Ernie Fletcher Governor

Teresa J. Hill, Secretary Environmental and Public Protection Cabinet

Timothy J. LeDonne Commissioner Department of Public Protection



Commonwealth of Kentucky Public Service Commission 211 Sower Blvd. P.O. Box 615 Frankfort, Kentucky 40602-0615 Telephone: (502) 564-3940 Fax: (502) 564-3460 psc.ky.gov

Honorable Elizabeth E. Blackford Assistant Attorney General Office of the Attorney General Utility & Rate Intervention Division 1024 Capital Center Drive Suite 200 Frankfort, KY 40601-8204 Mark David Goss Chairman

> John W. Clay Vice Chairman

Caroline Pitt Clark Commissioner

RE: Case No. 2006-00509

We enclose one attested copy of the Commission's Order in the above case.

Sincerely,

Beth O'Donnell Executive Director

BOD/tw Enclosure

KentuckyUnbridledSpirit.com

Kentui

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Timothy J. LeDonne Commissioner Department of Public Protection

Kent Blake Director - Rates & Regulatory Kentucky Utilities Company c/o Louisville Gas & Electric Co. P. O. Box 32010 Louisville, KY 40232-2010



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August 21, 2007

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Honorable Michael L. Kurtz Attorney at Law Boehm, Kurtz & Lowry 36 East Seventh Street Suite 1510 Cincinnati, OH 45202



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COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

AN EXAMINATION OF THE APPLICATION OF) THE FUEL ADJUSTMENT CLAUSE OF) KENTUCKY UTILITIES COMPANY FROM) NOVEMBER 1, 2004 THROUGH OCTOBER 31,) 2006)

CASE NO. 2006-00509

<u>O R D E R</u>

This matter is before the Commission on its own motion. In light of an August 1, 2007 Opinion and Order entered by the Franklin Circuit Court in the matter of *Commonwealth of Kentucky, ex rel. Gregory D. Stumbo, Attorney General, v. Public Service Commission and Union Light, Heat and Power Company*, Civil Action 06-CI-269, the parties are requested to brief whether the relief sought by Kentucky Utilities Company ("KU") is lawful.

Accordingly, IT IS HEREBY ORDERED that:

1. The Intervenors shall file with the Commission a Memorandum of Law regarding the lawfulness of the relief sought by KU in this matter no later than 5:00 p.m., Eastern Daylight Time, on August 24, 2007, and shall serve by electronic mail a copy of said Memorandum of Law on counsel for KU.

2. KU shall file with the Commission a responsive Memorandum of Law regarding the lawfulness of the relief it seeks in this matter no later than 5:00 p.m. on August 29, 2007, and shall serve by electronic mail a copy of said Memorandum of Law on the Intervenors.

Done at Frankfort, Kentucky, this 21st day of August, 2007.

By the Commission

ATTES Executive Director