

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

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PUBLIC SERVICE  
COMMISSION

In the Matter of:

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

**Additional Supplemental Testimony of  
Dr. Ronald R. McNamara, filed by  
Midwest Independent Transmission System Operator, Inc.  
and  
Response to the Companies' Objection to the procedural schedule  
put forth by the Midwest ISO**

Midwest Independent Transmission System Operator, Inc. ("Midwest ISO") hereby files its Additional Supplemental Testimony of Dr. Ronald R. McNamara, with attachments. The Midwest ISO originally filed its Additional Supplemental Testimony with the Commission pursuant to its orders of February 4 and 17, 2005. On February 23, 2005, Louisville Gas and Electric Company and Kentucky Utilities Company ("LG&E/KU or "the Companies") filed a motion stating that the Midwest ISO's testimony contained an error because it included a unit that was not contained in the Companies' resource portfolio. In its response to this motion, the Midwest ISO stated that it would provide a revised benefit-cost analysis and testimony excluding the unintentionally included unit. Included with this filing are the following: (a) Additional Supplemental Testimony of Dr. Ronald R. McNamara and its accompanying attachments; (b) one CD-ROM containing three (3) compressed (.zip) files of workpapers; and (c) a petition for confidential treatment of certain data contained in the Midwest ISO's workpapers that is confidential to the Companies. This filing is meant to replace the testimony filed by the Midwest ISO on February 21, 2005.

The Midwest ISO submits this revised study to provide the Commission with information by which it may make its determination as to whether the Companies' continued membership in the Midwest ISO benefits Kentucky ratepayers. As in its previous filings, the Midwest ISO reiterates its position that reliance on projected outcomes of this continued membership in such close proximity to the start of the Midwest ISO's energy markets would result in a decision based upon hypothetical information instead of the review of data revealing the actual benefits and costs of the Companies actions in the Midwest ISO's energy markets that will be made available to the Commission after market start. The Companies continued requests that the hearing in this matter be held prior to April 1, 2005, are arbitrary and suggest that the Commission should base its decision on hypothetical, rather than actual, data.

LG&E / KU's suggestion in its Reply and Objection, dated February 25, 2005, that the Midwest ISO has "had more than ample opportunity to obtain all the discovery it needs," p. 3, also reveals the Companies' desire to meet the arbitrary hearing date to the detriment of the Commission and all parties in this matter. The Commission should grant reciprocal discovery periods for the Midwest ISO and the Companies related to the testimony submitted herein and any rebuttal testimony submitted by the Companies. In addition, Dr. McNamara is unavailable to testify before the Commission from March 29-31, 2005. The Midwest ISO therefore respectfully requests that the Commission vacate the hearing date of March 29, 2005, established in its February 24, 2005, Order, accept the procedural schedule submitted by the Midwest ISO on February 25, 2005, and establish a hearing date as suggested therein or confer with the parties to establish a hearing date that is acceptable to both the Commission and all the parties to this investigation.

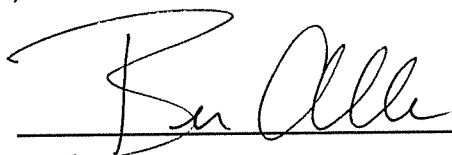
WHEREFORE, the Midwest ISO respectfully requests that the Commission vacate the hearing date of March 29, 2005, established in its February 24, 2005, Order, accept the procedural schedule submitted by the Midwest ISO on February 25, 2005, and establish a hearing date as suggested therein or confer with the parties to establish a hearing date that is acceptable to both the Commission and all the parties to this investigation

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CERTIFICATE OF FILING AND SERVICE

I hereby certify that on this the 3rd day of March, 2005, the original and ten (10) copies of the foregoing, including the aforementioned CD-ROM, were hand-delivered to the Commission for filing. Additionally, copies were sent via U.P.S. for overnight delivery to:

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