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Mark David Goss
Chairman

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Commissioner

February 19, 2007

PARTIES OF RECORD:

RE: Case No. 2007-00031
APPLICATION OF BLUE GRASS ENERGY COOPERATIVE CORPORATION
FOR AN ADJUSTMENT OF RATES

Enclosed please find a memorandum that has been filed in the record of the above-referenced case. Any comments regarding this memorandum's content should be submitted to the Commission within five days of receipt of this letter. Questions regarding this memorandum should be directed to Daryl Newby at (502) 564-3940, extension 253.

Sincerely,

A handwritten signature in cursive script, appearing to read "Beth O'Donnell".

Beth O'Donnell
Executive Director

Attachment

INTRA-AGENCY MEMORANDUM

KENTUCKY PUBLIC SERVICE COMMISSION

TO: Main Case File - Case No. 2007-00031

FROM: Daryl Newby, Team Leader

DATE: February 19, 2007

SUBJECT: Informal Conference

Pursuant to the Staff Notice, an informal conference ("IC") was held February 14, 2007. A copy of the conference attendance list is attached. The purpose of the conference was to discuss issues related to Blue Grass's application requesting Commission approval of a new non-recurring charge for an automated meter reading ("AMR") remote disconnect or reconnect.

The parties discussed the technology involved in implementing Blue Grass's proposal, as well the associated costs and benefits resulting from the proposal. As a result of the conference, Blue Grass will amend its application removing certain costs included in its cost justification calculation. Recovery of those costs would be considered in Blue Grass's next general rate case as part of the overall AMR program. Blue Grass will also include a narrative explanation of some of the issues discussed during the IC which will provide more details of its non-recurring charge proposal. It was agreed by the IC attendees that a deadline for filing the additional information was not necessary.

The IC was then adjourned.

Attachment

Case No. 2007-00031 – Blue Grass Energy
February 14, 2007 Informal Conference

Name	Representing
Ken Cooper	Blue Grass Energy
Howard Downing	Blue Grass Energy
Donald Smothers	Blue Grass Energy
Michael Williams	Blue Grass Energy
Larry Cook	AGI O&I
J. R. Goff	PSC
JOHN SHUPP	PSC
James L. Scott	PSC - Financial Analysis
Chris Whelan	PSC - Financial Analysis
Daryl Newby	PSC - FA