COMMONWEALTH OF KENTUCKY BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

| APPLICATION OF EAST KENTUCKY POWER |) | |
|-------------------------------------|---|---------------------|
| COOPERATIVE, INC. FOR A CERTIFICATE |) | |
| OF PUBLIC CONVENIENCE AND NECESSITY |) | |
| FOR THE CONSTRUCTION OF |) | CASE NO. 2007-00168 |
| MODIFICATIONS TO THE WATER INTAKE |) | |
| SYSTEM AT COOPER POWER STATION IN |) | |
| PULASKI COUNTY, KENTUCKY |) | |

ORDER

On May 11, 2007, the Commission granted the application of East Kentucky Power Cooperative, Inc. ("EKPC") for a Certificate of Public Convenience and Necessity to construct modifications to the water intake system at its Cooper Power Station ("Cooper Station") in Pulaski County, Kentucky. Specifically, the Commission approved the expenditure of \$24,045,411 by EKPC to construct seven 10,000 gpm vertical turbine pumps on barges connected with flexible piping to the Unit 1 cooling system and a cooling tower connected to Unit 2 with make-up water supplied from the barge-mounted pumps that provide cooling for Unit 1. The proposed modifications were requested because of the emergency draw-down of Lake Cumberland due to necessary repairs at the Wolf Creek Dam. In its testimony, EKPC stated that, if the lake level is reduced below Cooper Station's current water intake level by the Army Corps of Engineers and if the requested modifications are not constructed, EKPC will be required to purchase replacement power from other utilities at prices that far exceed Cooper Station's generation costs.

EKPC stated its intention to place three of the barge-mounted pumps into service during the summer of 2007 and to have the remainder of the project operational by December 2007. The Commission has recently learned that EKPC now intends to delay the in-service date for the cooling tower phase of the project from the original date of December 2007 and to add an additional 10,000 gpm vertical turbine pump. The Commission finds this to be a significant deviation from the construction certificate approved by the Commission's May 11, 2007 Order.

IT IS THEREFORE ORDERED that:

- 1. This case is hereby reopened.
- 2. The parties to this proceeding shall appear for an informal conference on September 25, 2007 at 9:30 a.m., Eastern Daylight Time, in Conference Room 1 of the Commission's offices at 211 Sower Boulevard, Frankfort, Kentucky.
- 3. The parties to this proceeding shall appear for a formal hearing on October 4, 2007 at 1:00 p.m., Eastern Daylight Time, in Hearing Room 1 of the Commission's offices at 211 Sower Boulevard, Frankfort, Kentucky.

Done at Frankfort, Kentucky, this 14th day of September, 2007.

By the Commission

ATTEST:

xecutive Director