LAW OFFICES OF LISA E. UNDERWOOD PLC 314 HOLIDAY ROAD LEXINGTON, KENTUCKY 40502 (859) 269-5487 phone (859) 269-1988 fax lisa@lunderwoodlaw.com

July 28, 2004

Beth O'Donnell, Executive Director Kentucky State Board on Electric Generation and Transmission Siting 211 Sower Boulevard P.O. Box 615 Frankfort, KY 40602

RE: Estill County Energy Partners, LLC

Case No. 2002-00172

Response to Staff's First Data Request

Dear Ms. O'Donnell:

Estill County Energy Partners, LLC ("ECEP") is submitting its response to the Staff's First Data Request dated July 9, 2004.

ECEP is submitting with this letter an original and six (6) paper copies of ECEP's response. ECEP will also file the response electronically on this date and provide a copy to all parties of record.

Sincerely,

Lisa E. Underwood

Attorney for Estill County Energy Partners, LLC

cc: Gerard B. Mack Joseph Tirone, Esq. Parties of Record

CERTIFICATE OF SERVICE

The undersigned hereby certifies that a copy of the foregoing was sent by United States First Class Mail, sufficient postage prepaid, to the following this the 28th day of July, 2004.

Darrell D. Brock, Jr.
Commissioner/Assistant to Governor
Office of Local Government
1024 Capital Center Drive
Suite 340
Frankfort, KY 40601

Danny P. Woods Brighton A&E 201 Brighton Park Boulevard Frankfort, KY 40601

John St. Claire Citizens Guaranty Bank Riverdrive Irvine, KY 40336

Judge Wallace Taylor Estill County Judge Executive 130 Main Street Room 101 Irvine, KY 40336

Gene Strong Secretary Economic Development Cabinet 2300 Capital Plaza Tower 500 Mero Street Frankfort, KY 40601

Wayne F. Collier Kinkead & Stilz, PLLC National City Plaza 301 East Main Street Suite 800 Lexington, KY 40507-1520

Honorable LaJuana S. Wilcher Secretary Environmental and Public Protection Ky Division of Energy Fifth Floor Capital Plaza Tower Frankfort, KY 40601

Will Herrick 4859 Flat Mary Road Campton, KY 41301-9509

Thomas J. FitzGerald Kentucky Resources Council, Inc. P.O. Box 1070 Frankfort, KY 40602

Sa E. Underwood

1. Submit a map showing site property lines and the property lines of adjacent landowners. Index the letters to adjacent landowners (in Exhibit P) to properties shown on the map. This map can be derived from the maps/information maintained by the Estill County Property Valuation Administrator ("PVA").

The attached map "Adjacent Property Owners" has been prepared to show the Site property lines and the property lines of adjacent landowners. The following table indexes the letters to adjacent property owners provided in Exhibit P to the properties shown on the Adjacent Property Owners map. Two additional adjacent property owner letter receipts are also attached to this response.

Map Index	Adjacent Landowner
AL1	James H. Crowe
AL2	Kent Purdue
AL3	Joyce Marcum
AL4	Don Fletcher
AL5	Helen Hawkins
AL6	Mary Clay Abney
AL7	Frank Thompson
AL8	Verlon Prewitt
AL9	Estill County Board of Education
AL10	APV Land Co., Inc.
AL11	Eldon Hughes
AL12	Winfred Puckett
AL13	Floyd Sizemore
AL14	Jack Jenkins
AL15	John Calmes
AL16	CSX Transportation
AL17	Carhartt, Inc.
AL18	Estill County Industrial Dev. Authority

Rec'd 5/24/2004

ESTILL COUNTY ENERGY PARTNERS, LLC 6000 Sulphur Well Road Lexington, KY 40509 (859) 263-1652 corp-siting@carthlink.net

May 18, 2004

CSX Transportation 333 W. Vine Street Suite 310 Lexington, KY 40507

To Whom It May Concern:

