

July 25, 2007

Ms. Elizabeth O'Donnell  
Executive Director  
Public Service Commission  
211 Sower Boulevard  
Post Office Box 615  
Frankfort, KY 40602

RECEIVED

JUL 27 2007

PUBLIC SERVICE  
COMMISSION

Re: PSC Case No. 2007-00168

Dear Ms. O'Donnell:

Pursuant to the Commission's order dated May 9, 2007 in the above-referenced case, please find enclosed for filing with the Commission ten copies of a U. S. Department of Agriculture notice of categorical exclusion from environmental reviews relating to East Kentucky Power Cooperative, Inc.'s proposed construction of new water intake facilities at Cooper Power Station to address concerns associated with the potential lowering of the level of Lake Cumberland.

The remaining KPDES permit revision, as referenced in the Application in this case, will be filed with the Commission as it is issued.

Very truly yours,



Charles A. Lile  
Senior Corporate Counsel

Enclosures

Cc: Dennis Howard II, Esq.- Attorney General  
Paul D. Adams, Esq.- Attorney General



United States Department of Agriculture  
Rural Development

Rural Business-Cooperative Service • Rural Housing Service • Rural Utilities Service  
Washington, DC 20250

Mr. Robert M. Marshall  
President/CEO  
East Kentucky Power Cooperative, Inc.  
P.O. Box 707  
Winchester, KY 40392-0707

JUL 16 2007

Dear Mr. Marshall:

The Rural Development Utilities Programs Engineering and Environmental Staff has completed its review of the project description for the proposed Cooper Unit II Cooling Tower and Associated Barges, Pumps, and Piping located at the Cooper Power Station in Pulaski County, Kentucky. The project, as proposed, meets the criteria for a categorical exclusion in accordance with 7 CFR 1794.21(b)(6) Environmental Policies and Procedures. An environmental report, assessment or environmental impact statement will not need to be prepared for this project.

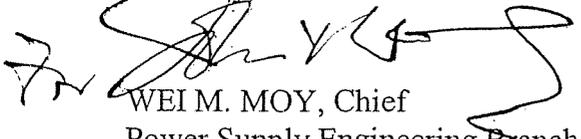
Please note, upon East Kentucky Power Cooperative's receipt of the February 9, 2007 letter from the U. S. Army Corp of Engineers detailing the planned drop in lake water level, our staff should have been notified prior to initiation of the proposed work (diesel pumps, access road, cut bank, and staging area) for appropriate classification in accordance with our regulations. Failure to receive environmental approval prior to initiation of construction could result in loss of RUS loan funds.

We require no further information regarding potential environmental impacts associated with the project provided it is constructed as described in the project description.

East Kentucky Power Cooperative Inc. is responsible for ensuring that any environmental commitments made in the project description are fulfilled in the construction of the proposed project.

Thank you for your assistance and cooperation in helping us fulfill our environmental review requirements.

Sincerely,

  
WEI M. MOY, Chief  
Power Supply Engineering Branch  
Power Supply Division

JUL 19 2007