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May 22, 2014

RECEIVED

MAY 22 2014

PUBLIC SERVICE
COMMISSION

Mr. Jonathan Beyer
Kentucky Public Service Commission
P.O. Box 615
211 Sower Boulevard
Frankfort, KY 40602

Re: In the Matter of: Application of East Kentucky Power
Cooperative, Inc. for Approval of an Economic Development Rider
PSC Case No. 2014-00034

Dear Mr. Beyer:

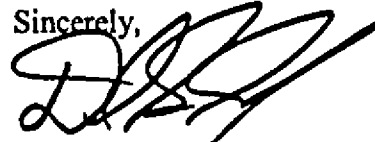
Please accept this as the Comments from East Kentucky Power Cooperative, Inc. ("EKPC") in response to the Informal Conference Memorandum dated May 16, 2014 and filed in the above-referenced case. EKPC appreciates the time that Staff made itself available to hold the Informal Conference. In follow up to the Informal Conference Memorandum, EKPC would like to offer a few clarifications.

First, EKPC would like to clarify that the proposed Economic Development Rider ("EDR") Tariff is the result of a consensus among all 16 of EKPC's Members and a product of EKPC's Board's strategic planning efforts. While Jackson Energy Cooperative is the first of EKPC's Members to propose a retail version of the EDR Tariff, the concept was formed through a collaborative effort. Secondly, EKPC acknowledges that there might need to be an adjustment for EDR revenues in a future rate case, however, it is unwilling at this time to commit to any particular rate treatment. EKPC anticipates that any future rate adjustment would be handled in a manner that is consistent with similar ratemaking adjustments for other utilities that have implemented EDR special contracts. Finally, in the second sentence of the last paragraph on page 1 of the Memorandum, we believe that it was Mr. Scott, and not Ms. Wright, who discussed the consequence of failure to maintain the requisite load factor after the grace period.

Mr. Jonathan Beyer
May 22, 1014
Page 2

Thank you for the opportunity to provide these Comments, and thank you once again to Staff for accommodating our request for the Informal Conference. Should you have any questions, please feel free to contact me at your convenience.

Sincerely,

A handwritten signature in black ink, appearing to read 'D. Samford', written in a cursive style.

David Samford

cc: Michael Kurtz
Clayton Oswald
Patrick Woods