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Stephanie Bell, Secretary
Kentucky State Board on Electrical Generation and Transmission Siting
211 Sower Boulevard
P.O. Box 615
Frankfort, Kentucky 40602-0615

Re: Case No. 2002-00149
Clarification of Proposed Monitoring Requirements

Dear Ms. Bell:

In BBC's report, *Review and Evaluation of Kentucky Mountain Power Site Assessment Report*, we recommended that a monitoring program be developed because some aspects of the proposed development, and the corresponding future site impacts, are uncertain at this time. Details of this monitoring program were not described in our report, but are set forth below to eliminate any misunderstanding about this permit condition.

At the conclusion of the hearing on the Kentucky Mountain Power (KMP) application, it was agreed by all parties that BBC would draft proposed monitoring requirements for all parties to consider and respond to in preparing their briefs to the Board. This memo documents our proposal.

Overview

In essence, we recommend that the permittee (or their successors) be required to file an annual report throughout the duration of the construction of their facility. Within six months after the conclusion of construction, the permittee should submit to a final site visit from the Board, their staff or their consultants, to review and ascertain that the constructed facility followed the description provided by the permittee in their site assessment report and that the mitigation conditions imposed by the Board were successfully implemented.

Applicability

BBC suggests that the monitoring program described herein should apply to any power facility that is subjected to the Board's review. The general reporting requirements, recommended

frequency and duration should be transferable to any facility that comes under review by the Board, though specific mitigation conditions imposed by the Board may vary from facility to facility.

Composition of Proposed Compliance Reports

The following is the proposed composition of the annual report to be filed by Kentucky Mountain Power throughout the duration of the construction effort. The same format would be recommended for any merchant power plant permittee, though the specific mitigation conditions may vary from one proposed facility to another.

General Format. The report would be filed in the form of a letter to the Chairman of the Kentucky State Board on Electrical Generation and Transmission Siting. The report would contain the following sections:

Overview -- A short narrative summary of the project's progress or changes, which have occurred since the last report. This section should identify the primary contractor(s) responsible for the largest portion of the construction effort, if applicable.

Implementation of Site Development Plan -- This section will describe 1) the implementation of access control to the site, 2) any substantive modifications to the proposed buildings, transmission lines and other structures, 3) any substantive modifications to the access ways, internal roads and railways serving the site, and 4) development of utilities to service the site.

Local hiring and procurement -- This section should describe the efforts made by the permittee, if any, to encourage the use of local workers and vendors. At a minimum, this might include a description of the efforts made by the permittee and those efforts made by contractors and vendors to use local workers and local vendors to build and operate this project. The applicant should also include at least an informed estimate of the proportion of the construction and operational workforce that resided in the region (e.g. 50 mile radius) of the plant site prior to coming to work at the KMP site. Ideally, the applicant and its contractors will gather the primary residence location of workers and vendors at the time of hire and include those statistics in the report.

Specific Mitigation Conditions -- This section will provide a narrative description of the permittee progress in implementing the specific mitigation conditions imposed by the Board. In the case of KMP, conditions below would be addressed.

Public comments and responses -- This section will provide a summary of any oral, telephone, e-mail or other written complaints or comments received from the public during the intervening period since the last report. This section should summarize the topics of public comments, the number of comments received and the permittee

response to each topic area. Original complaints and comments should be attached in their original form, including telephone transcriptions.

Specific Mitigation Conditions

The specific mitigation conditions for each permittee may vary, depending on their site and the issues presented by their facility plan. In each case, however, the permittee should provide a brief (e.g. 1 to 3 paragraph) narrative response to indicate their progress, any obstacles encountered, and plans to fulfill the permit condition or mitigation requirement or permit condition required by the Board.

In the case of KMP, the following conditions would be addressed:

1. Access Control
2. Site Definition
3. Compatibility with scenic surroundings
4. Minimization of noise impacts
5. Minimize disturbance from steam blows
6. Construction and use of new bridge and access road
7. Use of certain roadways
8. Preserving property values and ensuring economic benefits.
9. Follow-up compliance reporting

Sincerely,



Edward Harvey
Managing Director



Douglas Jeavons
Managing Director