

Paul E. Patton, Governor

Janie A. Miller, Secretary Public Protection and Regulation Cabinet

Thomas M. Dorman Executive Director Public Service Commission COMMONWEALTH OF KENTUCKY
PUBLIC SERVICE COMMISSION
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Martin J. Huelsmann Chairman

> Gary W. Gillis Vice Chairman

Robert E. Spurlin Commissioner

November 17, 2003

Fax (502) 564-3460

PARTIES OF RECORD

Re:

Case No. 2003-00266

Louisville Gas and Electric Company

Kentucky Utilities Company

Attached is a copy of the memorandum which is being filed in the record of the above referenced case. If you have any comments you would like to make regarding the contents of the informal conference memorandum, please do so within five days of receipt of this letter. If you have any questions, please contact Richard Raff at 502/564-3940, Extension 260.

Sincerely,

(for) Thomas M. Dorman

Executive Director

Attachment



Honorable Michael E. Allen Attorney at Law Midwest ISO 701 City Center Drive Carmel, IN 46032

Honorable Michael L. Kurtz Attorney at Law Boehm, Kurtz & Lowry 36 East Seventh Street Suite 2110 Cincinnati, OH 45202

Honorable Katherine K. Yunker Attorney At Law Yunker & Associates P. O. Box 21784 Lexington, KY 40522-1784 Michael S. Beer Vice President, Rates & Regulatory Louisville Gas and Electric Company 220 W. Main Street P. O. Box 32010 Louisville, KY 40232-2010

Honorable Linda S. Portasik Senior Corporate Attorney Louisville Gas and Electric Company 220 W. Main Street P. O. Box 32010 Louisville, KY 40232-2010 Honorable Elizabeth F. Blackford Assistant Attorney General Office of the Attorney General Utility & Rate Intervention Division 1024 Capital Center Drive Suite 200 Frankfort, KY 40601-8204

Honorable Kendrick R. Riggs Attorney at Law Ogden, Newell & Welch, PLLC 1700 Citizens Plaza 500 West Jefferson Street Louisville, KY 40202

INTRA-AGENCY MEMORANDUM

KENTUCKY PUBLIC SERVICE COMMISSION

TO: Case File No. 2003-00266

LG&E/KU MISO Membership

FROM: Richard Raff, Staff Attorney

DATE: November 17, 2003

SUBJECT: Informal Conference

Pursuant to Commission Staff's notice, an informal conference was held on November 6, 2003 at the Commission's offices. A list of the attendees is attached hereto.

The purpose of the conference was to discuss the pending motion filed by MISO requesting to revise the existing procedural schedule to provide additional time for MISO to file its prepared direct testimony, and the objection thereto filed by LG&E/KU. MISO stated at the conference that it originally anticipated its role to be complementary to LG&E/KU, but it decided that it was necessary for it to prepare and file its own cost-benefit analysis of MISO membership due to what it perceived to be as shortcomings in the analysis filed by LG&E/KU. MISO further stated that it now had the ability to perform economic modeling and intended to do so as part of its Kentucky-specific cost-benefit analysis to be prepared for this case. Due to the number of scenarios that needed to be modeled, MISO asserted that the current due date of November 25, 2003 for intervenor testimony needed to be extended until January 16, 2004.

LG&E/KU stated a number of concerns regarding MISO's requested extension of time, but specifically focused on its belief that delaying this pending case resulted in significant uncertainty to LG&E/KU regarding its planning functions. Staff indicated that the issue would be referred to the Commission for a decision as quickly as possible.

In addition, some discussion was held on the objections filed by LG&E/KU to MISO's supplemental data request. After a brief discussion, the affected parties believe that they could resolve the objections among themselves. After an extended break in the conference, LG&E/KU and MISO reached an agreement, which was subsequently to be reduced to writing, which will provide for MISO to withdraw a number of its supplemental data requests, LG&E/KU to respond a number of the objected-to data requests, and LG&E/KU to subsequently provide verification to MISO regarding certain numbers that it intends to utilize in its testimony.

cc: Parties of record

COMMONWEALTH OF KENTUCKY BEFORE THE PUBLIC SERVICE COMMISSION

DEFORE THE PUB	LIC 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))	
November 6, 2003 Informal Conference		
Please sign in:	REPRESENTING	
RICHARD RAFF	PSC-LEGAL	
TAUNA MATHEWS	PSC	
Betsy BLACKFOLD	OAG	
Linda Portasik	LGELKU	
Kendrick Riggs	owaw far LGRE WKU	
Muyner Bur	L6*E/KY	
DAVID F. BOEHM	KIVC	
Michael Allen	Midwest 150	
Paul Contolella	SAIC / Michwest ISO	
RON MWAMARA	Minust 190	
Katherine K. Yunkar	for Midwest ISO	
JEFF SHAW	PSC-FIN, ANALYSIS	
AW Turner, Tr.	PSC	
TOMOORMAN	PSC	
Tim Blakley	PSC	
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November 6, 2003 Informal Conference		
Please sign in: NAME	REPRESENTING	
MARKS Dorldsord	20/6 C/CR	
Brent Ingehrigtsun	LE + E Energy	
Bob Amato	K PSC	
Martha Morton	KPSC	
		