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Commonwealth of Kentucky
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January 3, 2006

Mr. John J. Finnigan, Jr.
Senior Counsel
The Union Light, Heat and Power Company
P.O. Box 960
Room 250, Atrium II
139 East Fourth Street
Cincinnati, Ohio 45201-0960

Mr. Dennis Howard
1024 Capital Center Drive
Suite 200
Frankfort, Kentucky 40601

RE: December 22, 2005
Informal Conference
Case No. 2005-00402

Dear Sirs:

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 Mr. Jeff Shaw of the Commission Staff at 502-564-3940, Extension 237.

Sincerely,


Beth O'Donnell
Executive Director

Attachment

INTRA-AGENCY MEMORANDUM

KENTUCKY PUBLIC SERVICE COMMISSION

TO: Main Case File - Case No. 2005-00402

FROM:  Jeff Shaw, Division of Financial Analysis

DATE: January 3, 2006

SUBJECT: December 22, 2005 Informal Conference

An informal conference held December 22, 2005 at the Commission's offices was attended by representatives of The Union Light, Heat and Power Company ("ULH&P"), the Attorney General of the Commonwealth of Kentucky ("AG"), and Commission Staff ("Staff"). The purpose of the conference was to discuss ULH&P's request for approval to implement a Home Energy Assistance ("HEA") plan. Also discussed was ULH&P's proposal to implement a Personalized Energy Report pilot program, a proposal which was filed with the Commission the day of the conference. The attendance list for the conference is attached hereto.

ULH&P summarized its HEA and Personalized Energy Report proposals. The AG and Staff asked a number of questions about both programs. ULH&P described the customer education and publicity programs it and its affiliates had undertaken in recent months regarding the high level of gas prices this winter. It also clarified its position regarding its involvement in and contributions to the Wintercare program in Northern Kentucky. ULH&P explained that its proposed HEA program was generally patterned after the existing energy assistance program of Columbia Gas of Kentucky, Inc.

The AG asked questions and expressed concerns regarding (1) the overall cost of the program and (2) the proposal to effect collections through a volumetric charge, as opposed to a per meter charge. The AG stated his interest in pursuing a program with a per meter charge with a funding level based on a charge of \$0.10 per meter. ULH&P indicated that it could not implement a per meter charge under its billing system but could collect the funds through its customer charge. ULH&P stated it was willing to discuss these issues further with the AG in the hopes of coming to an agreement on terms for an HEA program. ULH&P also indicated it was interested in pursuing further discussions with the AG regarding the Personalized Energy Report pilot program.

The conference was adjourned with the understanding that ULH&P and the AG would conduct further discussions on the HEA program (and maybe the Personalized Energy Report program) and report to the Commission whether they had reached an agreement thereon. If no agreement is reached, the AG is to file written comments by January 18, 2006, stating his position on the proposed HEA program and ULH&P is to file reply comments by January 27, 2006.

Attachment

KENTUCKY PUBLIC SERVICE COMMISSION

ATTENDEES - INFORMAL CONFERENCE OF DECEMBER 22, 2005

THE UNION LIGHT, HEAT AND POWER COMPANY - CASE NO. 2005-00402

NAME	WITH
JEFF SHAW	PSC - FIN. ANALYSIS
Anita Mitchell	PSC - Legal
John Finnigan	Cinergy/ULH&P Legal Dept.
AARON GREENWELL	PSC - FINANCIAL ANALYSIS
Larry Cook	AG - O&T
Betsy Blackford	OAG
Dennis Howard	OAG
Keith Black	CINERGY - ULH&P Co.
Kathy Schroder	CINERGY - ULH&P
Richard Stevie	Cinergy - ULH&P
Faud Sharifi	Eng. PSC.
GARY GLOVER	PSC - ENGINEERING
Daryl Newby	PSC - FA