



EAST KENTUCKY POWER COOPERATIVE

November 5, 2007

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

Re: PSC Case No. 2007-00168

Dear Ms. O'Donnell:

Please find enclosed for filing with the Commission in the above-referenced case an original and five copies of the Status Report of East Kentucky Power Cooperative, Inc. ("EKPC") regarding the decision of EKPC to proceed with the construction of the cooling tower planned for Cooper Station Unit No. 2.

Very truly yours,

A handwritten signature in cursive script that reads "Charles A. Lile".

Charles A. Lile  
Senior Corporate Counsel

Enclosures

Cc: Parties of Record

RECEIVED

NOV 06 2007

PUBLIC SERVICE  
COMMISSION

4775 Lexington Road 40391  
P.O. Box 707, Winchester,  
Kentucky 40392-0707

Tel. (859) 744-4812  
Fax: (859) 744-6008  
<http://www.ekpc.coop>

A Touchstone Energy Cooperative The logo for Touchstone Energy Cooperative, featuring a stylized sun or starburst design.

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

**RECEIVED**  
NOV 06 2007  
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. 2007-  
CONSTRUCTION OF MODIFICATIONS TO THE ) 00168  
WATER INTAKE SYSTEM AT COOPER POWER )  
STATION IN PULASKI COUNTY, KENTUCKY )**

**STATUS REPORT TO THE PUBLIC SERVICE COMMISSION  
OF EAST KENTUCKY POWER COOPERATIVE, INC.**

East Kentucky Power Cooperative, Inc. ("EKPC"), hereby notifies the Public Service Commission (the "Commission") of its decision to proceed, on or about December 1, 2007, with the construction of a new cooling tower for Unit No. 2 at its J. S. Cooper Generating Station ("Cooper Station"), and requests that the Commission approve EKPC's revised plans for the Cooper Station water intake modifications, as reflected in the record of the proceedings initiated by the Commission's order in this case dated September 14, 2007. As background for this notice, EKPC states as follows:

1. In response to a February 9, 2007 directive from the U. S. Army Corps of Engineers (the "COE") that EKPC take steps by December 2007 to prepare for a possible lowering of the level of Lake Cumberland to 650 feet, EKPC developed plans for modifications to the water intake system at Cooper Station, which were approved by the Commission on May 11, 2007. Those plans included the installation, by December 30, 2007, of seven 10,000 gallons per minute barge-mounted pumps to provide cooling water for Cooper Station Unit 1, at an estimated cost of \$7.821 million, and a new cooling

tower for Cooper Station Unit 2, at an estimated cost of \$15.179 million. The total project cost, including an estimated \$1.045 million in Engineering and Field Services, was estimated at \$24,045,411. EKPC expedited the installation of four of the barge-mounted pumps, to address the lowering of the lake level to 680 feet during the Summer of 2007, and those pumps were fully operational by early September 2007.<sup>1</sup>

2. In the course of evaluations conducted regarding the installation of the subject modifications by EKPC and its consultant for the project, Stanley Consultants, Inc., it was determined that adding an additional pump for Cooper Unit 1 would enhance the reliability of the modifications<sup>2</sup>, and that the total of eight barge-mounted pumps, which are scheduled for operation by the end of 2007<sup>3</sup>, would provide adequate cooling water for full operation of Cooper Station during the cool weather months, even at a potential lake level of 650 feet, until May 2008.<sup>4</sup>

3. Based on EKPC's determination that the critical date for operation of the Unit 2 cooling tower was May 2008, as opposed to December 2007, and upon a July 27, 2007 announcement by the COE that initial repairs to the Wolf Creek Dam had been successful, EKPC decided in early August, 2007 to delay the start of the erection of the Unit 2 cooling tower for 30 days, pending the scheduled completion of further evaluations of the Wolf Creek Dam repairs by the COE.<sup>5</sup> In early September, EKPC decided to continue the delay, on the chance that a change in status of the dam repairs could remove the prospect of a future lowering of the lake level, and might allow EKPC to avoid the approximately \$13.5 million commitment to the completion of the cooling

---

<sup>1</sup> Supplemental Prepared Testimony of John R. Twitchell, at p. 2.

<sup>2</sup> Transcript of Evidence, October 3, 2007, at p. 62.

<sup>3</sup> Response to Staff Data Request No. 5, dated September 14, 2007.

<sup>4</sup> Supplemental Prepared Testimony of John R. Twitchell, at p. 3.

tower.<sup>6</sup> EKPC advised the Commission's Engineering Director, Bob Amato, of this plan in mid September 2007, and the Commission initiated the current proceedings to evaluate the changes in EKPC's original schedule for the Cooper Station modifications.

4. Absent some assurance from the COE, satisfactory to EKPC and Commission, that there would be no prospect of any further lowering of the level of Lake Cumberland in the future, EKPC had planned to commence erection of the cooling tower by January 2008.<sup>7</sup> The major component of the infrastructure necessary for the cooling tower, the retention basin, has been completed, and the other necessary components for the cooling tower will be on site by early November 2007.<sup>8</sup> The engineering estimate for the final erection schedule is four months.<sup>9</sup> Since the hearing in this case, held on October 3, 2007, EKPC has contacted the COE through a conference call held on November 1, 2007, to discuss the status of the Wolf Creek Dam repairs, and to determine if the COE would withdraw its recommendation to Lake Cumberland water users to prepare for the potential of a lowering of the lake level to 650 feet. The COE has determined that it should not withdraw the subject recommendation, and EKPC has decided to proceed with the erection of the Cooper Station Unit 2 cooling tower. EKPC plans to issue notices to proceed to all contractors involved in the project, and expects to commence the erection of the cooling tower on or about December 1, 2007. EKPC anticipates that the cooling tower erection will be completed by May 2008.

WHEREFORE, EKPC requests that the Commission approve its revised plans for the completion of the Cooper Station modifications to address low water conditions on

---

<sup>5</sup> TE, October 3, 2007, at p. 32.

<sup>6</sup> *Id.*, at p. 53-54; Response to AG Data Request No. 8..

<sup>7</sup> Supplemental Prepared Testimony of John R. Twitchell, at p. 4.

<sup>8</sup> Response to Staff Data Request No. 1, dated September 14, 2007.

Lake Cumberland, and amend the Certificate of Public Convenience and Necessity granted in this case, as appropriate.

Respectfully submitted,



DAVID A. SMART



CHARLES A. LILE

P. O. BOX 707  
WINCHESTER, KY 40392-0707  
(859) 744-4812

ATTORNEYS FOR EAST KENTUCKY  
POWER COOPERATIVE, INC.

**CERTIFICATE OF SERVICE**

This is to certify that an original and 10 copies of the foregoing Status Report to the Public Service Commission of East Kentucky Power Cooperative, Inc. in the above-styled case were mailed to the office of Elizabeth O'Donnell, Executive Director of the Public Service Commission, 211 Sower Boulevard, Frankfort, KY 40601, and copies were mailed to Parties of Record, this 5<sup>th</sup> day of November 2007.



Charles A. Lile

---

<sup>9</sup> Response to Staff Data Request No. 4, dated September 14, 2007.