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

June 6, 2007

PARTIES OF RECORD

Re: Case No. 2006-00509 and 2006-00510 Louisville Gas and Electric Company and Kentucky Utilities Company

The attached memorandum has been filed in the record of the above-referenced cases. Any comments regarding this memorandum's contents should be submitted to the Commission within five days of receipt of this letter. Any questions regarding this memorandum should be directed to Daryl Newby, at (502) 564-3940, Extension 253.

Sincerely Beth O'Donnell **Executive Director**

Attachment

Mark David Goss Chairman

> John W. Clay Commissioner

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INTRA-AGENCY MEMORANDUM

KENTUCKY PUBLIC SERVICE COMMISSION

- TO:Main Case File
Case No. 2006-00509 Louisville Gas & Electric Company
Case No. 2006-00510 Kentucky Utilities Company
- **FROM:** Daryl Newby, Team Leader
- **DATE:** June 5, 2007
- **SUBJECT:** Informal Conference

Pursuant to Staff Notice, an informal conference ("IC") was held on May 31, 2007, at the Commission's offices at 211 Sower Boulevard, Frankfort, Kentucky 40602. A copy of the conference attendance list is attached. By motion dated May 23, 2007, Louisville Gas & Electric Company and Kentucky Utilities Company (collectively the "Companies") requested that the Commission schedule the IC to address a question raised by Commission Staff during the May 10, 2007, hearing concerning reconciliation of Midwest Independent Transmission System Operator, Inc. ("MISO") costs and revenues. In addition, pursuant to its notice, Staff asked that the Companies be prepared to discuss revenues and costs resulting from certain MISO transactions that were charged or credited to Account 151 of the FERC Uniform System of Accounts for Public Utilities and Licensees.

The Companies began the IC with a brief statement about their concerns over any negative inference that may have been left by the Companies' answer to the hearing question. The Companies then offered to answer any questions that Commission Staff, or intervenors had concerning the Companies' answer at the hearing, or the Companies' position on the treatment of MISO costs and revenues. The Companies also agreed to furnish in writing, their response to Staff's question concerning the accounting treatment of MISO costs. The written response is due on, or before, submission of briefs.

The IC was then adjourned.

Attachment

Case No. 2006-00509 Kentucky Utilities Company Case No. 2006-00510 Louisville Gas & Electric

Name Representing Robert Cowan PSC Staff ulch ... PSC \mathcal{M}_{\cdot} LG+FI pr ontw SK 643 Ent LGELKU SAK4 1 Gu alon 1801, QUX Cook PINM KPgC Newby KPSC

May 31, 2007 Informal Conference