



Ernie Fletcher  
Governor

Lajuana S. Wilcher, Secretary  
Environmental and Public  
Protection Cabinet

Christopher L. Lilly  
Commissioner  
Department of Public Protection

Mark David Goss  
Chairman

Teresa J. Hill  
Vice Chairman

Gregory Coker  
Commissioner

June 23, 2006

Emily Perkins Sharp  
906 Water Willow Court  
Birmingham, AL 35244

Dear Ms. Sharp:

This letter is in response to your letter of June 15, 2006. You have requested that the Public Service Commission reconsider the decision in Case No. 2005-00207 regarding East Kentucky Power Cooperative's application to build a transmission line in Barren, Butler, Ohio, and Warren Counties. As you acknowledge in your letter, the Commission issued our order in that case on October 31, 2005. Under KRS 278.400, the time for requesting rehearing expired 23 days afterwards. The provisions of that statute are mandatory, leaving the Commission with no authority to grant rehearing now.

As you are probably aware, the formal intervenors in that case have appealed. Therefore the courts will determine if the Commission must take further action or if our decision will be upheld.

Yours truly,

Mark David Goss

June 15, 2006

Mr. Mark David Goss, Chairman  
Public Service Commission  
P.O. Box 615  
Frankfort, KY 40602-0615

Dear Mr. Goss,

It has been a difficult year for us as we continue the effort to protect our farm in Warren County from East Kentucky Power Cooperative's attempt to run its new transmission lines across the center of the property. It has taken a toll on our family emotionally, physically, and financially, but it is an effort that we all agree is necessary to continue.

We came to the Public Service Commission at the Public Hearing in Bowling Green last August with the hope that our comments and those of the many others present that night would be heard and considered. We came to Frankfort last September with the hope that our comments and those of the many others present and represented would be heard and considered. That was not to be the case and so we continue to speak out in hopes that someone will listen and help prevent this project from being built.

In reading the statement you presented at the TVA hearing on May 18, 2006 in Hopkinsville, Kentucky, I was puzzled by several things. On page 4 of your comments, you mention how the legislation that was enacted in 2004 is working as intended by accomplishing "greater public involvement in decisions on where new transmission lines should be built, and prevention of a wasteful duplication of facilities." You go on to say that the law is helping the "development of a Kentucky-specific transmission siting model that will be derived from the Electric Power Research Institute model developed in Georgia" and that "utilities, environmental groups, historic preservationists and others have come together to help develop what we believe will become an extremely valuable tool for determining where future transmission lines should be located."

On page 9 of your comments, you say in regard to the possibility of TVA providing transmission access to customers who switch to other suppliers, that "it is Kentucky's policy to avoid the wasteful duplication of facilities, because it is not the best use of utility resources, because it can place unnecessary burdens on landowners and because it created needless visual clutter on our landscape."

Mr. Goss, these are comments that we would have loved to have heard you make last August and last September, and most of all, on October 31<sup>st</sup> of 2005 when the PSC granted EKPC a Certificate of Public Convenience and Necessity to construct over 97 miles of transmission lines.

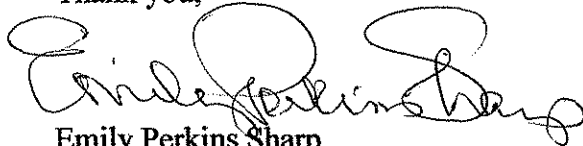
This project cannot be considered an example of how the 2004 legislation "is working as intended" as public sentiment toward this project was not considered. Now by your own admission, a "wasteful duplication of facilities" can be prevented. You are asking TVA to share their lines with EKPC so that it can avoid creating "unnecessary burdens on landowners and because it creates needless visual clutter on our landscape." We couldn't agree more! We wish you had voiced this opinion on October 31<sup>st</sup>.

The Georgia siting model that was used was flawed for use in Kentucky and developing it now for Kentucky-specific use is good, but not good enough. Almost 100 miles of Kentucky's landscape owned by hundreds of Kentucky's property owners will be lost to the flawed model that was allowed to be used by EKPC for this project. The landowners, "environmental groups, historic preservationists and others" that have spoken out about the problems with the siting methods on this project have not been allowed to be the "valuable tool for determining where future transmission lines should be located." If they had been, EKPC would have had to adjust their siting model for this project. We wish you had voiced this opinion on October 31<sup>st</sup>.

EKPC has yet to make an attempt to resolve property owner issues as you asked them to do, but they have continued their course of intimidation and arrogance. They have yet to complete the environmental and cultural studies required by NEPA and NHPA, but they are acquiring right-of-way easements and voice their intent to start construction soon. The federal government has yet to grant the funding they need to build these lines and assure us that it is early in the process - a process, I believe, that should have been completed before the PSC granted a Certificate of Public Convenience and Necessity.