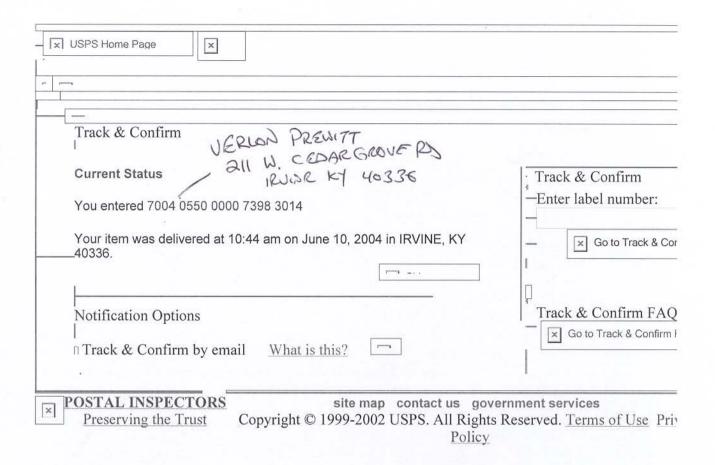
In accordance with KRS 278.706(2)(c)(1) and 807 KAR 5:110E Section 9 notice is hereby given that Estill County Energy Partners, LLC ("ECEP") intends to file an application with the Kentucky State Board on Electric Generation and Transmission Siting (the "Siting Board"), located at the Public Service Commission offices at 211 Sower Boulevard, PO Box 615, Frankfort, Kentucky 40602 and can be reached at telephone at (502) 564-3940.

ECEP proposes to construct a 110 net MW base-load coal-fired merchant electric generating facility at the former Southeast Coal site in Estill County, Kentucky. The address is 898 Coal Wash Road, Irvine, Kentucky 40336. The electric generating facility will be located on a 28 acre site within the 505 acre property. It is proposed that the former coal processing plant will be removed and the electric generating facility will be constructed in its place. The electric generating facility will utilize waste coal reclaimed from the property. The construction of the power plant is subject to approval of the Siting Board.

A person who wishes to become a party to a proceeding before the Siting Board may, by written motion filed no later than thirty (30) days after the application has been submitted, request leave to intervene. A party may, upon written motion filed no later than thirty (30) days after an application has been filed, request the Board to schedule an evidentiary hearing at the offices of the Public Service Commission, 211 Sower Boulevard, Frankfort, Kentucky 40602. A request for a local public hearing shall be made by at least three (3) interested persons who reside in the county or municipal corporation in which the plant or transmission line is proposed to be located. The request shall be made in writing and shall be filed within thirty (30) days following the filing of a completed application.

Respectfully;

Gerard B. Mack, Project Manager



2. The 505 acre site is in two electric service territories: Kentucky Utilities Company ("KU") and Jackson Energy Cooperative ("Jackson Energy"). Do the areas being supplied electricity during the construction of the plant and the electric retail supplier conform to the existing service area boundaries?

Kentucky Utilities Company ("KU") provides electrical service to the area which contains the former coal washing facility that will be replaced by the Facility. ECEP expects that all construction activity requiring electrical service will occur within this KU-served area.

3. Who will pay for the cost of the relocation of the Jackson Energy distribution lines through the site? Provide Jackson Energy's estimated cost to relocate the lines.

ECEP will pay for the expected minor relocation of a small portion of the Jackson Energy Cooperative ("JEC") 7-kV line which runs through the Site. ECEP and JEC have not yet finalized the relocation requirements and JEC has therefore not yet estimated a relocation cost.

4. Does ECEP have a contract to sell the power the plant will produce? If so, provide details. If not, describe what ECEP plans to do with the output of the plant.

ECEP does not yet have a contract to sell the power the Facility will produce. ECEP expects to have such a contract prior to the start of construction of the Facility.

5. Clarify how ECEP will mitigate the sound of steam blows during operation of the facility.

There will occasionally be high-pressure steam vented during operation of the Facility due to unforeseeable boiler upset conditions or un-planned shutdowns. Silencers will be installed on all main steam relief valves to mitigate sound during these unusual occurrences.

6. What effect would the use of steam silencers have on noise levels?

ECEP expects that commercially available silencers will attenuate steam blow sound levels by up to 35 to 40 dBA at the source.

7. In the application, you have stated two homes are located on the project site. However, these homes are not listed as residential areas on the Land Use Map, Appendix C. Describe the intended use(s) of the two homes in conjunction with the proposed merchant power plant.

The two former residential structures located on the Site and owned by Fox Trot Properties, LLC are not now occupied or used and are not planned to be occupied or used in connection with the Facility.

8. Are any of the residences in the vicinity of Coal Wash Road, KY 89, and Stump Road in a residential neighborhood as defined in KRS 278.700(6)? If not, explain why not. If so, amend Appendix C to show approximate neighborhood limits in this area and the previously identified residential neighborhood and add to the map.

