



December 8, 2006

Ms. Elizabeth O'Donnell
Executive Director
Public Service Commission
211 Sower Boulevard
Frankfort, KY 40602

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COMMISSION

Dear Ms. O'Donnell:

By this letter, East Kentucky Power Cooperative, Inc. ("EKPC") wishes to formally advise the Commission that it has been informed of the decision of Warren Rural Electric Cooperative ("Warren RECC") to terminate its agreements with EKPC for future power supply, and to return to a power supply arrangement with the Tennessee Valley Authority. EKPC is currently evaluating the impacts of this decision by Warren RECC on EKPC generation and transmission projects that have been certificated by the Commission based on EKPC's power supply obligations to Warren RECC, and on EKPC's overall transmission and generation expansion plans.

EKPC notes that the Commission has scheduled an informal conference in Case No. 2006-00455 for December 15 at 10:00. EKPC will be prepared to discuss its preliminary plan of action in response to the Warren RECC decision at that conference, at the discretion of the Commission and the parties to that case. If any additional information is needed before that time, please contact me, or Dale Henley, at EKPC headquarters.

Very truly yours,

A handwritten signature in cursive script that reads 'Charles A. Lile'.

Charles A. Lile
Senior Corporate Counsel

Enclosures

Cc: Lawrence W. Cook, Esq.- Office of Attorney General
Michael L. Kurtz, Esq.- Counsel, Gallatin Steel Company
David S. Samford, Esq.- Public Service Commission