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David L. Armstrong
Chairman

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Charles R. Borders
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October 14, 2011

PARTIES OF RECORD

Re: Case No. 2011-00196

Attached is a copy of a 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 telephonic informal conference memorandum, please do so within five days of receipt of this letter. If you have any questions, please contact John Shupp of the Commission staff at 502/564-3940, Extension 421.

Sincerely,

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

Jeff Derouen
Executive Director

Attachments

cc: Parties of record

INTRA-AGENCY MEMORANDUM

KENTUCKY PUBLIC SERVICE COMMISSION

TO: File: Case No. 2011-00196

FROM: John Shupp, Team Leader

DATE: October 14, 2011

RE: Kenergy Corporation – Application for a Certificate of Public Convenience and Necessity to Construct a Replacement Branch Office Building

A telephonic informal conference ("IC") was held in the above referenced case October 13, 2011. A copy of the attendance list is attached.

The purpose of the IC was to discuss issues related to an estimated \$120,000 new 11GHz microwave communication system which was mentioned in the Kenergy Corporation's ("Kenergy") response to Item 4 of the Commission Staff's First Data Request and in Item 2 of the Commission Staff's Second Data Request. Commission Staff was aware that the focus in the recently approved and closed Case No. 2011-00350¹ was Kenergy's microwave system which was being transitioned from a frequency of 2GHz to a frequency of 6GHz.

Commission Staff inquiries and Kenergy's comments centered on the current Kenergy communication system which involves a 0.85 mile fiber optic cable connection to a Kenergy communications collocation point at a Big Rivers Electric Cooperative Corporation repeater radio site in Marion, Kentucky. Kenergy stated that the overland cable has been prone to damage and has proven unreliable in past emergency situations. If the new office building site were to use a similar arrangement of components, a non Kenergy-owned 2.5 mile fiber optics pole line would be required. Since the communications link involves a 1.86 mile direct line-of-sight path, Kenergy stated that it made the determination that it was reasonable to obtain a microwave system which should prove more reliable and more cost effective at two-thirds the cost of adding the alternate routing of fiber optics to the system. According to Kenergy, the frequency difference between the Marion Office link at 11GHz and the overall system migration in two years to a frequency of 6GHz was not problematic, but actually an advantage for Kenergy. Kenergy further stated that the systems will interface with one another adequately, and the Marion system will be less expensive and will appropriately meet all the requirements of that office. And finally, Kenergy asserted that the overall 6GHz microwave system is more extensive and the components are more robust and more expensive, but the individual facility links at the higher frequencies are equally well suited, and more economical, for their individual application. There being no further questions or need for further discussion, the IC was adjourned.

¹ Case No. 2011-00350, Application of Kenergy Corp. for a Certificate of Convenience and Necessity (Ky. PSC Sept. 30, 2011).

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF KENERGY CORP. FOR A) CASE NO.
CERTIFICATE OF PUBLIC CONVENIENCE) 2011-00196
AND NECESSITY

October 13, 2011

Please sign in:

NAME

REPRESENTING

<u>JOHN SHUPP</u>	<u>PSC - ENG.</u>
<u>Steven Bailey</u>	<u>PSC legal</u>
<u>Eric Bowman</u>	<u>PSC - Eng.</u>
<u>David B. Powell</u>	<u>PSC - legal</u>
<u>Quang D. Nguyen</u>	<u>PSC</u>
<u>Chris Whelan</u>	<u>PSC</u>
<u>TIM LIVERS</u>	<u>PSC</u>
<u>Chris Hopgood</u>	<u>Kenergy - via phone</u>
<u>Sandy Novick</u>	<u>Kenergy - via phone</u>
<u>Scott Gentry</u>	<u>Kenergy - via phone</u>
<u>Mike Crabtree</u>	<u>Kenergy - via phone</u>