As stewards of Kentucky's resources and history, we are, as you said "entitled, even obligated, to protect the interests of its consumers" and "there must be a recognition of the fact that we operate in an environment in which we are all connected to each other. As long as the potential exists for one entity's problems becoming everyone's problems, we must be prepared to set aside parochial concerns to address common concerns in an equitable and reasonable manner." And so, almost a year later, we are asking you to please reconsider your decision to allow this project to be built. You are asking TVA to reconsider their position. We ask no less of you.

Thank you,



Emily Perkins Sharp  
906 Water Willow Court  
Birmingham, AL 35244  
(205) 989-6480  
(205) 602-1622  
epsharp19@msn.com

Enclosures: Pages 4 & 9 of the "Written Testimony for the Record" by Mark David Goss

CC:

Secretary LaJuana Wilcher

W. Gregory Coker

Theresa J. Hill

John C. Perkins, Jr.

Joe McCaleb

Emily Yao

Mark Quarles

Carroll and Doris Tichenor

John Colliver

Joey Roberts

Robert Griffith

Jennifer Swyers

Senator Mitch McConnell

Senator Jim Bunning

Representative Ron Lewis

Representative Jody Richards

Representative Jim DeCesare

Representative Stephen R. Nunn

Representative Rob Wilkey

Senator Brett Guthrie

**Written Testimony for the Record**

**Mark David Goss**

**Chairman**

**Kentucky Public Service Commission**

**For the**

**Board of Directors**

**Tennessee Valley Authority**

**Hopkinsville, KY**

**May 18, 2006**

**Plans. These spell out what additional generation and transmission facilities will be necessary to meet the needs of a utility's present and future customers.**

**As facilities become necessary, utilities apply to the PSC for Certificates of Public Convenience and Necessity, or CPCNs. A utility proposing to construct new generating capacity is expected to demonstrate that it has adequately weighed all options, including off-system purchases from other utilities or contractual arrangements with independent power producers. The PSC's goal is to ensure that native load customers will be provided with reliable power at the lowest feasible long-term cost.**

**Until two years ago, utilities were not required to obtain certification for new transmission lines. The Kentucky General Assembly in 2004 enacted legislation requiring certificates for lines with capacities of 138 kilovolts or more and a mile or more in length. The legislation seeks to accomplish two goals – greater public involvement in decisions on where new transmission should be built, and prevention of a wasteful duplication of facilities.**

**I am pleased to report that thus far the law has worked as intended. Public participation in process has been extensive and, more importantly, has yielded information that has proven helpful to both the PSC and to utilities. In planning new transmission, utilities now are looking first at whether to upgrade existing lines or co-locate them on existing easements, thus avoiding duplication and minimizing the environmental and visual impacts of transmission facilities.**

**The law also is serving as a catalyst for the development of a Kentucky-specific transmission siting model that will be derived from the Electric Power Research Institute model developed in Georgia. Utilities, environmental groups, historic preservationists and other have come together to help develop what we believe will become an extremely valuable tool for determining where future transmission lines should be located.**

overall control of grid operations. These too are areas in which dialogue and cooperation will be essential if we are to attain the highest degree of stability and reliability.

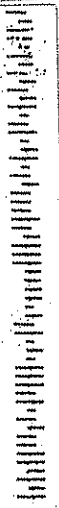
While every state and utility is entitled, even obligated, to protect the interests of its consumers, there must be a recognition of the fact that we operate in an environment in which we are all connected to each other. As long as the potential exists for one entity's problems becoming everyone's problems, we must be prepared to set aside parochial concerns to address common concerns in an equitable and reasonable manner.

Which brings me, then, to today's central question: Should TVA continue to provide transmission access on its system to customers who leave the TVA for another wholesale supplier? Mr. Chairman and members of the TVA board, our answer, in short, is "yes."

We believe that continued access to the TVA system offers several advantages:

- It is Kentucky's policy to avoid the wasteful duplication of facilities, because it is not the best use of utility resources, because it can place unnecessary burdens on landowners and because it creates needless visual clutter on our landscape. Allowing departing TVA customers access to TVA transmission could reduce or perhaps even eliminate the need to construct new facilities.
- Where new transmission facilities are necessary, interconnection can produce enhanced reliability for all parties by creating loops that provide alternate paths for power in the event of infrastructure failure.
- Continued access to the TVA system also can provide enhanced interconnections that would potentially allow the sharing of reserve margins between TVA and neighboring utilities, thus reducing the need for new generation in order to meet those reserve margins in the future. For example, TVA's peak usage is in the summer, while East Kentucky Power

Mrs. Emily Sharp  
906 Water Willow Ct.  
Birmingham, AL 35244



RECEIVED

JUN 19 2006

PUBLIC SERVICE  
COMMISSION

Mr. Morse David Cross  
Chairman  
Public Service Commission  
P.O. Box 615  
Frankfort, KY 40602-0615

