



LG&E Energy Corp.
220 West Main Street (40202)
P.O. Box 32030
Louisville, Kentucky 40232

October 30, 2003

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OCT 30 2003

PUBLIC SERVICE COMMISSION

Thomas M. Dorman
Public Service Commission
211 Sower Boulevard
P. O. Box 615
Frankfort, Kentucky 40602-0615

Re: *Investigation into the Membership of Louisville Gas and Electric Company and Kentucky Utilities Company in the Midwest Independent Transmission System Operator, Inc. – Case No. 2003-00266*

Dear Mr. Dorman:

Please find enclosed and accept for filing an original and ten (10) copies of Kentucky Utilities Company and Louisville Gas and Electric Company's Objection to the Request for Extension of the Procedural Schedule in the above-captioned proceeding.

Please contact me if you have any questions concerning this filing.

Sincerely,

John Wolfram
Manager, Regulatory Policy and Strategy

Enclosures

cc: Parties of Record

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

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OCT 30 2003

PUBLIC SERVICE COMMISSION

In the Matter of:

INVESTIGATION INTO THE MEMBERSHIP OF)
LOUISVILLE GAS AND ELECTRIC COMPANY)
AND KENTUCKY UTILITIES COMPANY IN THE) CASE NO. 2003-00266
MIDWEST INDEPENDENT TRANSMISSION)
SYSTEM OPERATOR, INC.)

**OBJECTION OF
KENTUCKY UTILITIES COMPANY
AND LOUISVILLE GAS AND ELECTRIC COMPANY
TO REQUEST FOR EXTENSION OF PROCEDURAL SCHEDULE**

Kentucky Utilities Company (“KU”) and Louisville Gas and Electric Company (“LG&E”) (collectively, the “Companies”) hereby object to the “Request for Extension of the Procedural Schedule” filed by the Midwest Independent Transmission System Operator, Inc. (“MISO”) on October 27, 2003, in the above-captioned proceeding. For the reasons set forth below, delaying this proceeding by an additional 52 days (as measured by the current due date for intervenor testimony vs. the due date proposed in MISO’s motion) is unwarranted, and will serve only to prolong unnecessarily the uncertainty surrounding the Companies’ continued membership in MISO.

In support of their objection, the Companies state as follows:

LG&E and KU typically do not object to requests by one or more parties for procedural schedule modifications where circumstances (e.g., scheduling conflicts, legitimate time constraints) may warrant such revision. However, not only are such circumstances absent in this case (see below), the delay requested by MISO would inure to the detriment of LG&E, KU and

their customers by postponing -- possibly for seven weeks or longer -- a decision fundamental to the Companies' business operations going forward. Specifically, the issues raised in this proceeding are unique, speaking directly to how the Companies will operate the entirety of their transmission system (and recover related expenses) in the short-term as well as over time. The Commission must resolve these issues expeditiously to afford LG&E and KU much needed clarity regarding the path the Companies should follow, from both an operational and regulatory perspective. The importance of timely resolution of the issues presented, coupled with this Commission's own directive to MISO that it "should accept the procedural schedule as it now stands,"¹ counsel strongly against any further delay in the procedural schedule absent compelling justification. MISO has failed to offer such justification.

Specifically in this regard, MISO claims that it requires nearly two additional months to submit its testimony in this proceeding because it "intends to . . . present a separate, thorough analysis of benefits and costs." Motion at 1. That MISO has elected to present its own analysis of "benefits and costs" in this case, however, does not justify the lengthy procedural delay it proposes. Under the current schedule, MISO is afforded a full 63 days from receipt of the Companies' testimony (September 23) to complete such analysis, only four days less than that afforded the Companies. Further, this 63-day period does not take into account the fact MISO had ample time to begin (and make substantial progress towards completing) its own "separate" cost-benefit analysis (*see* Motion at 1) well prior to receiving the Companies' direct testimony, having been granted full intervention in this proceeding on August 22, 2003. At that time, MISO was (or should have been) aware of the Companies' intent to file a cost-benefit study (*see* the Companies' Motion filed July 25, 2003), and presumably could have initiated then or shortly thereafter its own "separate" analysis. At bottom, the current schedule already affords MISO

¹ *See* Order issued August 22, 2003, in Case No. 2003-00266.

more than three months to complete its “separate” cost-benefit analysis. Clearly, an additional 52 days is not warranted.

With regard to the deadlines governing discovery established under the current procedural schedule (*see* Motion at 2), again, MISO was presumably aware of these deadlines (as well as the general nature and scope of the Companies’ direct case giving rise to such discovery) when it was granted intervention by Commission order dated August 22, 2003.² To the extent MISO believed the schedule unworkable, it should have raised the issue when the Commission’s order issued, not more than two months later. *See* Order Granting Intervention (August 22, 2003) (“MISO . . . should accept the procedural schedule as it now stands”).

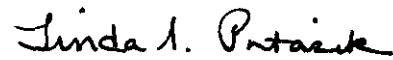
Finally, MISO states that its Kentucky counsel has been summoned to jury duty for the period November 3-28, 2003, and “[i]t is not known how many or which days in November she will be required to serve.” Motion at 2. As Kentucky counsel should be able to seek an extension or change to jury duty scheduling to accommodate regulatory deadlines, this fact as well does not justify a requested extension of nearly two months.

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² MISO also suggests that outstanding issues related to the confidentiality of certain documents provided by LG&E and KU in redacted form during discovery have caused a delay in MISO’s preparation of its testimony. In fact, the Companies proffered a confidentiality agreement to MISO immediately upon request for such information (October 22 and again on October 24), and continue to await an executed agreement from MISO (to allow disclosure of such information in accordance with the terms of such agreement).

WHEREFORE, Kentucky Utilities Company and Louisville Gas and Electric Company respectfully request that the Commission deny MISO's request for extension of the procedural schedule in this case, to ensure timely resolution of the fundamental issues raised herein.

Respectfully submitted,



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Counsel for Kentucky Utilities Company and
Louisville Gas and Electric Company

CERTIFICATE OF SERVICE

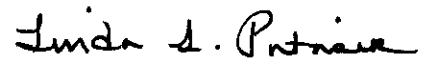
The undersigned hereby certifies that a true and correct copy of the foregoing was served on the following persons on the 30th day of October, 2003, United States mail, postage prepaid:

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