24:19:
- a. Explain in detail the rationale underlying LG&E's decision to consolidate Riders CSR1, CSR2, and CSR3.

- b. Explain in detail the rationale for the 200 MW total requirements limit in the Availability of Service section of Rider CSR.
- c. Explain in detail whether (and if so, why) LG&E would object to counting each called curtailment as a minimum 4-hour curtailment, even if canceled before the end of the 4-hour period.
- d. Explain in detail the rationale underlying the decision to split the 500 hours of total available curtailment into 100 hours of physical curtailment and 400 hours of curtailment with a buy-through option (buy-through curtailment). Provide all workpapers, studies, analyses, and documents supporting and/or underlying this response.
- e. Provide all workpapers, studies, analyses, and documents supporting and/or underlying LG&E's decision to price buy-through power using an automatic, formula-based mechanism.
- f. Identify all other utilities known to LG&E that have a formula-based pricing mechanism for buy-through power.
- g. Explain in detail why LG&E did not propose pricing buy-through power on the basis of market prices.
- h. Provide all workpapers, studies, analyses, and documents supporting and/or underlying the heat rate reflected in the proposed buy-through formula.
- i. Provide all workpapers, studies, analyses, and documents supporting and/or underlying the proposed 10-minutes notice in Rider CSR.
- j. Provide all documents relating to any customer comments and/or feedback that LG&E received regarding the proposed 10-minutes notice prior to LG&E's deciding to include this notice provision in Rider CSR.
- k. Describe in detail conditions that will trigger LG&E's decision to call a buy-through curtailment.
- l. Describe in detail conditions that will trigger LG&E's decision to call a physical curtailment.

KIUC 1-18 If LG&E were able to interrupt a CSR customer's load instantaneously, would that customer's curtailable load be more valuable to LG&E than load that is curtailable only with a longer notice? Please explain the response in detail.

KIUC 1-19 Referring to witness Seelye's statement regarding why Rider CSR's 10-minute notice is consistent with the requirement for using capacity as spinning reserves (direct at 24:1-4):

- a. Explain in detail what is meant by this testimony.
- b. Define *spinning reserves*, describe and discuss how LG&E's spinning reserves requirement is determined, and describe whether and how LG&E could use 10-minute (or less) curtailable load to meet its spinning reserve requirement?

KIUC 1-20 Referring to existing Riders CSR1, CSR2, and CSR3:

- a. Does LG&E only provide buy-through power under Riders CSR1 and CSR2 though market purchases?

- b. Explain in detail how LG&E makes market purchases for buy-through power (including descriptions of products purchased), and whether such purchases are only available in take-or-pay blocks.
- c. If the answer to subpart (a) above is no, identify the other source(s) of energy used to supply buy-through power and explain in detail how LG&E prices such energy and conveys these prices to customers.
- d. If LG&E supplies energy to meet buy-through loads from system generating resources, explain in detail why energy from system resources should be priced on a take-or-pay basis.
- e. Explain in detail how LG&E notifies a customer about a buy-through curtailment and the price of energy for buy-through.
- f. Is the buy-through price quoted to a customer at the time of a curtailment notice the final price that the customer is charged for any buy-through power purchased? If the answer is anything but an unequivocal yes, please explain how the final purchase price is determined and when that price is conveyed to the curtailment customer.
- g. Provide all workpapers, studies, analyses, and documents supporting and/or underlying the \$16 per kW Non-Compliance Charge.

- KIUC 1-21 Please provide all schedules and underlying computations and workpapers supporting the Company's requested electric rate increase in electronic spreadsheet format with all formulas intact. This request includes, but is not limited to, the revenue requirement components and adjustments and the cost of service model.
- KIUC 1-22 To the extent not provided in response to the Data Request No. 1 above, please provide an electronic copy (on diskette or CD) of each of Mr. Seelye's exhibits. Please include all work papers and supporting documentation used and relied upon by Mr. Seelye in the preparation of these exhibits. Provide all electronic spreadsheets with cell formulas intact. If there is an objection to providing a spreadsheet with cell formulas intact, please provide a copy of the spreadsheet with formulas replaced with values.
- KIUC 1-23 If not provided in response to a previous request, please provide (in electronic form, with formulas intact) all work papers, analyses, etc. supporting the development of the zero-intercept calculations as used by Mr. Seelye in the BIP cost of service study. Also include all statistical analyses performed.
- KIUC 1-24 Did the Company prepare any other class cost of service studies (whether or not ultimately used by the Company for any purpose), beyond the BIP study presented in its filing? If so, please identify the type of study prepared, list the differences between such study and the BIP study filed in this case and provide a copy of the study, including all supporting workpapers.
- KIUC 1-25 Did the Company consider, but not prepare, any other class cost of service study beyond the BIP study filed in this case? If so, please identify the type of study and list the differences between such study and the BIP study filed in this case.
- KIUC 1-26 Please provide for each cost of service rate class, the rate class monthly CP kW demand data for each month of the test year (i.e., each rate class or special contract that is separately included and analyzed in the Company's cost of service model, whether presented as a separate class or not in the Company's filing).
- KIUC 1-27 Please provide a description of the methodology used by the Company to reflect interruptible load in the development of each of the "demand allocators" used in the cost of service study.

