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Gregory Coker
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June 7, 2006

PARTIES OF RECORD:

RE: Case No. 2006-00131

AN EXAMINATION BY THE PUBLIC SERVICE COMMISSION OF THE ENVIRONMENTAL SURCHARGE MECHANISM OF EAST KENTUCKY POWER COOPERATIVE, INC. FOR THE SIX-MONTH BILLING PERIOD ENDING DECEMBER 31, 2005 AND THE PASS THROUGH MECHANISM FOR ITS SIXTEEN MEMBER DISTRIBUTION COOPERATIVES

Enclosed please find a memorandum that has been filed in the record of the above-referenced case. Any comments regarding this memorandum's content should be submitted to the Commission within five days of receipt of this letter. Questions regarding this memorandum should be directed to Isaac Scott as (502) 564-3940, extension 444.

Sincerely,

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

Beth O'Donnell
Executive Director

Attachment

INTRA-AGENCY MEMORANDUM
KENTUCKY PUBLIC SERVICE COMMISSION

TO: Main Case File - Case No. 2006-00131
FROM: Isaac Scott, Team Leader *Isaac Scott*
DATE: June 7, 2006
SUBJECT: May 24, 2006 Informal Conference

Pursuant to the procedural schedule in the April 25, 2006 Order, an informal conference was held on May 24, 2006. Attached to this memorandum is a list of the participants. The purpose of the conference was to discuss the East Kentucky Power Cooperative, Inc. ("East Kentucky") environmental surcharge and its responses to the Staff's First Data Request.

The Staff asked East Kentucky to discuss further the proposal that any over- or under-recovery amount experienced by Inter-County Energy Cooperative Corporation ("Inter-County") be deferred until the next 6-month review period. East Kentucky explained how this request was related to a change in Inter-County's accounting procedures. Staff indicated that this question would be included in the supplemental data request due to be issued on June 7, 2006. There was also a brief discussion concerning the impact "timing differences" had in the determination of East Kentucky's total over-recovery for the review period.

The Attorney General and Gallatin Steel Company had no issues to discuss. The Staff raised the idea that if the Intervenors were satisfied with the information in the record and East Kentucky was agreeable, the Commission would probably be willing to entertain a motion to submit the case on the record and waive a public hearing. East Kentucky and the Intervenors indicated they would give this approach due consideration.

With nothing further to discuss, the conference was then adjourned.

Attachment

CASE NO. 2006-00131

EAST KENTUCKY POWER COOPERATIVE, INC & 16 MEMBER COOPERATIVES
 INFORMAL CONFERENCE - May 24, 2006

NAME	WITH
Michael Kratz	Gallatin Steel (via phone)
Isaac Scott	PSC - Financial Analysis
Darryl Newby	PSC - FA
Robert Cowan	PSC GC
FRANK OLIVA	EKPC
DAVE EAMES	EKPC
Betsy Blackford	OAG
Bill BOSHA	EKPC
ANN WOOD	EKPC
CHARLES LILE	EKPC