
S T O L L

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September 21, 2005

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SEP 22 2005

PUBLIC SERVICE
COMMISSION

Hon. Elizabeth A. O'Donnell
Executive Director
Public Service Commission
211 Sower Boulevard
P.O. Box 615
Frankfort, Kentucky 40601

Re: Louisville Gas and Electric Company
Kentucky Utilities Company
Case No. 2005-00142
Case No. 2005-00154

Dear Ms. O'Donnell:

On behalf of Louisville Gas and Electric Company ("LG&E") and Kentucky Utilities Company ("KU") (together, the "Companies"), we request that an informal conference be scheduled for the purpose of providing guidance and clarification to the Companies as they plan their next steps regarding the acquisition of Certificates of Public Convenience and Necessity ("CCNs") to construct the needed transmission facilities in accordance with the Commission's invitation at page 11 of the order of September 8, 2005, in Case No. 2005-00142 and page 10 of the order of September 8, 2005, in Case No. 2005-00154.

As you and the Commission are aware, it is critical that utilities have clear standards to follow in these cases so that the transmission CCN process does not become an endlessly elusive challenge, particularly after a need for the facilities has been established. Issues upon which the Companies would like to have guidance and clarification are set forth below:

- The standard to be followed in balancing between the use of existing corridors and the least cost option;

Hon. Elizabeth A. O'Donnell
September 21, 2005
Page 2

- The manner in which utilities should proceed when several routes might be considered reasonable, given that neither KRS 278.020 nor established eminent domain common law requires the selection of the "best" route;
- The ability of utilities, after receiving a CCN, to make minor adjustments in the final location of the facilities to accommodate landowners' issues, the natural environment; the built environment, engineering considerations and the like;
- What burden of proof is required for intervening parties claiming that an "alternative" route or line should be considered or chosen;
- The process to be followed in receiving and responding to public comment on the proposed line; and
- The consideration of a model procedural schedule that provides adequate time for analysis and discovery by all parties.

Since these projects are extremely time-sensitive, we would appreciate hearing from you at your earliest convenience about scheduling an informal conference.

Thank you for your consideration of our request.

Sincerely,



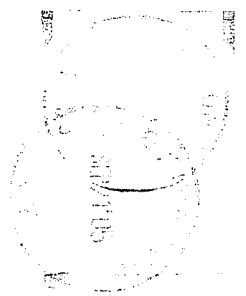
Robert M. Watt, III

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Cc: Parties of Record in Case Nos. 2005-00142 and 2005-00154

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Administrative/Management/Support