The residences in the vicinity of Coal Wash Road, KY 89 and Stump Road would meet the definition of residential neighborhood as stated in KRS 278.700(6) ("Residential Neighborhood"). Exhibit C has been revised and Exhibit C Rev1 is attached to show the approximate limits of nearby Residential Neighborhoods.

9. Provide a map showing areas of the project site where coal will be obtained.

ECEP will mine waste coal from substantially all of the areas of the Site shown on Exhibit B, except for the area where the Facility will be constructed.

10. Amend Appendix B to show deed descriptions and acreage for each parcel shown

The four property areas shown on Exhibit B are not discretely deeded parcels. The four property areas outlined on Exhibit B are created by other property rights that cross or abut the Site. Exhibit B has been revised as attached to show the acreage of each of these four property areas. Please note a typographical error in the June 11, 2004 ECEP Application for Certificate to Construct a Merchant Electric Generating Facility in Section 2.1 on Page 6: the total Site acreage is 620 acres.

The Site consists of: (i) all property acquired by Kentucky Processing Company ("KPC") from DLX, Inc. pursuant to that certain deed dated August 4, 1994, of record in Deed Book 209, Page 143, in the office of the Estill County Clerk, and that certain deed of correction dated October 18, 1994, of record in Deed Book 210, Page 291 in the office of the Estill County Clerk, and (ii) all property acquired by KPC from Harry LaViers, Jr., Trustee, by deed dated December 15, 1995, of record in Deed Book 215, Page 608 in the office of the Estill County Clerk.

Copies of these deeds are attached in response to Question No. 11 of the Board Staff's First Data Request. Please note that certain exceptions and exclusions described in these deeds are not shown on Exhibit B. However, Fox Trot Properties, LLC and ECEP believe that Fox Trot Properties, LLC has valid rights to all of the property shown on Exhibit B.

The Site was acquired from KPC by Fox Trot Properties, LLC, an affiliate of ECEP, who was the successful bidder at the auction authorized by the Amended Plan of Orderly Liquidation and Distribution approved by the Bankruptcy Court administering the bankruptcy of KPC by its Order of Confirmation.

The following documents are attached: i) the KPC Disclosure Statement dated February 19, 2001 (with the KPC Reorganization Plan appended), as approved by the Bankruptcy Court; ii) the Bankruptcy Court's Order of Confirmation entered on May 31, 2001; iii) the Contract of Sale between the Bankruptcy Court-appointed auctioneer and Fox Trot Properties, LLC as executed at the auction on July 20, 2001; and iv) the auctioneer's report of the sale dated June 20, 2001.

11. Provide deeds for each parcel shown.

The deeds referenced in the response to Question No. 10 of the Board Staff's First Data Request are attached.

12. Provide a description of the relationship between Fox Trot Properties, LLC and ECEP. Include any agreement ECEP has reached with Fox Trot Properties, LLC to operate the proposed facility on the site.

ECEP and Fox Trot Properties, LLC are affiliated companies. Fox Trot Properties, LLC has a sole Member, Fox Trot Corporation. Estill County Energy Partners, LLC has a sole Member, Calla Energy Holding, LLC. Fox Trot Corporation and Calla Energy Holding, LLC have common ownership and control and therefore Fox Trot Properties, LLC and Estill County Energy Partners, LLC are considered affiliated companies. There is no agreement yet in place between these two affiliated companies to operate the Facility on the Site.

13. Correct labeling of perimeter fencing on Appendix G.

The perimeter fencing designation has been corrected on Exhibit G and Exhibit G Rev1 is attached.

14. Will perimeter fencing be placed along the existing concrete retaining wall? If not, will any security measures be taken at this location?

Yes, security fencing will be placed along the existing concrete retaining wall as shown on Exhibit G Rev1 as attached to the response to Question 13 of the Board Staff's First Data Request.

15. What security measures will be utilized at the secondary entrance located on the north side of the facility?

The gate shown on the north side of the Refuse Storage Building on Exhibit G will be locked when not in use.

16. What security measures will be utilized at the railroad sidetracks?

The perimeter fencing crossing the railroad sidetracks will have locked gates at appropriate locations to prevent unauthorized access.

17. Is the proposed culvert that will be placed in the existing ditch of sufficient size that a person will be able to travel through it? If so, what security precautions will be taken?

