



October 27, 2017

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PUBLIC SERVICE
COMMISSION

Gwen R. Pinson
Executive Director
Kentucky Public Service Commission
211 Sower Boulevard
Frankfort, Kentucky 40602-0615

**Re: Application of Big Rivers Electric Corporation for a Declaratory Order
Case No: 2016-00278**

Dear Ms. Pinson:

The abeyance period granted in the Public Service Commission's Order entered on September 22, 2017, having expired, Henderson Municipal Power & Light ("Henderson") must report that the parties have been unable to finalize the tentative settlement agreement referenced in their joint status report of September 12, 2017.

The status of negotiations at that time suggested that an agreement was imminent. Settlement discussions held since the abeyance period was extended produced a series of offers and counteroffers, with each party making tentative commitments that were conditioned upon reciprocal commitments from the other party. However, the parties have been unable to settle upon mutually acceptable terms that would resolve the outstanding issues between them, including those pending before the Commission. Henderson does not believe that further negotiations would be productive.

Henderson reiterates its previously expressed objections to Big Rivers' application, including but not limited to the objection based upon jurisdictional grounds.

Sincerely,

Chris Heimgartner
General Manager
Henderson Municipal Power & Light