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August 29, 2006

Hon. Mark R. Overstreet
421 W Main Street
Frankfort KY 40602

Hon. Joe F. Childers
201 W Short Street
Suite 310
Lexington KY 40507

Hon. Elizabeth E. Blackford
Office of Rate Intervention
Suite 200
1024 Capitol Center Drive
Frankfort KY 40601

RE: Case No. 2006-00373
August 23, 2006
Informal Conference

To All Parties of Record:

Enclosed please find a memorandum that has been filed in the record of the above-referenced case. Any comments regarding the contents of the memorandum should be submitted to the Commission within seven days of receipt of this letter. Any questions regarding this memorandum should be directed to Dawn McGee of the Commission Staff at 502-564-3940, extension 243.

Sincerely,

A large, stylized handwritten signature in black ink, appearing to read "Beth O'Donnell".

Beth O'Donnell
Executive Director

Attachment

CC: Parties of Record

INTRA-AGENCY MEMORANDUM

KENTUCKY PUBLIC SERVICE COMMISSION

TO: Main Case File - Case No. 2006-00373

FROM: Dawn McGee, Team Leader

DATE: August 29, 2006

RE: Informal Conference of August 23, 2006

On August 23, 2006, representatives of Kentucky Power Company ("Kentucky Power"), the Office of the Attorney General ("AG"), Kentucky Association for Community Action, Inc. ("KCAC") and Commission Staff ("Staff") met at the Commission's offices to discuss with Kentucky Power the details of its Energy Assistance Program ("EAP"). A list of attendees is attached to this memorandum.

Kentucky Power provided a short review of the program, which is a modified version of the EAP approved for Kentucky Utilities.¹ In order to highlight the differences, Kentucky Power provided a comparison of the two programs. Kentucky Power provided further explanation on the reason for two of the major modifications from KU's plan; 1) the inclusion of customers who do not heat with electricity and 2) the application of the proposed subsidy to arrearages.

The AG's representative expressed some concerns regarding a participant's ability to game the program if the subsidy is first applied to arrearages, the possible overlap with Columbia Gas Company's assistance program, and the availability of information about the program to Kentucky Power's non-heating customers. Kentucky Power and KCAC addressed each of these concerns and elaborated further on the educational efforts, the screening that will take place during the intake process, and other details of the program and how it will work in tandem with LIHEAP. Kentucky Power and KCAC then responded to several questions from Commission Staff. Kentucky Power agreed to supplement its application to include the additional information provided during the informal conference.

In response to a question concerning the necessary procedure in this proceeding, Staff notified the parties that after the AG and Staff reviewed the information, there may be a need for a short procedural schedule or data requests.

The meeting was then adjourned.

cc: Parties of Record

¹ Case No. 2004-00303, Joint Application of Kentucky Utilities Company, Kentucky Association for Community Action, Inc. and Community Action Council for Lexington, Fayette, Bourbon, Harrison, and Nicholas Counties, Inc. for the Establishment of a Home Energy Assistance Program, Order dated November 24, 2004.

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

JOINT APPLICATION OF KENTUCKY)
POWER COMPANY AND KENTUCKY)
ASSOCIATION FOR COMMUNITY ACTION,) CASE NO. 2006-00373
INC. FOR THE ESTABLISHMENT OF A)
HOME ENERGY ASSISTANCE PROGRAM)

INFORMAL CONFERENCE

August 23, 2006

Please sign in:

NAME	REPRESENTING
<u>Dawn McGee</u>	<u>PSC - Financial Analysis</u>
<u>Anita Mitchell</u>	<u>Legal</u>
<u>JEFF JOHNSON</u>	<u>PSC</u>
<u>MARK R. OVERSTREET</u>	<u>STURGEON GENERAL - KPCO.</u>
<u>Betsy Blackford</u>	<u>OTG</u>
<u>Joe Childers</u>	<u>KACA - Attorney</u>
<u>Errol K. Wagoner</u>	<u>KPCO</u>
<u>Judi Willis</u>	<u>KPCO</u>
<u>Beth O'Donnell</u>	<u>PSC</u>
<u>Kip Bowmar by phone</u>	<u>KCAC</u>
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