



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**  
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Mark David Goss  
Chairman

John W. Clay  
Commissioner

March 20, 2007

**PARTIES OF RECORD:**

RE: Case No. 2007-00067

JOINT APPLICATION OF LOUISVILLE GAS AND ELECTRIC COMPANY AND  
KENTUCKY UTILITIES COMPANY FOR APPROVAL OF THEIR PROPOSED  
GREEN ENERGY RIDERS

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 as (502) 564-3940, extension 253.

Sincerely,

A large, stylized handwritten signature in black ink, 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. 2007-00067

**FROM:** Daryl Newby, Team Leader

**DATE:** March 16, 2007

**SUBJECT:** Informal Conference

Pursuant to the Staff Notice, an informal conference ("IC") was held March 13, 2007. A copy of the conference attendance list is attached. The purpose of the conference was to discuss issues related to the joint application of Louisville Gas and Electric Company and Kentucky Utilities Company (together "the companies") requesting Commission approval of their proposed green energy riders. The conference began with a brief overview of the proposed green energy program including the companies' reasons for proposing the program, program administration, program pricing and terms, sources of green energy and other key elements of the program.

The companies then addressed specific concerns of the Attorney General ("AG") and Commission Staff ("Staff"). Discussion addressed the companies' plans for recovery of annual administrative expenses including \$40,000 in fees for 3 Phases Climate Solutions, LLC to assist in executing various aspects of program execution. The companies are not requesting recovery of any administrative expenses at this time beyond the cost for education, promotion and research from 25 percent of the cost of the Renewable Energy Certificate ("REC") for residential customers and 4 percent of the cost of the REC for C/I customers. The companies do, however, reserve the right to seek recovery of all, or a portion of the administrative expenses occurring in the test year in a future rate case. Other questions concerning participant's rights and responsibilities, geographical sources of purchased power and program marketing strategies were also addressed.

The AG agreed to file his comments concerning the companies' proposed green power program within 3 weeks of the date of the IC (no later than April 2, 2007). The companies will respond to any comments filed within 1 week of receiving the comments (no later than April 9, 2007).

In their joint application, the companies had requested an effective date of April 14, 2007 for the proposed green energy tariff riders. The companies stated that if necessary, suspending the proposed rates would not be of consequence.

The IC was then adjourned.

Attachment

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

JOINT APPLICATION OF )  
LOUISVILLE GAS AND ELECTRIC )  
COMPANY AND KENTUCKY ) CASE NO. 2007-00067  
UTILITIES COMPANY FOR )  
APPROVAL OF THEIR PROPOSED )  
GREEN ENERGY RIDERS )

=====  
March 13, 2007 Informal Conference  
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Please sign in:  
NAME

REPRESENTING

<u>Tiffany Bowman</u>	<u>PSC</u>
<u>Aaron Greenwell</u>	<u>KY PSC - FA</u>
<u>Phillip Cave</u>	<u>PSC - FA</u>
<u>James J. Ford</u>	<u>PSC - Finance &amp; Analysis</u>
<u>Daryl Newby</u>	<u>" " "</u>
<u>Larry Cook</u>	<u>OAG / ORI</u>
<u>Howard Bush</u>	<u>E.ON - US</u>
<u>Allyson Sturgeon</u>	<u>E.ON</u>
<u>Christopher Whelan</u>	<u>E.ON</u>
<u>JOHN WOLFRAM</u>	<u>EON U.S.</u>
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