The culvert to be installed in a portion of the existing plant drainage ditch will not extend through the fence line. Unauthorized access through the drainage ditch will be prevented with appropriate barriers at the perimeter fence line.

18. What are the security measures taken for areas located outside the facility and within the site boundary?

Additional fencing and lighting will be installed as needed to protect mobile equipment when not in use for mining waste coal on the Site outside of the Facility perimeter fencing. Facility personnel will routinely patrol the Site.

19. It appears on the Facility Site Layout, Appendix G, that a (existing or proposed) road is approximately 60 feet west of the west sidetrack. This road shows a perimeter fencing through the road. Confirm if this road is being removed. If not, describe the security measures taken at this entrance to the plant facility.

This road is planned to be removed. If this road is not removed, or if any additional internal Site roads penetrating the perimeter fencing are found to be necessary during final design of the Facility, then locked gates will be provided at each such road way break in the perimeter fencing.

20. Provide a map showing the existing buildings and infrastructure to remain and to be removed.

The existing Rail Unloading Shed and River Water Intake Structure as shown on Exhibit G are the only existing buildings and infrastructure which will be renovated and remain after construction of the Facility. Existing concrete and railroad tie retaining walls shown on Exhibit G may remain or be replaced.

Other existing coal washing facility buildings and infrastructures within the Facility perimeter fencing will be removed.

Exhibit D is a map based on 1997 and 1998 aerial photography and shows other warehouses, maintenance shops and administration buildings on the Site. These buildings may be reconditioned for use as part of the Facility.

21. Confirm if the upgrade of the existing 69kV electric line from the KU West Irvin Substation to 161kV is regulated by the Public Service Commission.

ECEP expects to file an application with the Kentucky State Board on Electric Generation and Transmission Siting for a certificate to construct the new 161-kV line under KRS 278.714. The line would be considered to be a "nonregulated electric transmission line" as defined in KRS 278.700(5).

22. Describe any agreement reached with the Kentucky Department of Highways, if any, with regard to the right-of-way acquisition for the proposed access road from KY 499 to Coal Wash Road.

There is no such agreement yet.

23. What type of roads will the internal roads shown on Appendix G, Facility Site Layout, be? Will all roads be paved or unpaved? If mixed type, clarify on Appendix G, the limits of each type of road.

The internal roads shown on Exhibit G will be paved.

24. Describe the proposed roadway improvements to Coal Wash Road, if any. Does the existing pavement terminate at the end of the right-of-way? Do the proposed improvements include any work on existing Coal Wash Road? Does Foxtrot properties intend to dedicate land for a Coal Wash Road extension?

Coal Wash Road is paved. There are no improvements planned to Coal Wash Road. The current unpaved Site access road connects to the end of Coal Wash Road and will be paved by ECEP during construction of the Facility. This Site access road will not be dedicated as an extension of Coal Wash Road.

25. Provide copies of agreements with CSX Railroad for crossings including appropriate safety measures required.

Representatives of ECEP and CSX Transportation have met at the Site to discuss the existing crossings. The crossing agreements are held by CSX Transportation in Jacksonville, FL. ECEP will upgrade, but not relocate, the existing crossings. These upgrades will address the type of vehicular traffic expected at each crossing.

26. The Jackson Energy line will be relocated as shown, on Appendix G, Facility Site Layout. Is Jackson Energy relocating the line? What is the proposed location of the relocated line? Will Foxtrot Properties grant easements for the relocated line?

Representatives of ECEP and Jackson Electric Cooperative ("JEC") have met at the Site to discuss relocation of the portion of the line shown on Exhibit G. A final route across the Site has not yet been determined. It is expected that JEC would relocate the line within easements to be granted by Fox Trot Properties, LLC.

27. Will the water line from the facility to the existing water line from Coal Wash Road require a Division of Water permit? If so, amend Appendix F, Estill County Energy Partners, LLC Environmental Permitting Requirements.

No, an extension of a potable water line is considered a standard utility hook-up and does not require a Division of Water permit.

28. Which utility company will be providing telephone service to the facility?

Kentucky ALLTEL is the incumbent local exchange carrier in the Irvine area. ECEP has not yet selected a long distance telephone service provider.

29. Amend Appendix E, Viewshed Cross Section Location Map (1 of 2) to include one additional viewpoint.

Exhibit E (1 of 2) has been revised as requested in Question 30 of the Board Staff's First Data request. A copy is attached to this response.

