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September 12, 2012

Mr. Anthony Campbell
President and CEO
East Kentucky Power Cooperative, Inc.
P.O. Box 707
Winchester, KY 40392-0707

Re: Follow-up to Case No. 2010-00238 --- An Investigation of East Kentucky Power Cooperative, Inc.'s Need for the Smith1 Generating Facility

Dear Mr. Campbell:

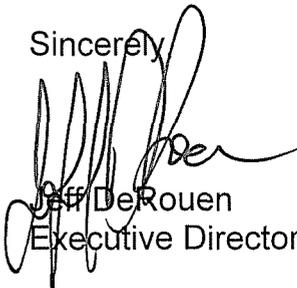
In its February 28, 2011 Order, the Commission found the provisions of the Settlement Agreement reached in Case No. 2010-00238 to be reasonable, and approved EKPC's request to relinquish its certificate for the construction of Smith 1. As part of the Settlement Agreement, the parties agreed that EKPC would initiate a "Collaborative" among EKPC, the Environmental Groups, Gallatin Steel, the Attorney General, each of EKPC's Member Systems, and others representing relevant interests. The purpose of the Collaborative as stated in the Settlement Agreement is "to evaluate and recommend actions to expand deployment of renewable energy and demand-side management, and to promote collaboration among the Parties in the implementation of those ideas." Additionally, the agreement set forth certain requirements of EKPC, including drafting a charter for the Collaborative, funding of the Collaborative, and other items requiring action by EKPC.

Approximately eight months have passed since the Commission's approval of the Settlement Agreement. In Case No. 2012-00149, EKPC's Integrated Resource Plan ("IRP"), and in its responses to information requests of both Commission Staff and the Intervenors, EKPC has provided information pertaining to EKPC's DSM/Energy Efficiency efforts. To the extent that some of the following information

desired by Staff has not been addressed in the IRP case, and since some of the information that has been addressed is dated and should be updated, Commission Staff requests that EKPC provide an update concerning the status of the Collaborative, including, but not limited to:

- A timeline of activities undertaken by the Collaborative, including a brief discussion of any actions taken by the Collaborative.
- An accounting of any funds spent on behalf of the Collaborative.
- A listing of all energy and renewable proposals considered by the Collaborative and the status of those proposals.
- A listing of all demand-side management and energy efficiency proposals considered by the Collaborative and the status of those proposals.
- The status of the study specifically mentioned in the Settlement Agreement concerning available wind resources at 100 meters.
- Identify the current Collaborative membership and the interest of each member. Also identify any changes to the membership of the original Collaborative group and the interest the new member represents.

Staff requests a response from EKPC within three weeks of the receipt of this request. As always, your cooperation is greatly appreciated.

Sincerely,

Jeff DeRouen
Executive Director