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MAR 29 2006

PUBLIC SERVICE
COMMISSION

Fax

To: Elizabeth O'Donnell	From: Charles Lile
Fax: 802.564.7279	Pages: 5
Phone:	Date: March 29, 2006
Re: FSC Case No. 2006-00132	CC:

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EAST KENTUCKY POWER COOPERATIVE

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MAR 29 2006

PUBLIC SERVICE
COMMISSION

March 29, 2006

FACSIMILE AND MAILED

Ms. Elizabeth O'Donnell
Executive Director
Public Service Commission
211 Sower Boulevard
Frankfort, KY 40602

RE: PSC Case No. 2006-00132

Dear Ms. O'Donnell:

Please find enclosed for filing with the Commission an original and ten copies of the corrected Application of East Kentucky Power Cooperative, Inc., for a Certificate of Public Convenience and Necessity for the Construction of a Flue Gas Desulfurization System on Spurlock Power Station Unit 1. The corrected Application changes an erroneous reference to Spurlock Unit 2, which was included in Item 10 of the Application, as initially filed. Exhibits to the Application are not affected by this correction. Please substitute the corrected versions for the Application original and copies filed on March 27, 2006.

We regret any inconvenience.

Very truly yours,

Charles A. Lile
Senior Corporate Counsel

Enclosures

Cc: Richard Raff, Esq.

**COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION**

IN THE MATTER OF:

**THE APPLICATION OF EAST KENTUCKY POWER)
COOPERATIVE, INC FOR A CERTIFICATE OF)
PUBLIC CONVENIENCE AND NECESSITY FOR THE) CASE NO. 2006-
CONSTRUCTION OF A FLUE GAS DESULFURIZATION) 00132
SYSTEM ON SPURLOCK POWER STATION UNIT 1)**

APPLICATION

1. Applicant, East Kentucky Power Cooperative, Inc., hereinafter referred to as "EKPC", Post Office Box 707, 4775 Lexington Road, Winchester, Kentucky 40392-0707, files this Application for a Certificate of Public Convenience and Necessity for the purchase and installation of a flue gas desulfurization ("scrubber") system at its H. L. Spurlock Generating Facility Unit 1 in Mason County, Kentucky ("Spurlock 1").

2. This Application is made pursuant to KRS §278.020 and related statutes, and 807 KAR 5:001 Sections 8, 9, and related sections.

3. A copy of Applicant's restated Articles of Incorporation and all amendments thereto were filed with the Public Service Commission (the "Commission") in PSC Case No. 90-197, the Application of EKPC for a Certificate of Public Convenience and Necessity to Construct Certain Steam Service Facilities in Mason County, Kentucky.

4. A copy of the resolution from Applicant's Board of Directors approving the filing of this application is filed herewith as Applicant's Exhibit 1.

5. Pursuant to KRS §278.020 and 807 KAR 5:001, Section 9, Applicant states that the power requirements of EKPC and its sixteen (16) member distribution cooperatives require the

construction of the proposed scrubber facilities, which are more fully described in the various exhibits filed with this Application. In further support of Applicant's contention that the public convenience and necessity requires the proposed facilities, Applicant submits the following:

(a) The need for the proposed scrubber facilities and the alternatives considered, are documented in the Prepared Testimony of Jeff Brandt, Applicant's Exhibit 7, and the Economic Evaluation included as Testimony Exhibit A to the Prepared Testimony of Frank Oliva, Applicant's Exhibit 5, which discuss and explain the justification for the proposed facilities;

(b) A description of the proposed scrubber facilities is included in Applicant's Exhibit 2. Maps showing the proposed scrubber site location at Spurlock Station are attached as Applicant's Exhibit 3.

(c) A Project Cost Estimate for the proposed facilities is included as Applicant's Exhibit 4.

6. The manner of financing proposed for the project, which will include the issuance of indebtedness to the United States of America through the Rural Utilities Service ("RUS"), is discussed in the Prepared Testimony of Frank Oliva, which is included as Applicant's Exhibit 5. Since U.S. Government financing is anticipated, which does not require Commission approval under KRS §278.300(10), *no request for financing approval is made herein.*

7. Applicant's plans for obtaining permits required for the proposed facilities are as follows: EKPC will submit to the Kentucky Natural Resources and Environmental Protection Cabinet ("KNREPC") Division for Air Quality requests to modify existing operating permits to reflect the installation of the proposed scrubber technologies at Spurlock Station. EKPC will also request modifications from the KNREPC Division of Water for wastewater discharges associated with this project.

8. The Prepared Testimony of Robert E. Hughes, Jr., concerning the regulatory requirements surrounding the need for the proposed scrubber facilities, is attached as Applicant's Exhibit 6.

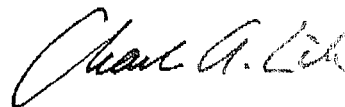
9. The Prepared Testimony of Jeff Brandt, concerning the need and justification for the proposed facilities, the equipment and technology involved, the capital and operating costs of the proposed facilities, and the proposed construction schedule, is attached as Applicant's Exhibit 7.

10. The Prepared Testimony of Jerry Bordes, concerning the reasons why EKPC considered installing a sulfur dioxide scrubber for Spurlock Unit 1 at this time, and the impact of the scrubber system on the fuel requirements for the plant, is attached as Applicant's Exhibit 8.

WHEREFORE, the Applicant, East Kentucky Power Cooperative, Inc., requests that this Commission issue an order granting a Certificate of Public Convenience and Necessity for the construction of the Proposed Facilities.

Respectfully submitted,

DALE W. HENLEY



CHARLES A. LILE

ATTORNEYS FOR APPLICANT
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COOPERATIVE, INC.

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