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Governor

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Energy and Environment Cabinet

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David L. Armstrong
Chairman

James W. Gardner
Vice Chairman

Charles R. Borders
Commissioner

February 8, 2011

PARTIES OF RECORD

Re: Case Nos. 2010-00238 and 2010-00449

Attached are copies of the memoranda which are being filed in the record of the above-referenced cases. If you have any comments you would like to make regarding the contents of the informal conference memoranda, please do so within five days of receipt of this letter. If you have any questions, please contact Richard Raff at 502-564-3940, Extension 263.

Sincerely,

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

Jeff Darroten
Executive Director

RR/kar

Attachments

INTER-AGENCY MEMORANDUM

KENTUCKY PUBLIC SERVICE COMMISSION

TO: Case File

FROM: Richard Raff, Assistant General Counsel

DATE: February 8, 2011

RE: Case No. 2010-00449
Application of East Kentucky Power Cooperative, Inc. for an Order
Approving the Establishment of a Regulatory Asset for the Amount
Expended on its Smith 1 Generating Unit

Pursuant to the Commission's Order issued January 18, 2011, an informal conference was held on January 25, 2011, at the Commission's offices in Frankfort, Kentucky. This conference was held concurrently with one in Case No. 2010-00238. A list of the attendees is attached hereto.

The parties discussed procedural issues related to the hearing to be held on February 8, 2011, including the witnesses to be presented by East Kentucky Power Cooperative, Inc. ("EKPC"). Also discussed was the estimated rate impact of amortizing the costs associated with cancelling the Smith 1 generating unit. EKPC agreed to file a written response, within 7 days of the conference, showing this impact on rates and how the impact will vary based on a range of assumptions as to the salvage value of the Smith 1 equipment, which EKPC acquired but no longer needs. In addition, EKPC explained its efforts to obtain low cost, long term financing for its expenditures on Smith 1.

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

AN INVESTIGATION OF EAST KENTUCKY) CASE NO.
POWER COOPERATIVE, INC.'S NEED FOR) 2010-00238
THE SMITH 1 GENERATING FACILITY

January 25, 2011

Please sign in:

NAME	REPRESENTING
RICHARD RAFF	PSC - Legal
Quang D. Nguyen	PSC
[Signature]	PSC
Mike Kurtz	Callatini Steel
Dennis Neward	NAAG
Larry Cook	ORAG
DAVID MITCHELL	EKPC
Ann WOOD	EKPC
Mike McValley	EKPC
Mark D. Goss	FBI for EKPC
JEFF SHAW	PSC - FIN. ANALYSTS
JEFF JOHNSON	ENG
Ron Handziak	PSC - FA
Elic Russell	PSC

NAME

REPRESENTING

Tim Livers

PSC

Daryl Newby

PSC - F/A

Vicky Townes

PSC - F/A

Chris Whelan

PSC - FA