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PUBLIC SERVICE
COMMISSION

Mr. Jeffrey Derouen
Executive Director
Kentucky Public Service Commission
211 Sower Boulevard
P. O. Box 615
Frankfort, Kentucky 40602-0615


Re: Case No. 2007-00165, Application of East Kentucky Power Cooperative, Inc. for an Order Approving a Pilot Real-Time Pricing Program for Large Commercial and Industrial Customers

Dear Mr. Derouen:

Please find attached an original and five (5) copies of the report from East Kentucky Power Cooperative, Inc. ("EKPC") updating the status of the roll-out of the Real Time Pricing ("RTP") Pilot Program, which was approved by the Commission on February 1, 2008. The updated status report is in response to a request made by Commission Staff at the August 12, 2009 informal conference.

If there are questions about the report or additional information is needed, please contact Isaac Scott at (859) 745-9243.

Sincerely,


Roger Cowden

Enclosures

cc: Office of the Attorney General

Status Report on Roll-Out of EKPC's Real Time Pricing Pilot Program

At the August 12, 2009 informal conference, Commission Staff requested that EKPC file a status report on the roll-out of the Real Time Pricing ("RTP") Pilot Program. The report was to update the status on a series of events included in a timeline EKPC presented at the informal conference. The report was also to update EKPC's May 1, 2008 response that listed the member cooperatives who would be participating in the RTP pilot program.

The updates on the events identified at the August 12, 2009 informal conference are as follows:

1. By the end of October 2009
 - a) Finalize determination of RTP prices.

EKPC has nearly completed this event, with most but not all of the assumptions finalized. Several employees at EKPC are involved in this process. EKPC is fine-tuning two components of the price and plan to finalize these by mid-November.
 - b) Verify RTP price postings are accurate and timely.

EKPC had hoped to begin posting the RTP prices and checking for timeliness and accuracy before the end of October. However, the delay in finalizing the determination of the RTP prices has delayed the verification procedure. We now plan to begin postings in early November, with the verification procedure engaged at the same time.
 - c) Verify secure website is operating properly.

This step has been delayed because of the delay in posting RTP prices. The operation of the website will be examined as soon as the posting of RTP prices begins.
 - d) Complete training of EKPC personnel.

Training of EKPC personnel is essentially complete. Although understood at a conceptual level, the actual interaction of various personnel in the areas of pricing, load data collection, and billing will not be tested until RTP prices are posted. Some additional training may be necessary, but should be minimal.
 - e) Confirm that historic data and billing information is being retained.

Processes are currently in place to retain this data and actual data collection has been verified. This event is completed.
 - f) Finalize marketing approach.

Further review by EKPC personnel has led to the conclusion that a broad-scope marketing approach will not be appropriate at this time, given the participation expected. EKPC and the participating member cooperatives will make sure potential participants are aware of the pilot program, but will focus on a one-on-one approach of presenting the pilot program.

2. During November 2009
 - a) Hold meeting with interested Member Systems to start education and training on the RTP Pilot program.
EKPC has scheduled this meeting to be held on November 13, 2009, and plans to go over all the details of the pilot program with the member cooperatives. All of the member cooperatives have been invited to attend, whether they plan on participating in the pilot program or not.
 - b) Finalize wholesale and retail RTP tariffs and file with the Commission.
EKPC and the participating member cooperatives are finalizing the RTP tariffs and still plan on filing them with the Commission by the end of November.

3. During December 2009
 - a) Hold final education and training meeting with interested Member Systems.
EKPC plans to provide any additional education and training the participating member cooperatives may need. Given the difficulties with scheduling in December, we may be providing information through e-mail and other communication means and answering specific questions from the member cooperatives one-on-one rather than holding a formal meeting.

In its May 1, 2008 letter, EKPC indicated that 14 of the 16 member cooperatives would be participating in the RTP pilot program. As requested at the August 12, 2009 informal conference, EKPC has contacted the member cooperatives and asked whether the cooperative will be participating in the pilot program. Listed below are the member cooperatives that currently plan on participating in the pilot program:

Blue Grass Energy Cooperative Corporation	Fleming-Mason Energy
Grayson RECC	Licking Valley RECC
Nolin RECC	Owen Electric Cooperative
South Kentucky RECC	Taylor County RECC

The following member cooperatives do not plan on participating in the pilot program:

Big Sandy RECC	Clark Energy Cooperative
Cumberland Valley Electric	Farmers RECC
Inter-County Energy Cooperative	Jackson Energy Cooperative
Salt River Electric	Shelby Energy Cooperative

Big Sandy RECC and Farmers RECC were originally going to be the only member cooperatives not participating in the pilot program. However, since the submission of the May 1, 2008 letter, several of the member cooperatives have reexamined the pilot program and considered the operations of potential industrial customers in their respective service territories. As a result, six additional member cooperatives have concluded that there would be little or no interest from the potential industrial customers, and consequently decided not to participate in the RTP pilot program.