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David L. Armstrong
Chairman

James Gardner
Vice-Chairman

December 5, 2011

PARTIES OF RECORD

Re: Case No. 2011-00447

Attached is a memorandum being filed in the record of this case. If you wish to make any comments regarding the contents of this informal conference memorandum, please do so within five days of receipt of this letter. If you have any questions, please call Jeff Shaw of the Commission staff at 502/564-3940, ext. 237.

Sincerely,


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

Jeff Derouen
Executive Director

Attachment

INTRA-AGENCY MEMORANDUM

KENTUCKY PUBLIC SERVICE COMMISSION

TO: Main Case File - Case No. 2011-00447
FROM: Jeff Shaw 
DATE: December 5, 2011
RE: Telephonic Informal Conference of December 1, 2011

On December 1, 2011, a telephonic informal conference ("TIC") was held in this matter concerning the request of Kenergy Corp. ("Kenergy") for Commission approval of its pending financing proposal. Participants in the TIC were representatives of Kenergy and Commission Staff ("Staff"). A list of the participants is attached hereto.

Kenergy seeks approval to refinance approximately \$4.4 million of its 5 percent Rural Utilities Service ("RUS") long-term debt. In its November 14, 2011 application, Kenergy sought expedited treatment of its refinancing proposal, requesting Commission approval by December 20, 2011. At the TIC, Staff raised two issues on which it sought clarification by Kenergy: (1) the latest date by when it could receive a Commission order that would still allow it to make use of the currently available reduced fixed-rate loan offered by CoBank, Kenergy's traditional supplemental lender; and 2) why Kenergy was proposing to refinance a portion, but not all \$6.5 million, of its 5 percent RUS debt.

Kenergy indicated that it was required to give RUS at least four business days notice of an impending refinancing and that CoBank's reduced fixed rate offer remained in effect until January 9, 2012. This means it could complete its proposed refinancing as long as a Commission order approving its request was issued no later than Tuesday, January 3, 2012.

Kenergy indicated there were limitations imposed by RUS on which notes that make up the \$6.5 million total of its 5 percent RUS debt were eligible for refinancing. Kenergy stated that it would file additional information that described in greater detail the nature of RUS's refinancing limitations.

There being no further matters to discuss, the TIC was adjourned.

Attachment

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF KENERGY CORP. FOR)
AUTHORIZATION TO BORROW \$4,394,503) CASE NO.
FROM COBANK AND EXECUTIE NECESSARY) 2011-00447
NOTES ADN TO PREPAY RURAL UTILITIES)
SERVICE 5 PERCENT NOTES OF THE SAME)
AMOUNT)

December 1, 2011

Please sign in:

NAME

REPRESENTING

~~David B. Powell~~

PSC - Legal

Steven Bailey

PSC legal

Fereydoon Gorjian

PSC - Engineering

Jeff Shaw

PSC - FA

Telephonically ^{by G.B.B. 12-1-11}

Chris Hopgood

Kenergy

Steve Thompson

Kenergy