30. From center of KY 499 bridge crossing over the Kentucky River to the proposed facility.

The additional viewpoint has been added to Exhibit E (1 of 2) as attached to the response to Question 29 of the Board Staff's First Data request.

31. Provide a map in 8.5" x 11" format. Contours may be deleted if mapping becomes illegible.

A copy of the revised Exhibit E (1 of 2) is attached in 8.5" by 11" format.

32. Amend Appendix E, Viewshed Cross-Sections (2of 2) for the following items.

Exhibit E (2 of 2) has been revised as requested in Question 33 of the Board Staff's First Data request. A copy is attached to this response.

- 33. Show the approximate location of the property line on each profile.
 - a. Revise the line of sight from the point of observation to the point of visual obstruction to determine how much of the facility will be seen.
 - b. Show proposed building height in addition to the stack height already shown.
 - c. Provide each cross section in 8.5" x 11" format. Revise horizontal scale as required to fit onto page.

The requested revisions have been made to Exhibit E (2 of 2) as attached to the response to Question 32 of the Board Staff's First Data request.

A copy of each cross-section of the revised Exhibit E (2 of 2) is attached in 8.5" by 11" format.

34. Will any mitigation be provided for "steam blows"?

Silencers will be used to mitigate the sound of steam blows at the end of the construction phase of the Facility.

There will occasionally be high-pressure steam vented during operation of the ECEP Facility due to unforeseeable boiler upset conditions or unplanned shutdowns. Silencers will be installed on all main steam relief valves to mitigate sound during these unusual occurrences.

35. Provide traffic volume/traffic classification data obtained from the Kentucky Transportation Cabinet on Coal Wash Road, KY 89, KY 499, and KY 52.

The following traffic information has been provided by the Kentucky Transportation Cabinet ("KYTC").

	Mile		Туре		
Road	Post	Year	Count	ADT	Location
KY 52	5.922	2002	Actual	11,300	North of KY 499
KY 52	6.748	2002	Actual	15,700	Junction KY 499
KY 52	7.588	2002	Actual	14,800	South of KY 499
KY 89	11.938	2001	Actual	7,650	South of KY 499
KY 89	12.977	2001	Actual	6,730	North of KY 499
KY 499	7.741	2002	Actual	4,870	Junction KY 52
Coal Wash	NA	2001	Actual	520	West of KY 89

KY 52, KY 89 and KY 499 are each classified by the KYTC as "AAA" with an 80,000 pound gross vehicle weight limitation.

36. Provide the analysis of the existing capacity and level of service on Coal Wash Road, KY 89, KY 499, and KY 52.

The most recent analysis of the existing capacity and level of service for this area is provided by a KYTC Traffic Forecast for KY 89 from the Irvine city limits to 0.5 miles north of Estill County High School. KYTC's analysis is summarized in the attached KYTC Intra-Departmental Memo dated July 31, 1997, Item No. 10-363.00.

37. Provide traffic volume/traffic classification data generated from construction of the proposed power plant.

The year 2022 ADT forecast for KY 89 ranges from 12,700 for the northern section, 15,100 for the central section and 20,400 for the southern section. Please refer to the map and tables on the second page of the attached KYTC Intra-Departmental Memo dated July 31, 1997, Item No. 10-363.00. KYTC has plans to upgrade KY 89 along this stretch which includes KY 89 at the entrance to Coal Wash Road.

38. Provide total traffic volume/traffic classification data during the construction of the proposed power plant.

During construction of the Facility, ECEP expects that a maximum of 150 workers would report to the Site during a normal shift. Conservatively assuming each worker arrives independently to the Site, 150 vehicles would arrive during the normal work hours. Materials and equipment for construction will arrive by rail and highway, but will be infrequent addition to highway traffic loads. According to the KYTC forecast for KY 89 (12,700 up to 20,400) or the recent ADT counts for KY 499 (4,870), this additional traffic load will not significantly contribute to congestion of traffic flows in the area.

Please refer to the response to Question 37 of the Board Staff's First Data Request which addresses both construction and total traffic data estimates.

39. State the estimated begin and end dates of construction for the power plant

Facility construction will begin after receipt of all final permits and close of financing. It is anticipated that construction may begin in the first quarter of 2005 and that commercial operation will begin in the first quarter of 2008.

