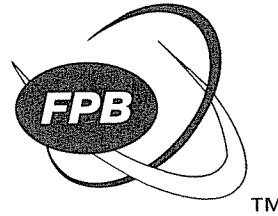


Warner J. Caines  
General Manager



Frankfort Plant Board

Water  
Cable  
Electric  
Security  
Local Phone  
Digital Cable  
Long Distance  
Community TV  
Ethernet/Internet  
Cable Modem/ISP  
Cable Advertising

May 24, 2005

Mr. Mark David Goss, Chairman  
Public Service Commission  
211 Sower Blvd  
P.O. Box 615  
Frankfort, Kentucky 40602-0615

RECEIVED  
MAY 27 2005  
PUBLIC SERVICE  
COMMISSION

RE: Response to PSC's Letter Dated April 28, 2005

Dear Mr. Goss:

This is in response to your letter dated April 28, 2005 regarding an Assessment of Kentucky's Electric Generation, Transmission, and Distribution Needs – Executive Order 2005-121, Administrative Case Number 2005-00090.

1. Do you generate or purchase the electricity you supply to your customers? If you generate provide the capacity and a brief description of your generating facilities. If you purchase provide the name of your supplier and the term (length) of your existing purchase power contract.

The Frankfort Electric & Water Plant Board (FEWPB) purchases electricity from Kentucky Utilities. The contract with Kentucky Utilities is a standing contract that can be cancelled by either party with a five (5) year notice of cancellation.

In addition, we purchase a small amount of electrical energy from the "South Eastern Power Agency" in the form of hydro-electric energy. The contract with SEPA is from December 31, 1996 to June 30, 2016.

2. What is your projected annual peak system demand, stated in megawatts, for the years 2006 through 2025? How do you plan to meet this load? If the information is not available for this 20 year period, provide it for the number of years for which it is available.

2005	156.7 MW	2011	174.5 MW	2017	191.6 MW
2006	159.7 MW	2012	177.4 MW	2018	194.5 MW
2007	165.8 MW	2013	180.3 MW	2019	197.3 MW
2008	168.7 MW	2014	183.1 MW	2020	200.1 MW
2009	171.7 MW	2015	185.9 MW		
2010	174.5 MW	2016	188.8 MW		

Note: Projected Annual Peak only available for the years 2005-2020

*Equal Opportunity/Affirmative Action Employer*

317 West Second Street (P.O. Box 308) Frankfort, Kentucky 40602 Phone (502) 352-4372  
Fax (502) 223-3887 www.fpb.cc

The FEWPB would like to continue to purchase power from Kentucky Utilities as in the past. However, due to future unknowns in the Electric Energy Market, FEWPB may have to obtain energy from several sources.

Those sources could be the purchase and installation of combustion turbines, buying into a generation facility or purchasing electric energy from other utilities.

**3. How many Residential, Commercial and Industrial customers do you serve?**

Residential	16,816
Commercial	2,835
Industrial	<u>280</u>
Total	19,931

**4. Briefly describe your resource planing process.**

FEWPB utilizes R. W. Beck & Associates, an Engineering Consulting Firm, to prepare an Annual Load Forecast Report. In addition, in 1995, R. W. Beck & Associates prepared a 20 year Transmission Plan that has been implemented and is updated periodically.

Substation loading is continually monitored and additional capacity is added when needed.

**5. Do you own any transmission lines 69 kv or greater? If yes, do you anticipate any major upgrades or that you will add new transmission facilities in the next five (5) years? Briefly describe any planned upgrades or additions.**

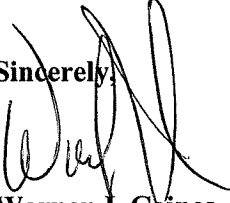
Yes, the FEWPB owns a 26 mile 69 kv transmission system. Kentucky Utilities has a substation (138 kv/69 kv) in East Frankfort that provides 69 kv to the FEWPB's System.

**6. Describe your right-of-way maintenance program. Include tree trimming widths and cycles, and other vegetation control practices.**

The FEWPB employs Asplundh Tree Service for right-of-way maintenance. The trimming cycle is three years and chemicals are applied as needed. Right-of-ways vary in the City and County depending upon location (public or private property). Right-of-ways are cleared in the County and trimmed in the City. Depending upon the need, additional crews are employed.

**Page Three**  
**May 24, 2005**

**If you have any questions or comments, please feel free to contact me at 352-4377.**

Sincerely,  
  
**Warner J. Caines**  
**General Manager**

**WJC/abb**

**Cc: Chron File**