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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

January 26, 2015

PARTIES OF RECORD

Re: Case No. 2014-00432

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 memorandum please do so within five days of receipt of this letter. If you have any questions, please contact Jim Livers at (502)782-2655.

Sincerely,

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

Jeff Derouen
Executive Director

Attachments

INTRA-AGENCY MEMORANDUM

KENTUCKY PUBLIC SERVICE COMMISSION

TO: Case File – Case No. 2014-00432

FROM: Jim Livers, Division of Financial Analysis

DATE: January 26, 2015

RE: Informal Conference of January 21, 2015

Pursuant to a Staff Notice issued on January 20, 2015, an informal conference (“IC”) was held in this matter at the Commission’s office in Frankfort, Kentucky on January 21, 2015. The purpose of the IC was to discuss East Kentucky Power Company’s (“EKPC”) request for expedited approval of its proposed regulatory asset related to its Asset Retirement Obligation’s (ARO”) depreciation and accretion expenses. A list of attendees is attached to this memorandum.

EKPC had originally requested that an Order be issued on or before February 27, 2015 so the proposed regulatory asset could be included in the 2014 financial statements. Company representatives stated that as long as the order was issued in the first week of March, the proposed regulatory asset could be incorporated into the 2014 financial statements.

Staff inquired as to what would happen in the instant case if the landfill proposed in Case No. 2014-00252¹ was denied. EKPC replied that denial of the proposed landfill would not affect the need for the ARO and that such denial would increase the ARO’s cost due to higher ash transportation costs.

Finally, Staff inquired about EKPC’s proposed reporting requirement to the Commission related to the ARO balances. Staff and EKPC’s representatives agreed that an annual filing requirement be recommended to the Commission.

Finding that no party had any further questions, the conference was adjourned.

Attachment:

Attendance List

¹ In the Matter of: An Application of East Kentucky Power Cooperative, Inc. for a Certificate of Public Convenience and Necessity for Construction of an Ash Landfill at J. K. Smith Station to Receive Impounded Ash from William C. Dale Station, and for Approval of a Compliance Plan Amendment for Environmental Surcharge Recovery (Filed September 8, 2014).

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF EAST KENTUCKY)
POWER COOPERATIVE, INC. FOR AN) CASE NO. 2014-00432
ORDER APPROVING THE ESTABLISHMENT)
OF REGULATORY ASSETS FOR THE)
DEPRECIATION AND ACCRETION)
EXPENSES ASSOCIATED WITH ASSET)
RETIREMENT OBLIGATIONS)

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January 21, 2015 Informal Conference
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Please sign in:

NAME

REPRESENTING

<u>Quang D Nguyen</u>	<u>PSC</u>
<u>Michelle K. Carpenter</u>	<u>EKPC</u>
<u>Mike McElroy</u>	<u>EKPC</u>
<u>J. Fulmer</u>	<u>ETPC</u>
<u>Isaac J. Seads</u>	<u>EKPC</u>
<u>David S. Samford</u>	<u>Goss Samford, PLLC - EKPC</u>
<u>Ron Handziak</u>	<u>PSC</u>
<u>JOHN SHUPP</u>	<u>PSC - ENG.</u>
<u>Jonathan Bayer</u>	<u>PSC</u>
<u>Jim Luyers</u>	<u>"</u>
<u>Leah Hamblin</u>	<u>PSC</u>
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_____	_____
_____	_____