Also provide all workpapers supporting the calculations, adjustments, etc. that were made to reflect interruptible load. Please identify, by retail rate schedule (as used in the cost of service study) the amount of interruptible or curtailable load. For each such rate schedule, provide the NCP, NCPP, SICD, SCP, WCP and BDEM associated with interruptible or curtailable load.

- KIUC 1-28 Please provide schedules showing the loss factors by voltage level for each rate class used to adjust energy and demands from metered levels.
- KIUC 1-29 Please provide any analyses or workpapers which attempt to quantify the impact of a more normal summer peak (compared to the actual winter peak) on the rates of return in the class cost of service study.
- KIUC 1-30 Please provide, in electronic format, hourly system loads (combined LG&E-KU) for the most recent 5 years available.
- KIUC 1-31 Please provide the class contributions to the monthly system peaks for each month of the most recent 5 year period available.
- KIUC 1-32 For each of the rate schedules ITODS, CTODS, ITODP, CTODP, and RTS, please provide the billings under present and proposed rates for each individual customer for the test year, with identifying information removed,
- KIUC 1-33 If for any reason the Company does not provide the information requested in the previous request, please provide the highest and lowest increase individual customer increases, and a histogram showing the number of customers receiving increases at varying levels between the highest and lowest, for each of the rate schedules ITODS, CTODS, ITODP, CTODP, and RTS.
- KIUC 1-34 If not previously provided, please provide all workpapers supporting the development of the billing demands under proposed rates for rate schedules ITODS, CTODS, ITODP, CTODP, and RTS.
- KIUC 1-35 Please provide all work papers and supporting documentation used by Dr. Avera in the preparation of his Direct Testimony and exhibits. Please provide all spreadsheets with cell formulas intact. Please provide all data that support his quantitative analyses.
- KIUC 1-36 Please provide copies of all articles and reports referenced and cited by Dr. Avera in his Direct Testimony.
- KIUC 1-37 Please provide copies of all bond rating and corporate credit rating reports (Moody's, Standard & Poor's, Fitch) for LGE for the years 2007 through 2010.
- KIUC 1-38 Please provide copies of all regulatory commission orders (FERC and state) cited and referred to by Dr. Avera in his Direct Testimony. Please provide all supporting documentation, analyses, and spreadsheets that support LGE's requested capital structure in this proceeding.
- KIUC 1-39 Refer to page 15 lines 15-21 of Mr. Herman's Direct Testimony.
- a. Please provide a copy of the Company's Vegetation Management Plan.
 - b. Please provide a copy of all analyses performed by or on behalf of the Company and/or in the Company's possession that compares cycle-based vegetation management to the multi-cycle strategy and the related flexibility of such a strategy.
- KIUC 1-40 Refer to page 7 lines 7-16 of Ms. Scott's Direct Testimony.

- a. Please describe how the Company accounts for storm damage costs in the first instance. For example, does it charge the entirety of the costs to expense accounts or does it charge some to expense and some to plant?
- b. For the September 2008 windstorm, please provide the amount that was charged to expense by month prior to the test year; the amount, if any, charged to expense by month in the test year; the amount charged to plant by month prior to the test year; and the amount charged to plant by month in the test year.
- c. Does the regulatory asset reflect only the expense component of the storm costs or does it also include some plant costs?

KIUC 1-41 Refer to page 5 lines 1-7 of Ms. Charnas' Direct Testimony.

