



Steven L. Beshear  
Governor

Leonard K. Peters  
Secretary  
Energy and Environment Cabinet

Commonwealth of Kentucky  
**Public Service Commission**  
211 Sower Blvd.  
P.O. Box 615  
Frankfort, Kentucky 40602-0615  
Telephone: (502) 564-3940  
Fax: (502) 564-3460  
psc.ky.gov

David L. Armstrong  
Chairman

James W. Gardner  
Vice Chairman

Linda K. Breathitt  
Commissioner

September 30, 2014

## PARTIES OF RECORD

RE: 2014-00201  
APPLICATION OF DUKE ENERGY KENTUCKY, INC. FOR (1) A CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY AUTHORIZING THE ACQUISITION OF THE DAYTON POWER & LIGHT COMPANY'S 31% INTEREST IN THE EAST BEND GENERATING STATION; (2) APPROVAL OF DUKE ENERGY KENTUCKY, INC.'S ASSUMPTION OF CERTAIN LIABILITIES IN CONNECTION WITH THE ACQUISITION; (3) DEFERRAL OF COSTS INCURRED AS PART OF THE ACQUISITION; AND (4) ALL OTHER NECESSARY WAIVERS, APPROVALS, AND RELIEF

Attached is a copy of an informal conference memo 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 this memo, please do so within five days of receipt of this letter. If you have any questions, please contact Quang Nguyen, Staff Attorney, at (502) 782-2586.

Sincerely,

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


Jeff Derouen  
Executive Director

QN/ch  
Attachment

**INTRA-AGENCY MEMORANDUM**

**KENTUCKY PUBLIC SERVICE COMMISSION**

**TO:** Case File

**FROM:** Quang D. Nguyen, Staff Attorney 

**DATE:** September 30, 2014

**RE:** Case No. 2014-00201  
APPLICATION OF DUKE ENERGY KENTUCKY, INC. FOR (1) A CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY AUTHORIZING THE ACQUISITION OF THE DAYTON POWER & LIGHT COMPANY'S 31% INTEREST IN THE EAST BEND GENERATING STATION; (2) APPROVAL OF DUKE ENERGY KENTUCKY, INC.'S ASSUMPTION OF CERTAIN LIABILITIES IN CONNECTION WITH THE ACQUISITION; (3) DEFERRAL OF COSTS INCURRED AS PART OF THE ACQUISITION; AND (4) ALL OTHER NECESSARY WAIVERS, APPROVALS, AND RELIEF

Pursuant to an Order dated September 18, 2014, an informal conference ("IC") was held at the Commission's offices on September 24, 2014. The purpose of the IC was to discuss the status of the instant matter and to identify any issues to be raised at a formal hearing. A list of the attendees is attached hereto.

Duke Energy Kentucky, Inc.'s ("Duke Kentucky") began the IC by noting that the procedural deadline for intervenor testimony has expired without any testimony having been filed by the Office of the Attorney General ("AG"), the only intervenor in this case, and thus the remaining procedural steps set out in the Commission's July 16, 2014 Order would be unnecessary. Duke Kentucky also expressed that the proposed acquisition of 31 percent of the East Bend Generating Station is not only the least cost option to replace the capacity and energy from Miami Fort Unit 6, if and when that generating unit is retired rather than be retrofitted to comply with federal air regulations, but that the acquisition would also bring added value to Duke Kentucky's customers due to it clearing in the PJM capacity and energy markets.

After further discussions among the attendees, a tentative settlement agreement was reached between Duke Kentucky and the AG. The parties will finalize the language of the settlement agreement and file the settlement agreement along with supporting testimony within the next several weeks. Commission Staff ("Staff") indicated that an order would be issued in a week or two scheduling the formal hearing for this matter and that Staff would inform Duke Kentucky if any witness would not be required to attend the hearing.

There being no further discussions, the informal conference was adjourned.

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF DUKE ENERGY	)	
KENTUCKY, INC. FOR (1) A	)	CASE NO. 2014-00201
CERTIFICATE OF PUBLIC	)	
CONVENIENCE AND NECESSITY	)	
AUTHORIZING THE ACQUISITION OF	)	
THE DAYTON POWER AND LIGHT	)	
COMPANY'S 31% INTEREST IN THE	)	
EAST BEND GENERATING STATION	)	

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September 24, 2014 Informal Conference

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Please sign in:

NAME

REPRESENTING

*David S. Sanford*

*PSC*

*David S. Sanford*

*Goss Sanford - Duke Energy Kentucky*

*Charles H. Sessier, Jr.*

*Duke Energy*

*Rocco DiStasio*

*Duke Energy*

*Dan Wathen*

*Duke Energy*

*John Verderame*

*DUKE ENERGY*

*Gregory Eaton*

*OAG*

*Larry Cook*

*OAG*

*Jennifer Hans*

*OAG*

*Chris Whelan*

*PSC*

*JEFF SHAW*

*PSC-FA*

*Leah Hankner*

*PSC-FA*

*Ron Handziak*

*PSC FA*

JOHN SHUPP  
RICHARD RAFF

PSC - ENG.  
PSC - LEGAL