



Ernie Fletcher  
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Protection Cabinet

Christopher L. Lilly  
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Commonwealth of Kentucky  
**Public Service Commission**  
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Mark David Goss  
Chairman

Teresa J. Hill  
Vice Chairman

August 28, 2006

## PARTIES OF RECORD

Re: Case No. 2006-00214

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 David Samford at 502/564-3940, Extension 270.

Sincerely,

A large, stylized handwritten signature in black ink, appearing to be "Beth O'Donnell".

Beth O'Donnell  
Executive Director

Attachment

**INTRA-AGENCY MEMORANDUM**

**KENTUCKY PUBLIC SERVICE COMMISSION**

**TO:** Case File

**FROM:** David S. Samford, General Counsel

**DATE:** August 28, 2006

**SUBJECT:** Case No. 2006-00214  
August 25, 2006 Informal Conference

An informal conference was held on August 25, 2006 in the above-styled case for the purpose of discussing all pending issues and to explore any settlement opportunities. A copy of the attendance sheet is attached hereto as Exhibit A.

After both Kentucky Utilities Company, Inc. ("KU") and Blue Grass Energy Cooperative Corporation ("Blue Grass") outlined their positions on the various issues presented in the case, Commission Staff asked several questions of the party representatives and their counsel. The parties dispute whether the Wal-Mart Super Center constitutes a "new electric consuming facility" under KRS 278.018(1) and, in the event that this preliminary question is answered in the affirmative, whether KU or Blue Grass should be permitted to provide electric service to Wal-Mart under the criteria set forth in KRS 278.017(3). The parties agree that interim service will be required in early September for Wal-Mart to continue the construction of its new building.

After exploring settlement opportunities outside the presence of Commission Staff, the parties announced that they were unable to reach a settlement at this time but that settlement discussions would continue.

The informal conference concluded with discussion of a suitable procedural schedule. KU proposed a schedule, attached hereto as Exhibit B, which was agreeable to Blue Grass. Counsel for KU and Blue Grass are to provide dates on which they are available for a formal hearing no later than Monday, August 28, 2006.

Commission Staff indicated that an Order regarding the provision of temporary service would likely be issued so that the construction schedule for the Wal-Mart would not be delayed. It was agreed by the Commission Staff and parties that the provision of temporary service would not be prejudicial to the Commission's final decision in this

case and that the party providing the temporary service would not use that fact to support its claim on the ultimate issue. It was further agreed by the parties that whoever provides temporary service would install facilities and appurtenances that are compatible with the other utility's system and that in the event the party providing the temporary service was not authorized to provide electric service on a permanent basis, it would sell the facilities and appurtenances to the prevailing utility at cost.

The informal conference then adjourned.

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

CASE NO. 2006-00214

PETITION OF KENTUCKY UTILITIES COMPANY AND BLUE GRASS  
ENERGY COOPERATIVE CORPORATION TO BE DESIGNATED AS  
THE RETAIL ELECTRIC SERVICE SUPPLIER FOR THE NEW WAL-MART  
STORE NUMBER 591 LOCATED IN CYNTHIANA, KENTUCKY

SIGN IN

August 25, 2006

PERSON	REPRESENTING
<u>JOHN SHUFF</u>	<u>PSC</u>
<u>CHRIS BREWER</u>	<u>BLUE GRASS ENERGY</u>
<u>Michael Williams</u>	<u>Blue Grass Energy</u>
<u>Howard Downing</u>	<u>Blue Grass Energy</u>
<u>DAN BREWER</u>	<u>Blue Grass Energy</u>
<u>Ron Willhite</u>	<u>" " "</u>
<u>RICHARD RAFF</u>	<u>PSC-LEGAL</u>
<u>Tim Blakley</u>	<u>PSC- Rev. Reg.</u>
<u>Daryl Newby</u>	<u>PSC- Financial Analysis</u>
<u>MARTY BEINERT</u>	<u>E-ON U.S.</u>
<u>Allison Sturgeon</u>	<u>"</u>
<u>Greg Cornett</u>	<u>Stoll Keener Ogden</u>

Case No. 2006-00214  
August 25, 2006

PERSON

HOWARD BUSH

George H. Argo II

ED STATION

David Ward

Beth O'Donnell

REPRESENTING

E.ON- US

Kentucky Utilities

E.ON - U.S.

E.ON - U.S.

PSC

**PROPOSED PROCEDURAL SCHEDULE**  
**CASE NO. 2006-00214**

Parties shall file direct testimony	9/18/06
Initial data requests from all parties	9/28/06
Responses to initial data requests	10/09/06
Supplemental data requests	10/19/06
Responses to supplemental data requests	10/30/06
Rebuttal testimony	11/14/06
Hearing	11/21/06