- a. Please identify, describe and quantify all one-time implementation costs for the CCS that were expensed during the test year. Provide this information by FERC expense account to the extent it is available at this level of detail.
- b. Does the Company agree that such one-time implementation costs are not recurring?
- c. Please identify, describe and quantify all annual savings that will result from the implementation of the CCS. Provide all assumptions, data, computations and electronic spreadsheets with formulas intact.
- d. Please identify and quantify the savings that were achieved from the implementation of the CCS during the test year. Provide all assumptions, data, computations and electronic spreadsheets with formulas intact.
- e. Please describe the retirement of the previous application, the date it was retired, the plant account from which it was retired, the gross plant amount that was retired, and the net plant amount that was retired.

KIUC 1-42 Refer to page 6 lines 4-13 of Ms. Charnas Direct Testimony. Were the revenues and reductions in expenses due to the settlement payments received from USGC reflected in the ECR? If not, why not?

KIUC 1-43 Refer to page 2 line 11 through page 3 line 4 of Mr. Miller's Direct Testimony.

- a. When will the Company recognize the coal tax credit for 2009 on its accounting books?
- b. Please provide the amount of the coal tax credit for 2009 that will be recognized on the Company's accounting books in 2010, if any, separated into the portion used as a credit against the Kentucky state income tax and the portion used as a credit against property taxes.
- c. Please confirm that there are two adjustments to remove the coal tax credit from the test year, the first for \$976,551 shown on Exhibit 1 Schedule 1.38 and the second for \$1,037,813 shown on Exhibit 1 Schedule 1.43.
- d. Please confirm that the Company agrees that the coal tax credit to the Kentucky state income tax must be grossed-up to quantify the revenue requirement effect of either including or excluding this adjustment.

KIUC 1-44 Refer to page 3 lines 5-17 of Mr. Miller's Direct Testimony.

- a. Please provide a copy of all studies, analyses, and/or all other documentation that addresses the availability of the \$2 per ton credit for eligible Kentucky coal purchases for new clean coal facilities.
- b. Please provide a copy of all applications and/or other correspondence with any state agency addressing the availability and/or amount of the \$2 per ton credit for eligible Kentucky coal purchases for new clean coal facilities.
- c. Please indicate whether the Company is aware of any reason why it would not obtain the \$2 per ton credit for eligible Kentucky coal purchases for new clean coal facilities.

KIUC 1-45 Refer to page 6 line 13 through page 7 line 2 of Mr. Miller's Direct Testimony.

- a. Please describe how the Company books the Advanced Coal Investment Tax Credit. For example, is it based on the tax basis of construction expenditures through the end of each month?
- b. Please indicate if there is a lag in the cash realized from the Advanced Coal Investment Tax Credit compared to the accrual on the Company's accounting books. Please explain.

KIUC 1-46 Please provide a five year monthly history (2005-2009) of the average daily balances of short term debt by type of short term debt security and/or source (bank loans, commercial paper, money pool, receivables financing, etc.), the average interest rate for each month by type of short term debt and/or source, and the basis for the interest rate for each month by type of short term debt and/or source.

KIUC 1-47 Please indicate if the Company has included banking fees and/or commitment fees and/or other credit fees or costs in its test year operating expenses and revenue requirement. If so, then please identify where these amounts were included, describe the amounts included and quantify the amounts included.

KIUC 1-48 Please describe how the Company uses short term debt, i.e., to finance construction prior to refinancing with permanent capital, short term working capital, etc.

KIUC 1-49 Please provide a copy of the Company's or E.ON U.S.'s or any other affiliate's most recent shelf registration with the U.S. Securities and Exchange Commission to the extent that the funds from such financing were or may be used to benefit the Company.

KIUC 1-50 Refer to page 4 lines 1-13 of Mr. Arbough's Direct Testimony. Please provide the Company's computation as of October 31, 2009 of its capital structure in accordance with the S&P's guidelines. Provide support for each component of the imputed debt equivalents, including the Company's computation of the net present value of these obligations and the discount factor, if any, that was applied to the net present value, e.g., 30% or 50% commonly used by the rating agencies to quantify the debt equivalent, and all other assumptions, data and computations that were reflected in the Company's computation.

KIUC 1-51 Please provide a copy of all internal guidelines or policies for the use of short term debt.

KIUC 1-52 Refer to page 5 line 18-20 of Mr. Arbough's Direct Testimony. Please provide the savings that the Company has retained from the date of the reacquisition of the tax-exempt bonds and issuance of lower cost short term debt from the date the debt was reacquired through the end of 2009 on a monthly basis. Please provide the computation of these savings, including all assumptions, data and electronic spreadsheets with formulas intact.

