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Charles R. Borders
Commissioner

October 13, 2010

PARTIES OF RECORD

Re: Case No. 2010-00223

Attached is a copy of the memorandum which is being filed in the record of the above-referenced case. If you have any comments you would like to make 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 handwritten signature in black ink, appearing to read "Jeff Derouen".

Jeff Derouen
Executive Director

RB/ew

Attachment

INTRA-AGENCY MEMORANDUM

KENTUCKY STATE BOARD ON ELECTRIC GENERATION AND TRANSMISSION SITING

TO: Case File

FROM: Rick Bertelson, Team Leader

DATE: October 13, 2010

RE: Case No. 2010-00223
Application of Southern Indiana Gas & Electric Co. D/B/A Vectren Energy Delivery of Indiana, Inc. for a Certificate to Construct An Electric Transmission Line from Its A.B. Brown Plant to the Big Rivers Reid EHV Station

Pursuant to the Commission's September 24, 2010 notice in the above-styled case, an informal conference ("IC") was held in this matter on September 29, 2010 at the Frankfort offices of the Kentucky Public Service Commission ("PSC"). A copy of the conference attendance list is attached. In addition to Siting Board Staff, representatives and counsel for Applicant, Southern Indiana Gas & Electric Co. d/b/a Vectren Energy Delivery of Indiana, Inc. ("Vectren"), and the Intervenors, the City of Henderson, Henderson Water Utility ("HWU"), and Henderson Municipal Power & Light ("HMP&L") (collectively, "Intervenors") were in attendance.

The purpose of the IC was to discuss a possible settlement of the issues raised by the Intervenors in their August 16, 2010 motions for intervention and their subsequent motions and responses to information requests.

As a result of the discussions between the parties and Siting Board Staff, the parties reached an agreement in principle to settle the issues raised by the Intervenors. The parties reduced their agreement to writing, but the Intervenors requested time to review the agreement and to obtain the consent of Henderson city officials not present at the IC. Vectren agreed to the Intervenors' request and the IC was adjourned at 1:00 p.m. on September 29, 2010.

The parties continued their settlement discussions outside the presence of Siting Board Staff through October 5, 2010. Pursuant to the request of Vectren's counsel and with the agreement of counsel for the Intervenors, counsel and representatives for Vectren (Jami Young, Jason Bentley and Mike Chambliss) returned to the PSC on October 6, 2010. They, along with Siting Board Staff (Rick Bertelson, Vicky Townes, Ruth Rowles and Jorge Valladares) held a conference call with counsel for the Intervenors.

During the October 6, 2010 conference call, counsel for the parties confirmed that they had reached agreement on all terms of the proposed settlement agreement. Among other things, the settlement agreement provides that Vectren will file an amended application with an amended transmission line route that will avoid the properties of concern to HWU and HMP&L.

Counsel for the Intervenors stated that the boards of the municipal utilities (HWU and HMP&L) and the Henderson City Council would need to meet in special sessions on October 7 and 8, 2010, to formally adopt and sign the settlement agreement. Counsel for Intervenors also stated that the Intervenors did not want to withdraw their request for an evidentiary hearing until Vectren filed its amended application.

Siting Board Staff recommended that the parties file a joint motion requesting that the October 13, 2010 hearing be rescheduled to October 21, 2010—the date of a previously scheduled PSC hearing which will be canceled due to a settlement in that matter. Counsel for the parties agreed to do so.

Siting Board Staff also explained that the filing of the amended application would restart the statutory deadlines pursuant to KRS 278.712 and 278.714. Counsel for the parties stated that they did not disagree with that interpretation of the statutes. Siting Board Staff also explained that they would likely request BBC Research and Consulting to return to Henderson to review the new portion of the proposed transmission line route and to provide an addendum to its visual impact assessment report, which was filed in the record of this matter on August 11, 2010.

The IC was then adjourned.

COMMONWEALTH OF KENTUCKY

BEFORE THE KENTUCKY STATE BOARD ON
ELECTRIC GENERATION AND TRANSMISSION SITING

In the Matter of:

CASE NO. 2010-00223

APPLICATION OF SOUTHERN INDIANA GAS & ELECTRIC CO. D/B/A
VECTREN ENERGY DELIVERY OF INDIANA, INC. FOR A CERTIFICATE TO
CONSTRUCT AN ELECTRIC TRANSMISSION LINE FROM ITS A.B. BROWN
PLANT TO THE BIG RIVERS REID EHV STATION

SIGN IN

September 29, 2010

PERSON

REPRESENTING

<u>Rick Beitelson</u>	<u>Board Staff - Legal</u>
<u>JORGE VALLADARES</u>	<u>Board Staff - Fin. Analy.</u>
<u>Ruth Rowles</u>	<u>Board Staff - GTS</u>
<u>Troy Nichols</u>	<u>Wyatt, Tarrant, Combs, LLP</u>
<u>Bruce Shipley</u>	<u>Henderson Water Utility</u>
<u>Garth Quick</u>	<u>HENDERSON POWER & LIGHT</u>
<u>Russell R. Sights</u>	<u>CITY OF HENDERSON</u>
<u>George L. Seay, Jr.</u>	<u>Henderson Parties</u>
<u>JOE TERNES</u>	<u>CITY OF HENDERSON</u>
<u>Randall Redding</u>	<u>Henderson Mun Power, Light & Utility</u>
<u>Jim Small</u>	<u>HENDERSON mun. Power & Light</u>
<u>Buzzy Newman</u>	<u>City of Henderson</u>

Case No. 2010-00223
September 29, 2010

PERSON

REPRESENTING

PORIN LUCK

HENDERSON WATER UTILITY

JAMI YOUNG

Vectren

~~W. [Signature]~~
MIKE CHAMBLISS

VECTREN

JASM BENTLEY

Vectren

Brent Caldwell

Vectren

Wendell Wright

VECTREN