



EAST KENTUCKY POWER COOPERATIVE

RECEIVED

DEC 12 2007

PUBLIC SERVICE
COMMISSION

Case No. 2007-00509

December 12, 2007

HAND DELIVERED

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

Dear Ms. O'Donnell:

Please find enclosed for filing with the Commission an original and seven copies of the Application of East Kentucky Power Cooperative, Inc., for an Order Declaring the Mason County Landfill Gas to Energy Facility to be an Ordinary Extension of Existing Systems in the Usual Course of Business.

Very truly yours,

Charles A. Lile
Senior Corporate Counsel

Enclosures

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION RECEIVED

DEC 12 2007

PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF EAST KENTUCKY POWER)
COOPERATIVE, INC. FOR AN ORDER DECLARING THE)
MAYSVILLE-MASON COUNTY LANDFILL GAS TO ENERGY)
PROJECT TO BE AN ORDINARY EXTENSION OF)
EXISTING SYSTEMS IN THE USUAL COURSE OF BUSINESS)

CASE NO.

2007-00509

APPLICATION

1. Applicant, East Kentucky Power Cooperative, Inc., hereinafter referred to as "EKPC", Post Office Box 707, 4775 Lexington Road, Winchester, Kentucky 40392-0707, hereby files this Application for an order declaring the Maysville-Mason County Landfill Gas To Energy ("LFGTE") project (the "Project"), as described in the exhibits attached hereto, to be an ordinary extension of existing electric systems in the usual course of business.

2. This Application is made pursuant to KRS §278.020 and related statutes, and 807 KAR 5:001 Section 8 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 East Kentucky Power Cooperative, Inc. for a Certificate of Public Convenience and Necessity to Construct Certain Steam Service Facilities in Mason County, Kentucky.

4. Applicant states that the Project represents an ordinary extension of existing systems in the usual course of business and does not require the issuance of a Certificate of Public Convenience and Necessity, pursuant to KRS 278.020 (1) and 807 KAR 5:001 Section 9 (3).

5. As grounds for this Application and its request for a declaratory order, Applicant states as follows:

(a) KRS §278.020 (1) provides an exemption from the requirement of a Certificate of Public Convenience and Necessity for the construction of new facilities for furnishing regulated utility services to the public if such new facilities are ordinary extensions of existing systems in the usual course of business. As defined by 807 KAR 5:001 Section 9 (3), such ordinary extensions must not “create wasteful duplication of...facilities,” must not “conflict with the existing certificates or service of other utilities operating in the area...,” and must “not involve sufficient capital outlay to materially affect the existing financial condition of the utility involved, or will not result in increased charges to its customers.”

(b) The Project proposed by EKPC involves generation output of 10 MW or less and will represent an individual investment of approximately \$2.5 million. No Site compatibility certificate is required for this Project, pursuant to the provisions of KRS §278.216(1). This facility will provide small, but reliable and economic, quantities of electric energy to EKPC's member systems utilizing renewable resources, and will not require investments sufficient to materially affect the financial condition of EKPC, or require an increase in EKPC's wholesale power rates.

(c) The proposed generating facility for the Project will be constructed on a leased portion of the landfill itself, and will be connected to EKPC transmission facilities in the vicinity. The facilities will not compete or conflict with the existing certificates or services of any other jurisdictional utilities in the area. Therefore, such facilities will not represent wasteful duplication of plant, equipment, property or facilities.

6. Attached hereto is Exhibit I, which includes detailed information concerning the Maysville-Mason County LFGTE project. As indicated in the Table of Contents to the exhibit, this information includes descriptions of the Project, capital and operating cost estimates, financing information, feasibility studies, gas supply agreement and site lease, a map and the EKPC board resolution relevant to the Project. This project is very similar to the Bavarian LFGTE project, which was approved by the Commission in PSC Case No. 2002-00352 on December 18, 2002, the Green Valley and Laurel Ridge Projects, which were approved by the commission in PSC Case No. 2002-00474 on March 3, 2003, the Hardin County LFGTE Project, which was approved by the Commission in PSC Case No. 2005-00164 on July 8, 2005, and the Pendleton County LFGTE Project which was approved by the Commission in PSC Case No. 2006-00033 on March 10, 2006, and EKPC hereby incorporates by reference the information filed in those cases, which provides general background on the development of the LFGTE projects by EKPC, which is relevant to this application.

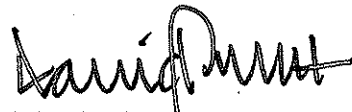
7. Applicant states that the Project is needed to provide economical electric energy, through the use of renewable resources, to the EKPC member systems for service to their member consumers, and that prompt approval of this Application is critical to EKPC's efforts to purchase long lead equipment items while adhering to the project schedule to bring generating electricity from this facility by mid-November 2008.

WHEREFORE, EKPC respectfully requests the Commission to expedite its review of this Application and to issue a declaratory order to the effect that the Project constitutes an ordinary extension of existing facilities in the usual course of business and does not require a Certificate of

Public Convenience and Necessity, pursuant to KRS 278.020 (1) and 807 KAR 5:001 Section 9

(3).

Respectfully submitted,



DAVID A. SMART



CHARLES A. LILE

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