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Mark David Goss
Chairman

John W. Clay
Vice Chair

Caroline Pitt Clark
Commissioner

October 2, 2007

PARTIES OF RECORD

Re: Case No. 2007-00168

Attached is a copy of the memorandum which is being filed in the record of the above-referenced case. If you wish to file any comments regarding the contents of the informal conference memorandum, please do so within five days of receipt of this letter. If you have any questions, please contact Rick Bertelson at 502/564-3940, Extension 260.

Sincerely,

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

Beth O'Donnell
Executive Director

RB:v

Attachment

INTRA-AGENCY MEMORANDUM
KENTUCKY PUBLIC SERVICE COMMISSION

TO: File: Case No. 2007-00168

FROM: Rick Bertelson, Staff Attorney

DATE: October 1, 2007

RE: Application of East Kentucky Power Cooperative, Inc. ("EKPC") for a Certificate of Public Convenience and Necessity ("CPCN") for the Construction of Modifications to the Water Intake System at Cooper Power Station ("Cooper Station") in Pulaski County, Kentucky

On September 25, 2007, Commission Staff held an informal conference at the Commission's offices located at 211 Sower Boulevard, Frankfort, Kentucky. The purpose of the conference was to discuss EKPC's plans to delay the in-service date for the cooling tower phase of the water intake modification projects at its Cooper Station from December 2007 to at least May 2008, in contradiction of the CPCN issued to EKPC on May 11, 2007.

In attendance at the informal conference were representatives of EKPC, the Attorney General, and PSC staff. Attendance sheets are attached hereto.

At the beginning of the conference, the PSC's General Counsel informed the parties that the hearing in this case has been rescheduled from October 4, 2007 to October 3, 2007 at 1:00 p.m., in Hearing Room 1 of the Commission's offices in Frankfort.

EKPC gave an update on the progress of the construction of the water intake modifications at the Cooper Station. According to EKPC, four of the barge-mounted pumps are operational, and the remainder of the pumps should be operational by the end of December 2007. Construction of the concrete basin for the cooling tower is almost complete. All of the cooling tower equipment is on-site, and all additional materials which require a long lead time (e.g., large concrete pipes) are either on-site or have been ordered, with an expected delivery within 4 to 6 weeks. However, EKPC is holding off on erecting the cooling tower itself, because it believes it may be able to avoid making that capital investment if the water level at Lake Cumberland is maintained at its current level.

Staff questioned why EKPC was not following the original construction schedule approved by the Commission's May 11, 2007 Order. EKPC stated that, with additional information gathered during the preceding months in which Cooper Station was

operated with the four barge-mounted pumps in place, it believes it can delay the final in-operation date for the cooling tower through at least May 1, 2008. EKPC stated that it is awaiting a progress report from the Army Corps of Engineers regarding the repairs being made at Wolf Creek Dam. If the report, which is due to be released in late September or October 2007, states that there is no threat of having to lower Lake Cumberland to or below 675 feet, then it plans to consult with the PSC to determine whether the cooling tower is still necessary at all. If the report indicates that there is a possibility that the lake level will be lowered, then EKPC would give the order to begin construction on the cooling tower no later than January 2, 2008.

PSC Staff asked EKPC to submit additional information regarding the long-term operation and maintenance costs for the barge-mounted pumps as opposed to the cooling tower. Staff also requested EKPC to provide a breakdown of all potential future rate impacts for the next 5 years. EKPC agreed to provide responses to these data requests before the October 3, 2007 hearing.

Counsel for EKPC offered to arrange for the October 3, 2007 hearing to be held at the Cooper Station if it would assist the Commission in its determination in the case. PSC's General Counsel acknowledged EKPC's invitation, but indicated that the Commission would not likely be able to do so because of another hearing scheduled on the morning of October 3, 2007. Staff also stated that EKPC may file prefiled testimony for the October 3, 2007 hearing if the company desires, but such filing is not mandatory.

There being no other questions from any party, the informal conference was adjourned.

Attachment

cc: Parties of Record

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

CASE NO. 2007-00168

APPLICATION OF EAST KENTUCKY POWER COOPERATIVE, INC. FOR A
CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY FOR THE
CONSTRUCTION OF MODIFICATIONS TO THE WATER INTAKE SYSTEM AT
COOPER POWER STATION IN PULASKI COUNTY, KENTUCKY

SIGN IN

September 25, 2007

PERSON	REPRESENTING
<u>David Sanford</u>	<u>PSC</u>
<u>BOB AMATO</u>	<u>PSC</u>
<u>Jim Welch</u>	<u>PSC</u>
<u>CHARLES LUE</u>	<u>EPSC</u>
<u>Larry Cook</u>	<u>OAG</u>
<u>Paul Adams</u>	<u>OAG</u>
<u>Dennis Howard</u>	<u>OAG</u>
<u>John Tustine</u>	<u>EPSC</u>
<u>Kurt Behm</u>	<u>KIUC</u>
<u>Reahid Hoff</u>	<u>PSC - Legal</u>
<u>Bill B...</u>	<u>PSC - Legal</u>
<u>Andrew Melnykovich</u>	<u>PSC - Staff</u>

PERSON

JOHN SHUPP

Fereydoon Gorjian

DAVID EAMES

DAVID SMART

Beth O'Donnell

Isaac Scott

Quang D. Nguyen

Nick Comer

Julie J. Tucker

Darrin Adams

Terry Purvis

REPRESENTING

PSC - ENGINEERING

PSC - E.E ENGINEERING

EKPC

EKPC GC

PSC ED

PDC Financial Analysis

PSC Legal

EKPC - media rep

EKPC - Power Supply

EKPC - Trans. Planning

EKPC - Project Mgr Cooper / I. Env. Mgr