

July 25, 2005

Mark David Goss, Chairman
C/o Elizabeth O' Donnell, Executive Director
Public Service Commission
211 Sower Blvd.
P O BOX 615
Frankfort, KY 40602-0615

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JUL 27 2005

PUBLIC SERVICE
COMMISSION

RE: PSC Case No. 2005-00207

ATTN: Chairman Goss, et al.

We hereby serve notice of our requests for a local public hearing and "full intervention" in "PSC Case No. 2005-00207" regarding the application from East Kentucky Power Cooperative ("EKPC") for construction of several segments of new 161-kV electric power transmission lines and rebuilds of existing lines, totaling over 90 miles in length, from EKPC's Barren Substation to Big Rivers Electric Corporation's D. B. Wilson Plant in Ohio County. We have been informed by representatives of EKPC that the primary purpose of this project will be to provide sufficient electric power transmission capacity to enable them to serve Warren Rural Electric Cooperative ("WRECC") under a recently announced long term agreement. In addition, we have been notified that EKPC plans to "cross" our property with a portion of the proposed new transmission line.

As residents of Warren County, Kentucky and as members and ratepayers of WRECC, we certainly qualify as "interested parties" in this case. We have great concern that the proposed transmission line project will adversely impact our current reliable and relatively low cost electric service. We are convinced that there is no legitimate public convenience and necessity to be provided by this proposed project.

As owners of neighboring property that EKPC proposes to "cross" with its new transmission line, we also have a "special interest" in this case that will not be adequately represented by others. Construction of a new power line through our properties of the capacity proposed by EKPC would surely impair their market value under prevailing residential use, and the potential requirement for additional "right-of-way" could necessitate the "taking" of one or both of our respective sole residences.

Given the large number of individual property owners that may be negatively impacted by the proposed project and the failure of EKPC to provide all affected parties with accurate and reliable information containing sufficient detail to permit a realistic evaluation of the expected impacts, it would seem incumbent upon the Public Service Commission to schedule a centrally located "local public hearing" to accommodate the general public and serve their interests within the mandate of the Commission's enabling statutes.

However, the limitations of such a "local public hearing" may not allow a complete representation of our specific interests and concerns in this case. Therefore, we additionally request the status of full intervention at any later "evidentiary hearings" pursuant to 807 KAR 5:001(8) in order to protect our individual interests and present issues which assist the Commission in its full consideration of the matter.

The disturbing reality of present circumstances is that this case cannot be properly evaluated independently of the previous filing by EKPC for a new coal-fired power generation facility under PSC Case No. 2004-00423. Neither of these proposed projects can exist independently, and both are entirely dependent on future funding derived from WRECC ratepayers under its "Wholesale Power Contract" with EKPC. Claims of public convenience and/or necessity for a new power plant and transmission line to be constructed by EKPC are entirely contingent on the assumption that WRECC members will pay the vast majority of the inevitable costs involved through an add-on amortization factor to be incorporated into the wholesale rates charged by EKPC and ultimately into the retail rates charged by WRECC.

The PSC cannot make any reasonable determination of the "public convenience and necessity" of the subject application from EKPC in the absence of a full public review of the rate projections provided by EKPC upon which WRECC based its decision to terminate its contract with TVA and join EKPC. There has been no opportunity for an independent review of WRECC's decision that EKPC can provide better rates than TVA in the near future. The WRECC Board made this decision in a closed meeting, never conducted a public hearing or meeting on the issue, and has refused to provide copies of the responses to its RFP or the subsequent rate analysis conducted by consultants working under its direction.

Failure to fully evaluate the claims and assumptions underlying the "Special Membership Agreement" between EKPC and WRECC would prejudice the case in favor of the applicant and foreclose any reasonable opportunity for a fair evaluation of benefit or detriment to the subject customers that must pay the ultimate costs involved.

Respectfully,



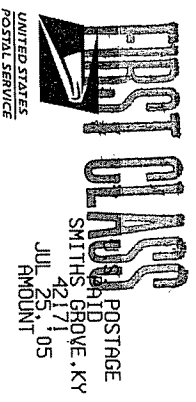
Joey Roberts
4234 Scottsville Rd
Smiths Grove, KY 42171



Hugh Hendrick
4140 Scottsville Rd
Smiths Grove, KY 42171

Smiths
Hoffsville Rd
Grove, KY 42171

TO:
Elizabeth O'Donnell
Public Service Commission
P.O. Box 615
Frankfort, KY 40602-0615



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