KIUC 1-53 Refer to page 5 lines 20-21 of Mr. Arbough's Direct Testimony. Please provide the date at which the Company estimates it will reissue the bonds.

- KIUC 1-54 Refer to page 8 line 4 through page 9 line 19 of Mr. Arbough's Direct Testimony. Please provide the savings that the Company has retained from the date of the termination of the swap on December 16, 2008 through the end of 2009 on a monthly basis. Please provide the computation of these savings, including all assumptions, data and electronic spreadsheets with formulas intact.
- KIUC 1-55 Refer to page 15 lines 3-15 of Mr. Bellar's Direct Testimony.
- a. Please identify the start and end dates of the 42 month ITO contract with SPP.
 - b. Is the \$233,498 incurred during the test year recurring? Please explain.
- KIUC 1-56 Refer to Exhibit 1 Schedule 1.07.
- a. Please confirm that the Average of 1.20% computed in column 2, shown in column 3 and used to compute the adjustment in column 4 is based on the simple average of the monthly environmental surcharge factors in column 2.
 - b. Please provide a computation of the weighted monthly average of the surcharge factors in column 2.
 - c. Is the Company opposed to using the weighted monthly average of the surcharge factors to compute the adjustment in column 4 instead of the simple average used on this schedule? If so, please provide all reasons for the Company's opposition.
- KIUC 1-57 Refer to Conroy Exhibit 1. Do these computations reflect the adjustments referred to on page 7 line 1 through page 8 line 4 of Mr. Conroy's Direct Testimony?
- KIUC 1-58 Refer to the Company's response to Staff 1-2 in which the Company identified an affiliate relationship with Ohio Valley Electric Corporation ("OVEC").
- a. Please provide a detailed description of OVEC.
 - b. Please provide a history by year of annual OVEC dividends to the Company both before tax and after tax, by FERC account since the Company first invested in OVEC.
 - c. Please provide the OVEC dividends to the Company during the test year both before tax and after tax, by FERC account.
 - d. Please provide a history by year of the income statement effect of the OVEC dividends to the Company both before tax and after tax, if any, by FERC account since the Company first invested in OVEC.
 - e. Please provide the test year income statement effect of the OVEC dividends to the Company both before tax and after tax, if any, by FERC account.
 - f. Please provide a history of annual OVEC earnings included on the Company's income statement both before tax and after tax, if any, by FERC account since the Company first invested in OVEC.
 - g. Please provide the test year income statement effect of the OVEC earnings included on the Company's income statement both before and after tax, if any, by FERC account.
 - h. Please refer to the Attachment to Response to AG-1 Question No. 34, Page 3 of 20 from KU Case No. 2008-00251 in which KU provided a schedule entitled "Rollforward of Investment in

EEL.” Please provide a similar “Rollforward” schedule for the Company’s OVEC Investment through the end of the test year ended October 31, 2009.

- i. Please provide a history by year of the Company’s investment in OVEC since the Company first invested in OVEC.
- j. Please provide a history of the Company’s investment in OVEC from December 31, 2008 through October 31, 2009.


KIUC 1-59 Please provide the annualized non-fuel O&M expense projected for TC2. Provide this information by FERC account if available at this level of detail. In addition, please separate the non-fuel O&M expense between amounts recoverable through base rates and through the ECR.

KIUC 1-60 Please provide the net increase in off-system sales margins resulting from the commercial operation of TC2, net of known and measurable reductions in purchased power expense projected on an annualized basis subsequent to the test year. Provide all assumptions, data, computations and electronic spreadsheets with formulas intact.

KIUC 1-61 Please provide a copy of the Company’s operating budget for the calendar year 2010.

KIUC 1-62 Please provide a copy of all studies and/or computations of the Company’s revenue requirement reflecting the annualized non-fuel O&M expense for TC2, depreciation expense based on the completed capital cost of TC2 and off-system sales margins resulting from the Company’s increased capacity and energy upon commercial operation of TC2. Provide all assumptions, data, computations and electronic spreadsheets with formulas intact.

Respectfully submitted,



Michael L. Kurtz, Esq.

Kurt J. Boehm, Esq.

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**COUNSEL FOR KENTUCKY INDUSTRIAL
UTILITY CUSTOMERS, INC.**

March 1, 2010