



Steven L. Beshear  
Governor

Leonard K. Peters  
Secretary  
Energy and Environment Cabinet

Commonwealth of Kentucky  
**Public Service Commission**  
211 Sower Blvd.  
P.O. Box 615  
Frankfort, Kentucky 40602-0615  
Telephone: (502) 564-3940  
Fax: (502) 564-3460  
psc.ky.gov

David L. Armstrong  
Chairman

James Gardner  
Vice-Chairman

John W. Clay  
Commissioner

November 21, 2008

Honorable Charles. A. Lile, Corporate Counsel  
East Kentucky Power Cooperative, Inc.  
4775 Lexington Rd. P.O. Box 707  
Winchester, Kentucky 40392-0707

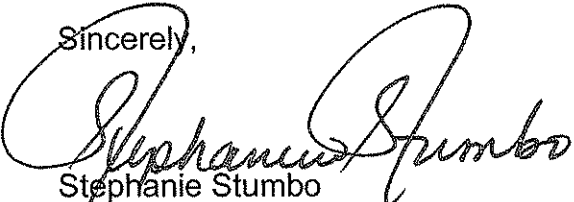
Re: Case No. 2008-00409

Dear Mr. Lile:

Enclosed is a memorandum that has been entered into the record of this case which summarizes the informal conference held in this case on November 13, 2008.

Any comments regarding the memorandum or communication described therein should be filed within 7 days of the date of this letter. If you have any questions, please direct them to Mrs. Anita Mitchell of the Commission's Legal Division.

Sincerely,

  
Stephanie Stumbo  
Executive Director

Enclosure



Steven L. Beshear  
Governor

Leonard K. Peters  
Secretary  
Energy and Environment Cabinet

Commonwealth of Kentucky  
**Public Service Commission**  
211 Sower Blvd.  
P.O. Box 615  
Frankfort, Kentucky 40602-0615  
Telephone: (502) 564-3940  
Fax: (502) 564-3460  
psc.ky.gov

David L. Armstrong  
Chairman

James Gardner  
Vice-Chairman

John W. Clay  
Commissioner

November 21, 2008

Honorable Michael L. Kurtz  
Boehm, Kurtz and Lowry  
36 East 7<sup>th</sup> Street, Suite 1510  
Cincinnati, Ohio 45202

Re: Case No. 2008-00409

Dear Mr. Kurtz:

Enclosed is a memorandum that has been entered into the record of this case which summarizes the informal conference held in this case on November 13, 2008.

Any comments regarding the memorandum or communication described therein should be filed within 7 days of the date of this letter. If you have any questions, please direct them to Mrs. Anita Mitchell of the Commission's Legal Division.

Sincerely,

A handwritten signature in cursive script that reads "Stephanie Stumbo".

Stephanie Stumbo  
Executive Director

Enclosure



Steven L. Beshear  
Governor

Leonard K. Peters  
Secretary  
Energy and Environment Cabinet

Commonwealth of Kentucky  
**Public Service Commission**  
211 Sower Blvd.  
P.O. Box 615  
Frankfort, Kentucky 40602-0615  
Telephone: (502) 564-3940  
Fax: (502) 564-3460  
psc.ky.gov

David L. Armstrong  
Chairman

James Gardner  
Vice-Chairman

John W. Clay  
Commissioner

November 21, 2008

Honorable Dennis G. Howard II  
Office of the Attorney General  
Utility and Rate Intervention Division  
1024 Capital Center Drive, Suite 200  
Frankfort, Kentucky 40601-8204

Re: Case No. 2008-00409

Dear Mr. Howard:

Enclosed is a memorandum that has been entered into the record of this case which summarizes the informal conference held in this case on November 13, 2008.

Any comments regarding the memorandum or communication described therein should be filed within 7 days of the date of this letter. If you have any questions, please direct them to Mrs. Anita Mitchell of the Commission's Legal Division.

Sincerely


A handwritten signature in black ink that reads "Stephanie Stumbo".

Stephanie Stumbo  
Executive Director

Enclosure

**INTRA-AGENCY MEMORANDUM**

**KENTUCKY PUBLIC SERVICE COMMISSION**

**TO:** Main Case File - Case No. 2008-00409  
**FROM:**  Jeff Shaw, Team Leader  
**DATE:** November 21, 2008  
**RE:** Informal Conference of November 13, 2008

On November 13, 2008, an informal conference ("IC") was held in this case for the purpose of discussing the request of East Kentucky Power Cooperative, Inc. ("EKPC") for authority to establish a regulatory asset. The purpose of the proposed asset is to reflect the revenues EKPC would expect to realize in the months of April and May of 2009 if its proposed rate increase were in effect at that time. The statutory suspension period for EKPC's proposed rate increase extends to June 1, 2009. EKPC seeks recognition of revenues beginning April 1, 2009 as that is the date its Spurlock 4 Generating Unit ("Spurlock 4") is scheduled to begin commercial operation.

The Attorney General ("AG") and Kentucky Industrial Utility Customers ("KIUC") participated in the IC along with EKPC and Commission Staff ("Staff"). A copy of the attendance list for the IC is attached hereto. In response to questioning by Staff, EKPC discussed the degree to which the April 1, 2009 commercialization date for Spurlock 4 is fixed. EKPC described the accounting entries it expects it will make to reflect the proposed regulatory asset on its books and discussed what portion of its requested rate increase was due to the need to recover costs related to the commercialization of Spurlock 4. There was also discussion of the impact on EKPC's financial condition if it were unable to recover the Spurlock 4 costs for the time between the commercialization of the unit and the issuance of a final rate order in this proceeding by the Commission.

It was agreed that EKPC would follow-up on the IC by filing written responses and/or comments regarding issues discussed at the IC by November 21, 2008. It was further agreed that the Commission's procedural order for this case would include a separate procedural schedule for completing the review of the issue of EKPC's request to establish a regulatory asset. Both the AG and KIUC indicated that, if they determined that they would not have further questions for EKPC, they would contact Staff and EKPC so that EKPC could file any summary comments it might have at an earlier date than would be prescribed in the procedural schedule.

The IC was then adjourned.

Attachments

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

GENERAL ADJUSTMENT OF ELECTRIC )  
RATES OF EAST KENTUCKY POWER ) CASE NO.  
COOPERATIVE, INC. ) 2008-00409

=====

November 13, 2008 Informal Conference

=====

Please sign in:  
NAME

REPRESENTING

David Samford	PSC
Aruta Mitchell	PSC
Steve Seelye	Prime Group / EKPC
Marty Blake	Prime Group
Ann Wood	EKPC
Mike Kurtz	KIUC
Dennis Howard II	AG
Jeff Shaver	PSC-FA
CHARLES LICE	EKPC
JEFF JOHNSON	PSC
Chris Whelan	PSC - FA
Quang D. Nguyen	PSC
FRANK J. OLIVA	EKPC
DAVID G. EAMES	EKPC
John Rogness	PSC - FA
Larry Cook	OAG
Jim Lamb	EKPC
Daryl Newby	PSC - FA
Aaron Greenwell	PSC - FA
WAYNE MILLER	PSC / FA