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Martin J. Huelsmann
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Robert E. Spurlin
Commissioner

August 27, 2003

Dear Consultants:

The Kentucky Public Service Commission (Commission) is soliciting proposals for a focused management audit of the fuel procurement functions of Louisville Gas and Electric Company (LG&E) and Kentucky Utilities Company (KU).

On January 28, 2003, the Commission issued an Order in Case No. 2000-00497-B; "An Examination by the Kentucky Public Service Commission of the Application of the Fuel Adjustment Clause (FAC) of Kentucky Utilities from May 1, 2001 to October 31, 2001." The order in case number 2000-00497-B is located on the web at [http://psc.ky.gov/order_vault/2003 Orders/2003 by case number/200000497b_01282_003.doc](http://psc.ky.gov/order_vault/2003%20Orders/2003%20by%20case%20number/200000497b_01282_003.doc) and, along with the RFP, will provide the necessary background information for this assignment. Under no circumstances should any questions or requests for additional information be directed to either LG&E or KU.

Important dates to remember are as follows:

Proposals Due to Commission	-	September 22, 2003
Begin Audit on or about	-	November 12, 2003
Complete Audit	-	February 23, 2003

If your firm is interested in responding to the RFP, please do so by September 22, 2003. It should be noted that the cost of the audit will be borne entirely by LG&E and KU. Therefore, cost will be a significantly important factor, although not necessarily the deciding factor, in the awarding of this contract. Following an evaluation of the proposals, respondents will be notified of the selection of finalists who will be invited to the Commission to make oral presentations.

Should you have any questions concerning this Request for Proposal, please contact Mr. John A. Rogness III, Manager, Management Audits at 502-564-3940 ext.229 at the Commission's offices.

Sincerely,

Thomas M. Dorman
Executive Director

