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Chairman

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Vice Chairman

Caroline Pitt Clark  
Commissioner

March 4, 2008

**PARTIES OF RECORD:**

RE: Case No. 2006-00472  
**GENERAL ADJUSTMENT OF ELECTRIC RATES OF EAST KENTUCKY  
POWER COOPERATIVE, INC.**

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 at (502) 564-3940, extension 444.

Sincerely,

A handwritten signature in black ink, appearing to read "Beth O'Donnell", written over a large, circular scribble.

Beth O'Donnell  
Executive Director

Attachment

**INTRA-AGENCY MEMORANDUM**

**KENTUCKY PUBLIC SERVICE COMMISSION**

**TO:** Main Case File – Case No. 2006-00472  
**FROM:** Isaac Scott, Team Leader *Isaac Scott*  
**DATE:** March 4, 2008  
**SUBJECT:** February 26, 2008 Informal Conference

Pursuant to the Commission Staff's February 19, 2008 Notice of Informal Conference, an informal conference was held on February 26, 2008. A list of those participating is attached as Attachment A to this memorandum. The purpose of the informal conference was to discuss the issue raised in the petition for rehearing and to develop a procedural schedule for the orderly processing of the rehearing.

Commission Staff indicated it was aware that the parties had been discussing a stipulation that could resolve the rehearing issue. The Kentucky Industrial Utilities Customers, Inc. ("KIUC") stated that it had reached a stipulation with East Kentucky Power Cooperative, Inc. ("EKPC") and the Cumberland Chapter of the Sierra Club. The Attorney General ("AG") had been provided a copy of the stipulation, but he stated he needed additional time to examine the proposed stipulation before deciding whether to support it. The AG indicated that the reason for his delay was due to time and resource issues, and not a change in position.

Commission Staff indicated that additional information would need to be provided concerning the rehearing issue, regardless of whether a unanimous stipulation was achieved or not. A brief discussion of the required information followed. As agreed, Commission Staff has included, in Attachment B of this memorandum, a list of the additional information required. KIUC and EKPC indicated that they would file the additional information by March 18, 2008 and there were no objections. The conference was then adjourned.

Attachments

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

GENERAL ADJUSTMENT OF ELECTRIC )  
RATES OF EAST KENTUCKY POWER )  
COOPERATIVE, INC. )

CASE NO. 2006-00472

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February 26, 2008 Informal Conference

=====

Please sign in:

NAME

REPRESENTING

James J. Scott

PSC - Financial Analysis

Anita L. Mitchell

PSC

Larry Cook

OTG

Bill Bost

EKPC

CHARLES LUCE

FKPC

Steve Sanders

Sierra Club

KEVIN HIGGINS

KIUC

Kurt Boehm

KIUC

Virginia Gregg

PSC

JEFF JOHANSON

PSC

Rick Bertelson

PSC - Legal

Geoff Young

Sierra Club

Ann Wood

EKPC

Daryl Newby

PSC - F/A

Quang D. Nguyen

PSC

Dean McGee

PSC

REHEARING REQUEST FOR INFORMATION

KIUC

1. Provide written testimony to support the rehearing proposal.
2. Provide a narrative to explain the change in the allocation using demand revenues.

EKPC

3. Provide the affect of using demand revenues for the allocation on all of EKPC's wholesale rates. Include the change in dollars for each rate class from using demand revenues for the allocation.
4. Provide the corresponding affect of the change in allocation on the EKPC member retail rates. Include the change in dollars to each member cooperative and the rate impact.
5. Provide a proof of revenues and a billing analysis reflecting the demand revenue-based allocation for EKPC and each of the member cooperatives. Use the billing determinants that were used in the base rate case.

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