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Energy and Environment Cabinet

Commonwealth of Kentucky  
**Public Service Commission**  
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David L. Armstrong  
Chairman

James W. Gardner  
Vice Chairman

Charles R. Borders  
Commissioner

September 27, 2011

## PARTIES OF RECORD

Re: Case No. 2011-00134

Attached is a copy of a memorandum which is being filed in the record of the above-referenced case. If you have any comments you would like to make regarding the contents of the informal conference memorandum, please do so within five days of receipt of this letter. If you have any questions, please contact Robert Russell of the Commission staff at 502/564-3940, Extension 236.

Sincerely,


A handwritten signature in black ink, appearing to read "Jeff Derouen".

Jeff Derouen  
Executive Director

Attachments

cc: Parties of record

**INTRA-AGENCY MEMORANDUM**  
**KENTUCKY PUBLIC SERVICE COMMISSION**

**TO:** Case File – Case No. 2011-00134  
**FROM:** Robert Russell   
**DATE:** September 27, 2011  
**RE:** Informal Conference of September 21, 2011

Pursuant to a Notice of Informal Conference (“IC”) issued September 8, 2011, an Informal Conference was conducted at the Commission’s offices in Frankfort, Kentucky on September 21, 2011 at approximately 10:00 a.m. A list of attendees is attached.

Louisville Gas and Electric and Kentucky Utilities Company (together the “Companies”) were in attendance along with the following intervenors: the Attorney General’s Office of Rate Intervention, the Association of Community Ministries, Inc. (“ACM”), the Community Action Council for Lexington-Fayette, Bourbon, Harrison, and Nicholas Counties, Inc., and The Kroger Co. The Metropolitan Housing Coalition and the Lexington-Fayette Urban County Government participated by telephone.

The Companies responded to several inquiries from Commission Staff (“Staff”) with much of the discussion revolving around the mechanics involved in calculating revenues from lost sales, variable costs, and capital costs. The companies agreed to file written clarifications and responses to three staff inquiries by September 28, 2011.

The three IC data requests were:

- (1) Provide an explanation as to how the variable costs were determined as part of the Companies residential revenues of lost sales factor.
- (2) Provide a list of the members and their respective representative(s) of the Energy Efficiency Advisory Group and the customers group, with whom the Companies have met.
- (3) What public notice, if any, did the Companies give in this case?

In the Application, the Companies requested the Demand Side Management (DSM) and Energy Efficiency (EE) programs be approved through 2017. A discussion between the parties and Staff concerned a possible three year review of the cost and effectiveness of DSM and EE programs. The Companies had filed a written response<sup>1</sup> to item number 8 of Commission Staff’s third set of data requests, which stated “[t]he Companies respectfully suggest that approving the seven-year Program Plan as filed,

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<sup>1</sup> Response to Commission Staff’s Third Information Request dated September 15, 2011, page 1 of 2.

but with the additional requirement that the Companies file a three-year review report in 2014 to permit the Commission to evaluate the programs' performance and require any needed modifications, may be a way to avoid the concerns stated above while offering the Commission an additional oversight opportunity.”

Representatives of ACM expressed a concern of not having had input in the EE and DSM program discussions. The Companies told ACM that they were welcome to participate in future discussions.

On August 29, 2011 the Companies filed a motion for the Commission to decide the issues presented in this case on the basis of the record as filed, including rebuttal testimonies filed. The motion was raised during the IC. All parties waived their right to a hearing<sup>2</sup> and agreed that the case could be submitted on the record.

There being no further questions, the meeting was adjourned.

Attachment:  
Sign-in sheet

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<sup>2</sup> Counsel for the Lexington-Fayette Urban County Government indicated she would confirm this with her client and inform Commission staff by the close of business September 23, 2011 if a hearing is requested.

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

JOINT APPLICATION OF LOUISVILLE GAS	)	
AND ELECTRIC COMPANY AND KENTUCKY	)	
UTILITIES COMPANY FOR REVIEW,	)	
MODIFICATION, AND CONTINUATION OF	)	CASE NO.
EXISTING, AND ADDITION OF NEW DEMAND-	)	2011-00134
SIDE MANAGEMENT AND ENERGY-	)	
EFFICIENCY PROGRAMS	)	

September 21, 2011

Please sign in:

NAME	REPRESENTING
<u>Doug Newby</u>	<u>PSC - F/A</u>
<u>Ron Handzicate</u>	<u>PSC - F/A</u>
<u>JEFF JOHNSON</u>	<u>PSC</u>
<u>James P. Powell</u>	<u>PSC - Legal</u>
<u>Larry Cook</u>	<u>OTA</u>
<u>David C. Brown</u>	<u>Koger Co</u>
<u>Iris Skidmore</u>	<u>CAC</u>
<u>George Sanders</u>	<u>ACM</u>
<u>dileen Ordover</u>	<u>ACM</u>
<u>Marlon Cummings</u>	<u>ACM</u>
<u>Allison Sturgeon</u>	<u>LG+E/KU</u>
<u>Duncan Crosby</u>	<u>LG/E/KU (Stoll Keesler)</u>

NAME

REPRESENTING

Lonnie Bellar

LGE/KU

Mike Honnig

"

Bob Russell

PJC

Telephonically (by S.P.B. 9-21-11)

Janet Graham

Lexington-Fayette Urban County Government

Tom FitzGerald

Metropolitan Housing Coalition