

Ernie Fletcher  
Governor



Teresa J. Hill  
Secretary

Commonwealth of Kentucky  
**Environmental and Public Protection Cabinet**  
Kentucky State Board on Electric Generation and  
Transmission Siting  
211 Sower Blvd.  
P.O. Box 615  
Frankfort, Kentucky 40602-0615  
Telephone: (502) 564-3940  
Fax: (502) 564-3460  
November 1, 2006

Mr. Mike Musulin, II  
President, Kentucky Pioneer Energy  
Suite 2000, 312 Walnut Street  
Cincinnati, Ohio 45202

Re: Request for Refund

Dear Mr. Musulin:

This letter is in response to your October 26, 2006, letter requesting a refund of the remaining portion of the deposit Kentucky Pioneer Energy posted with the Siting Board in connection with the application in Case No. 2002-00312. You report that the docket "is finished, and for all intents and purposes, any appeal of this case has been terminated." Therefore, you have asked that the Board issue a refund "as soon as possible."

Refunds of the residual from application deposits are governed by Section 5 of 807 KAR 5:100. That regulation reads: "Refund. No later than sixty (60) days after issuance of the board's final decision on an application or, if judicial review has been sought, no later than sixty (60) days after all appeals of the board's decision have been exhausted, the board shall refund to the applicant any amount paid which exceeds the amount expended by the board." Given that the appeal of this case is still pending, even assuming you are correct that "for all intents and purposes, . . . [it] has been terminated," we do not believe the Board has the authority under that regulation to release at this time the funds still remaining from your deposit.

The Board is a party to this appeal, and we will do all we can to expedite its dismissal. If you need any assistance in that endeavor, please feel free to call A.W. Turner, Jr., or David S. Samford in the Legal Division at 502-564-3940.

Sincerely,

A large, stylized handwritten signature in black ink, appearing to read "Beth O'Donnell".

Beth O'Donnell

Executive Director, Public Service Commission  
*On behalf of*  
The Kentucky State Board on Electric  
Generation and Transmission Siting

AWT:v