40. State the estimated begin and end dates of construction for the proposed access road.

KYTC reports that they have not yet set a schedule for construction of the new Estill County Industrial Park access road from KY 499 to Coal Wash Road.

41. Identify temporary access roads, if any, and any agreements during construction that would be utilized to access the project site.

There are no temporary roads required to access the Site during construction of the Facility.

42. Provide the analysis of the capacity and level of service on Proposed Access Road, Coal Wash Road, KY 89, KY 499, and KY 52 during construction.

ECEP does not believe that this type of analysis is feasible without a KYTC traffic study. A KYTC traffic study could not be completed during the time frame of this review. KYTC officials have stated that they do not foresee a large enough impact from construction of the Facility to warrant a KYTC traffic study.

- 43. Provide the anticipated truck route for the following materials:
 - a. Coal (Assuming Truck Transport)
 - b. Lime
 - c. Limestone

Coal will most likely be delivered to the Site via the CSX railroad. In the unlikely event that coal is trucked to the Site, it would be delivered over KY 52 intersecting KY 89 at Irvine to KY 499 and over the new Estill County Industrial Park access road. An alternate route would be to travel KY 52 to West Irvine intersecting with KY 499 to the new Estill County Industrial Park access road.

Lime and limestone would be expected to travel the same truck route unless transported by the CSX railroad to the Site.

44. Provide maximum weight capacity of the truck and weight of typical trucks to be utilized (i.e., tandem and/or tractor trailers for transporting coal, lime, or limestone).

In the unlikely event that coal is trucked, it would be expected to be hauled in tractor trailers. Lime and limestone could be trucked by tandem and/or tractor trailers. Maximum weight is limited to the 80,000 pound gross vehicle weight as established by the KYTC on area highways.

45. Provide weight restrictions on the existing road network.

Highways KY 52, KY 89, and KY 499 are all rated "AAA" and are all limited to the 80,000 pound gross vehicle weight.

46. Provide the truck trip calculations from annual usage requirements for plant operation to daily requirements to existing number of trucks.

Coal will most likely be delivered to the Site via the CSX railroad. In the unlikely event that coal is trucked to the Site, maximum assumptions for such deliveries are: 120,000 tons per year, 50 weeks per year to deliver, 5 haul days per week and 30 tons per truck. Using these factors, approximately 15 trucks per day would deliver coal. In any event, the small amount of coal expected to be used by the Facility will be most likely delivered by the CSX railroad.

47. Provide traffic volume/traffic classification data generated from operation of the proposed power plant.

Assumptions for truck deliveries of lime and limestone to the Site are: 120,000 tons per year, 50 weeks per year to deliver, 5 haul days per week and 25 tons per truck (tandem truck). Using these factors, approximately 20 trucks per day would deliver the lime and limestone to the Site.

48. Provide total traffic volume/traffic classification data during the operation of the proposed power plant.

During operation, ECEP expects to employ a total of 46 persons with a maximum of 20 persons on the day shift, 7 days per week. Delivery of limestone and lime would add up to 20 trucks per day, 5 days per week. In the unlikely event that coal were delivered by truck, such deliveries could add up to an additional 15 trucks per day, 5 days per week.

The traffic count expected during operation of the Facility is significantly less than expected during its construction. Based on KYTC data as previously discussed in responses to other traffic-related Questions in the Board Staff's First Data Request, these operational traffic volumes will be easily met by the capacities of the area roads.

49. Provide the analysis of the capacity and level of service on Proposed Access Road, Coal Wash Road, KY 89, KY 499, and KY 52 during construction.

ECEP does not believe that this type of analysis is feasible without a KYTC traffic study. A KYTC traffic study could not be completed during the time frame of this review. KYTC officials have stated that they do not foresee a large enough impact from construction of the Facility to warrant a KYTC traffic study.

50. Identify the safety issues, on the existing roads, that might arise as a result of the construction activity as well as coal/limestone/lime truck hauling activity. Discuss proposed measures to mitigate these concerns.

Limited site distance is an existing local concern along KY 89 which will be mitigated with the anticipated upgrade of this road. KY 89 does not have shoulders or wide lanes as do KY 52 and KY 499. For these reasons, maintaining legal loads and obeying speed limits during construction and operation of the Facility will be the most effective mitigating measures to be taken in maintaining safety. ECEP will maintain a strong safety communication program with truckers, construction workers and employees to improve safety for travel along local highways.