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James W. Gardner
Chairman

Daniel E. Logsdon Jr.
Vice Chairman

J. Roger Thomas
Commissioner

March 14, 2016

PARTIES OF RECORD

Re: Case No. 2015-00281

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 memorandum please do so within five days of receipt of this letter. If you have any questions, please contact Jonathan Beyer, Commission Counsel, at 502/782-2581.

Sincerely,

A handwritten signature in blue ink that reads "Stephanie Bell".

James W. Gardner
Acting Executive Director

Enclosures

INTRA-AGENCY MEMORANDUM ADDENDUM

KENTUCKY PUBLIC SERVICE COMMISSION

TO: Case File – Case No. 2015-00281

FROM: Jonathan Beyer, Staff Attorney

DATE: March 14, 2016

RE: Informal Conference of March 2, 2016

Pursuant to the Commission's February 18, 2016 Order, an informal conference was held in this matter on March 2, 2016. A list of attendees is attached.

Beginning the conference, Mr. Isaac Scott with East Kentucky Power Cooperative, Inc. ("EKPC") provided an overview of the alternative environmental surcharge calculation methodology as proposed by its sixteen member cooperatives. Mr. Scott stated that any difference in over or under recoveries between the current methodology and the proposed methodology will always be the previously authorized amortization.

Mr. Scott answered questions from Commission Staff regarding the operation and calculations involved in the proposed alternative methodology. Commission Staff suggested that an additional column be added to the form to provide the amortizations from past cases. Mr. Scott suggested including this information below the proposed calculation, which Commission Staff agreed was reasonable.

The parties discussed whether a hearing would be necessary and Commission Staff advised that EKPC could request to submit the case on the record and the Commission would review the issues and later determine if a hearing is necessary. Next, Commission Staff requested an additional example of the proposed methodology utilizing the figures for Owen Electric Cooperative ("Owen"), which Owen agreed to provide in consultation with EKPC. Finally, Farmers Electric Cooperative ("Farmers") stated that it would supplement its previous filing to request a six month rather than a twelve month amortization.

Finding that no party had any further questions the conference was adjourned.

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

| | | |
|---|---|------------|
| AN EXAMINATION BY THE PUBLIC SERVICE |) | |
| COMMISSION OF THE ENVIRONMENTAL |) | CASE NO. |
| SURCHARGE MECHANISM OF EAST KENTUCKY |) | 2015-00281 |
| POWER COOPERATIVE, INC. FOR THE SIX- |) | |
| MONTH BILLING PERIODS ENDING JUNE 30, |) | |
| 2014 AND DECEMBER 31, 2014, FOR THE TWO- |) | |
| YEAR BILLING PERIOD ENDING JUNE 30, 2015, |) | |
| AND THE PASS THROUGH MECHANISM FOR ITS |) | |
| SIXTEEN MEMBER DISTRIBUTION |) | |
| COOPERATIVES |) | |

March 2, 2016

Please sign in:

NAME

REPRESENTING

Jonathan Bayer

PSC

Ron Handziak

PSC

RICHARD RAFF

PSC-LEGAL

AARON GREENWELL

PSC

ISAAC SCOTT

EKPC

David Samford

Goss Samford, PLLC - EKPC

Patrick Woods

EKPC

Michelle Herrman

South Kentucky RECC

Mark Stallons

Owen Electric

Jim Crawford

Owen Elect

Jennie Phelps

Farmers RECC

Ann Wood

Bob Hulse 11

Self Greer

Eddie Boone

Mary Whitaker

Robert Tolliver

Jim Jacobs

Holly Eades

Brian Fraser

Sheree Gilliam

Mary Federle

Deddie Martin

John May

Bradley Cherry

Harry Howard

David Estep

Mark Keene

Mike Williams

Barry Myers

Ricky Walters

Mike Codd

Michael O'Brien

Jennifer McRoberts

N.chel

Owen Eubank

PUL

STEER

Salt River Electric

PSC-FA

Cumberland Valley

Inter-County Energy

Clark Energy

Big Sandy REC

Inter-County Energy

Shelly Energy

Shelly Energy

Licking Valley

Greysen REC

Licking Valley

Big Sandy REC

Jackson Energy

Bluegrass Energy

Taylor REC

Taylor REC

Owen Electric

Nolin REC

Flaming Mason

Licking Valley

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