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David L. Armstrong
Chairman

James W. Gardner
Vice Chairman

Charles R. Borders
Commissioner

September 1, 2010

PARTIES OF RECORD

Re: Case No. 2010-00248

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 seven days of receipt of this letter. If you have any questions, please contact Allyson Honaker at 502/564-3940, extension 265, or by e-mail at Allyson.Honaker@ky.gov.

Sincerely,

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

Jeff Derouen
Executive Director

AH/ew

Attachment

INTRA-AGENCY MEMORANDUM
KENTUCKY PUBLIC SERVICE COMMISSION

TO: Case File

FROM: Allyson Honaker
Staff Attorney

DATE: September 1, 2010

SUBJECT: Case No. 2010-00248
Duke Energy Kentucky, Inc. Alleged Failure to Comply with KRS 278.042
Informal Conference

An informal conference was held in this matter on Friday, August 27, 2010. Representatives of Duke Energy and Commission Staff were present for this meeting. An attendance list is attached.

The purpose of the conference was to discuss the incident involved in this case.

Rocco D'Ascenzo, counsel for Duke Energy, started the conference by discussing the way in which Duke designs its distribution system and when the particular line in question was put into place. He and Russell Atkins, Duke's distribution design manager, discussed the difference in the current NESC and the NESC that was in place when the line was constructed. They spoke of the investigation on the day of the accident, the measurements that were taken, and the grade of the area.

Commission Staff asked questions, and discussions took place concerning the grade of the land, when the particular line had last been inspected, and the difference in the elevation depending on the outside temperature. Commission Staff also asked questions concerning when the transmission under construction was installed and whether any changes to the original structures had been made since they were put into place. There was also discussion on Duke's construction standards.

A discussion was held regarding the line in question and what category of Table 232-1 of the NESC was the appropriate category for it to be placed under, Category 4 or 5. Commission Staff's position is that Category 4 is the appropriate category.

Settlement negotiations were also discussed and the meeting was adjourned.

Attachment:

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

CASE NO. 2010-00248

DUKE ENERGY KENTUCKY, INC.
ALLEGED FAILURE TO COMPLY WITH KRS 278.042

SIGN IN

August 27, 2010

PERSON

REPRESENTING

Vallyson Honaker

PSC - Legal

Jeff Moon

PSC - Eng.

STEVE KINGSOLVER

PSC - Eng.

JOHN SHUPP

PSC - ENG.

Rocco DiArenzo

Duke Energy - Legal

Russell Atkins

Duke - Energy

Amy Spiller

Duke Energy

James McLean

Duke Energy

Kristen Cocanougher

Duke Energy