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Mark David Goss
Chairman

John W. Clay
Commissioner

June 15, 2007

Mr. Phillip Price
Mrs. Deirdre Price
233 Royalty Drive
Lancaster, KY 40444

Re: Case No. 2006-00463, Request for Limited Intervention

Dear Mr. and Mrs. Price:

This letter will confirm my conversation with Mr. Price on Friday, June 8, 2007, regarding your request to intervene in Public Service Commission ("PSC") Case No. 2006-00463, which is styled, "The Application of East Kentucky Power Cooperative for a Certificate of Public Convenience and Necessity for the Construction of a 345 kV Electric Transmission Project in Clark, Madison, and Garrard Counties, Kentucky."

In a letter dated February 4, 2007, addressed to PSC Executive Director. Beth O'Donnell, you identified yourselves as property owners in Garrard County who might be impacted by the siting of the proposed EKPC transmission line, and you stated that you "wish to file as...official intervenors" in the case. In February 2007, after the PSC received your letter, I called and spoke with Mr. Price. I advised that EKPC filed their notice of intent to file an application for a Certificate of Public Convenience and Necessity but had not yet filed the application. I also asked whether you were seeking to intervene in the case as limited intervenors or as full intervenors, pursuant to the PSC's procedural regulations. Mr. Price stated that he was not certain at that time and wished to consider the matter further, so I agreed to contact him again once EKPC had filed its application.

On May 22, 2007, EKPC filed its application. A scheduling order was issued on June 1, 2007, a copy of which is attached hereto. On June 8, 2007, I called and spoke again with Mr. Price and again asked if he had determined whether to request intervention as full intervenors or limited intervenors. Mr. Price stated that you were

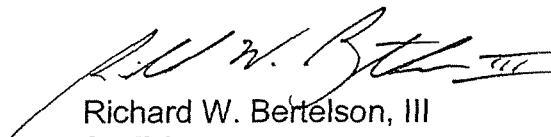
Mr. Phillip Price
Mrs. Deirdre Price
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considering withdrawing your request for intervention. However, after considering the matter further, Mr. Price stated that you both would prefer to remain in the case as limited intervenors. I advised Mr. Price that documents filed with the PSC in this case can be accessed online at <http://psc.ky.gov/pscscf/2006-00463/>.

I also advised Mr. Price that you have the right to request a local public hearing on the transmission line application pursuant to KRS 278.020(8). However, Mr. Price stated that he was not planning to do so at this time. As noted in the enclosed scheduling order, the deadline for requesting a local hearing is June 21, 2007.

Thank you for your interest in this proceeding. A copy of this letter and your February 4, 2007 letter have been placed in the official file of the case. If you have any further questions, please feel free to contact me at (502) 564-3940, ext. 260, or Rick.Bertelson@ky.gov.

Sincerely,



Richard W. Bertelson, III
Staff Attorney

Enclosure

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF EAST KENTUCKY)
POWER COOPERATIVE FOR A CERTIFICATE) CASE NO.
OF PUBLIC CONVENIENCE AND NECESSITY) 2006-00463
FOR THE CONSTRUCTION OF A 345 kV)
ELECTRIC TRANSMISSION PROJECT IN)
CLARK, MADISON, AND GARRARD)
COUNTIES, KENTUCKY)

O R D E R

On November 1, 2006, East Kentucky Power Cooperative, Inc. ("Applicant") filed a notice of intent to file an application for approval of the construction of a 345 kV transmission line in Clark, Madison, and Garrard counties, Kentucky. 807 KAR 5:120, Section 1(1) provides that, "[i]f an applicant fails to file an application within six (6) months of the filing of such a notice, the notice shall automatically expire without further notice to the applicant." In a letter received by the Commission on April 20, 2007, the Applicant stated that,

This [transmission line construction] Project is necessitated by the addition of the next increment of generation at the J.K. Smith Site which is projected to be an additional two combustion turbine generators ("CTs"). Due to unavoidable delays in negotiations with The General Electric Company, the manufacturer of the CTs, a decision as to the exact model of CT to be constructed at the Smith Site has not yet been made, and as a result thereof, any further proceedings before the Commission on these CTs, if any such proceedings are in fact required, have also been delayed.

EKPC stated that, as a result of those circumstances it would not be able to file its application within the 6-month timeline required by 807 KAR 5:120, Section 1(1).

EKPC stated that it was, therefore, filing a renewal of its notice of intent to file an application for approval of the construction of a 345 kV transmission line in Clark, Madison, and Garrard counties, Kentucky.

The application was filed with the Commission on May 22, 2007. According to the application, the route for the proposed line is to begin at the J.K. Smith Generating Station in Clark County and runs to the proposed West Garrard Substation near Lancaster, Kentucky, with a total length of 35.6 miles. The Applicant states that 9 miles of the project will be constructed on new right-of-way; 14.8 miles will be constructed parallel to an existing transmission line; and 11.8 miles will consist of a rebuild of existing transmission lines. Applicant's witness, Darrin Adams, states that the transmission line project is "needed to enable EKPC to reliably deliver energy from its existing and planned future generating resources to its member systems."¹

Pursuant to KRS 278.020(8), "The commission shall issue its decision no later than ninety (90) days after the application is filed, unless the commission extends this period for good cause, to one hundred twenty (120) days." Due to the nature of the case and the issues involved, the Commission finds that good cause exists in this matter to warrant such an extension. Pursuant to KRS 278.020(8) and KRS 278.255(3), the Commission shall retain the services of a staff consultant to review the application, the cost of which shall be borne by the Applicant. Using the 120-day schedule, the Commission now issues a preliminary procedural Order, attached hereto and incorporated herein.

¹ Adams Testimony, Applicant's Exhibit 4, p. 2

IT IS THEREFORE ORDERED that:

1. The time period in which the Commission must issue its decision in this case is extended to 120 days.
2. The Commission shall retain the services of a staff consultant to review the application, the cost of which shall be borne by the Applicant.
3. The procedural schedule set forth in Appendix A shall be followed.

Done at Frankfort, Kentucky, this 1st day of June, 2007.

By the Commission

ATTEST:



Executive Director

Case No. 2006-00463

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2006-00463 DATED JUNE 1, 2007

Application filed May 22, 2007

Any motion to intervene shall be filed
with the Commission no later than June 21, 2007

Any request for a public hearing
shall be filed no later than June 21, 2007

Staff consultant shall file its report on the
application no later than June 25, 2007

Public hearing (tentatively scheduled in
Richmond) for the purpose of hearing
local public testimony (to be scheduled)

Intervenors and Staff may file data requests
on the application, and Applicant and
Intervenors may file data requests on the
consultant's report no later than July 6, 2007

Responses to July 6, 2007 data
requests are due no later than July 16, 2007

Parties shall file direct testimony, if any,
no later than July 27, 2007

Public hearing to be held at 9:00 a.m.,
Eastern Daylight Time, in Hearing Room 1
of the Commission's offices at 211 Sower
Boulevard, Frankfort, Kentucky, for the
purpose of cross-examination of witnesses August 21-22, 2007

Parties shall file post-hearing briefs, if any,
no later than August 31, 2007

Decision due no later than September 19, 2007