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Mark David Goss
Chairman

John W. Clay
Commissioner

November 20, 2006

PARTIES OF RECORD

RE: Case No. 2006-00426
November 8, 2006
Informal Conference

To All Parties of Record:

Enclosed please find a memorandum that has been filed in the record of the above-referenced case. Any comments regarding the contents of the memorandum should be submitted to the Commission within seven days of receipt of this letter. Any questions regarding this memorandum should be directed to Dawn McGee of the Commission Staff at 502-564-3940, extension 243.

Sincerely,

A large, stylized handwritten signature in black ink, appearing to read "Beth O'Donnell".

Beth O'Donnell
Executive Director

Attachment

CC: Parties of Record

INTRA-AGENCY MEMORANDUM

KENTUCKY PUBLIC SERVICE COMMISSION

TO: Main Case File - Case No. 2006-00426

FROM: Dawn McGee, Team Leader

DATE: November 20, 2006

RE: Informal Conference of November 8, 2006

On November 8, 2006, representatives of Duke Energy Company ("Duke"), the Office of the Attorney General ("AG") and Commission Staff ("Staff") met at the Commission's offices to discuss Duke's proposed modifications to its Demand Side Management ("DSM") program. Duke explained that it would be amending its application to include the PowerShare® Program in its DSM program contingent upon the Commission's acceptance of the settlement agreement in Duke's pending rate case¹ and to include enhancements of the DSM programs offered to schools. Duke also explained the need for an order extending the current DSM mechanism if the Commission does not issue a final order by December 31, 2006. A list of attendees is attached to this memorandum.

Duke provided a brief overview of its proposal to revise some of its programs, its plan to discontinue its Home Energy Assistance Program ("HEA"), its cost recovery and its plan to amend the application. Staff questioned why Duke proposed to discontinue its HEA Program. Duke explained that the program was implemented to help customers while natural gas prices were high; now that prices have dropped the Collaborative (made up of representatives from the AG, People Working Cooperatively, League of Women Voters, the Northern Kentucky Community Action Commission, Brighton Center, Northern Kentucky Legal Aid, Kentucky NEED Project, Campbell County Fiscal Court, Boone County Fiscal Court, Division of Energy, United Way, Wiseway Supply, Northern Kentucky Chamber of Commerce, Ashley Development, Flick's Foods, Knochemann Heating & Air, Kenton County Schools, Monohan Development Company, Kenton County Fiscal Court and the Kentucky Office of Energy Policy) voted to end the program. Duke stated that it had not received any complaints about the program and would apply for approval with the Commission to implement the program again if the need arises. It stated that reimplementing of the program can be done quickly because its billing system is already programmed to accept the charge. Duke also provided further explanation of the details of its PowerShare® Program. In response to Staff and the AG's request, Duke agreed to file explanatory information on the program and information comparing the existing rate to the proposed revised rate when it files its amendment to this case.

The meeting was then adjourned.

cc: Parties of Record

¹ Case No. 2006-00172, An Adjustment of the Electric Rates of the Union Light, Heat and Power Company d/b/a Duke Energy Kentucky, Inc.

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE ANNUAL COST RECOVERY FILING)
FOR DEMAND SIDE MANAGEMENT BY)
THE UNION LIGHT, HEAT AND POWER) CASE NO. 2006-00426
COMPANY D/B/A DUKE ENERGY)
KENTUCKY)

INFORMAL CONFERENCE

November 8, 2006

Please sign in:

NAME	REPRESENTING
<u>Dawn McGee</u>	<u>PSC - Financial Analysis</u>
<u>JOHN SHUPP</u>	<u>PSC - ENGINEERING</u>
<u>Daryl Newby</u>	<u>PSC - F A</u>
<u>Kathy Schroeder</u>	<u>Duke Energy</u>
<u>Richard Storie</u>	<u>Duke Energy</u>
<u>John Finnigan</u>	<u>Duke Energy</u>
<u>Raiford Smith</u>	<u>Duke Energy</u>
<u>Larry Cook</u>	<u>AG</u>
<u>Anita Mitchell</u>	<u>PSC - legal</u>
<u>Tim Blakley</u>	<u>PSC - STAFF</u>
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