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Chairman

James W. Gardner
Vice Chairman

Charles R. Borders
Commissioner

November 19, 2010

PARTIES OF RECORD

Re: Case No. 2010-00238
An Investigation of East Kentucky Power Cooperative, Inc.'s Need for the Smith 1
Generating Facility

Attached is a copy of the 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 informal conference memorandum, please do so within five days of receipt of this letter. If you have any questions, please contact Quang Nguyen, Staff Attorney, at 502/564-3940, Extension 256.

Sincerely,

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


Jeff Deroden
Executive Director

QN/kar
Attachment

INTRA-AGENCY MEMORANDUM

KENTUCKY PUBLIC SERVICE COMMISSION

TO: Case File

FROM: Quang D. Nguyen, Staff Attorney 

DATE: November 19, 2010

RE: Case No. 2010-00238
Investigation of East Kentucky Power Cooperative Inc.'s Need for the
Smith 1 Generating Facility

Pursuant to a Commission Staff notice, an informal conference was held at the Commission's offices on November 9, 2010. A list of the attendees is attached hereto. The purpose of the conference was to allow East Kentucky Power Cooperative, Inc. ("EKPC") an opportunity to provide an update on its discussions with the parties in narrowing the issues to be reviewed in this matter.

EKPC indicated that the parties have had ongoing settlement negotiations for the past several months and that they have reached an agreement in principle to resolve the issues raised in this investigation as well as issues pending in other forums. The parties were hopeful that an agreement would be signed and filed during the week of November 15, 2010 for the Commission's review and approval. EKPC noted that approximately \$150 million has already been expended to construct the Smith 1 Generating Facility and that any decision to cease construction would be coupled with a request for the Commission to establish a regulatory asset for the recovery of those costs.

Given the time and effort expended by the parties in discussions and negotiations, EKPC stated that it has not been able to complete the information requested by the Commission's June 22, 2010 Order, including the 2010 updated load forecast. EKPC advised that it would be filing a motion requesting an extension of time, until November 30, 2010, to file the requested information.

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

AN INVESTIGATION OF EAST KENTUCKY POWER
COOPERATIVE, INC.'S NEED FOR THE
SMITH 1 GENERATING FACILITY
2010-00238

November 9, 2010
Informal Conference

<u>Name</u>	<u>Company</u>
<u>RICHARD RAFF</u>	<u>PSC - LEGAL</u>
<u>MARK D. GOSS (McNalley)</u>	<u>Most known Todd for EKPC</u>
<u>Mike McNalley</u>	<u>EKPC</u>
<u>Robert Ukeiley</u>	<u>for Wendell Berry, John Potherson, John Rouse L., KEF, KFTL & Sierra Club</u>
<u>Dania Schroeder</u>	<u>"</u>
<u>Aaron Rosewood</u>	<u>PSC - Deputy Ex. Dir.</u>
<u>Quang D. Nguyen</u>	<u>PSC - Legal</u>
<u>Mike Kurtz</u>	<u>Gallatin Steel</u>
<u>Dennis Howard T</u>	<u>DAG</u>
<u>Jeff Rowen</u>	<u>ED - PSC</u>