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December 20, 2005

TO: PARTIES OF RECORD
RE: Case No. 2005-00441
Tri-County Fish and Game Club vs. KU and Kenergy Corp.

Enclosed please find a memorandum that has been filed in the record of the above-referenced case. Any comments regarding this memorandum's contents should be submitted to the Commission within five days of receipt of this letter. Questions regarding this memorandum should be directed to Robert Cowan at 502/564-3940.

Sincerely,

A handwritten signature in black ink, appearing to be "Beth O'Donnell", written over a large, stylized circular scribble.

Beth O'Donnell
Executive Director

vh/
Enclosure

INTRA-AGENCY MEMORANDUM

KENTUCKY PUBLIC SERVICE COMMISSION

TO: Case File No. 2005-00441

FROM: J. Robert Cowan, Staff Attorney *JRC*

DATE: December 19, 2005

RE: Tri-County Fish and Game Club, Complainant
Kentucky Utilities Company and Kenergy Corp., Defendants

On December 19, 2005, an informal conference was held by telephone pursuant to an Order of the Commission. Participating in the conference were the following: attorney Frank N. King, Jr. for Kenergy Corp. ("Kenergy"); Marty Reinhart and attorney Allison Sturgeon for Kentucky Utilities Company ("KU"); attorney Stephen R. Dunn for Tri-County Fish and Game Club ("Tri-County"); and Timothy N. Blakley, Daryl E. Newby, Steve Kingsolver and J. Robert Cowan for Commission Staff.

In its complaint, Tri-County requested that KU provide electric service on its approximately 30-acre tract even though its property is completely within Kenergy's territory. KU filed two answers to the complaint. In its first answer, it stated its willingness to make the investment to serve Tri-County, due to a concern that Kenergy wanted to reserve the right to serve the customer in the future. Thereafter, KU requested leave to file an amended answer. In its amended answer, KU stated that, with Commission approval, it would be willing to serve the customer as long as the customer wanted.

In its answer, Kenergy did not object to KU's amended answer and felt that the case could be resolved, subject to "working out any necessary details." The purpose of the informal conference was to attempt to work out the details.

During the informal conference, the Defendants and the Complainant seemingly agreed that KU would serve Tri-County or any successor until such time as Kenergy should decide to serve Tri-County. KU and Kenergy stated that they would work together to draft an unsigned contract for review by Commission Staff. Commission Staff advised the parties that although they might reach an agreement, the Commission has the final authority as to which utility will serve this customer or area.

The conference was then adjourned.