



January 10, 2012

Mr. Jeff Derouen  
Executive Director  
Kentucky Public Service Commission  
211 Sower Boulevard  
Post Office Box 615  
Frankfort, Kentucky 40602

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PUBLIC SERVICE  
COMMISSION

Re: Cooper Station Unit 2 Air Quality Control System (“AQCS”) Tie-In

Dear Mr. Derouen:

On May 1, 2009, in Case No. 2008-00472, the Commission granted East Kentucky Power Cooperative, Inc. (“EKPC”) a Certificate of Public Convenience and Necessity to construct the AQCS facilities at Cooper Station Unit 2. This AQCS is scheduled to become commercially operational on June 1, 2012 to meet requirements set forth in EKPC’s Consent Decree with the Environmental Protection Agency. In order to meet this timeline, Cooper Unit 2 must be taken off-line January 28, 2012 through April 22, 2012. Cooper Unit 1 will also be off-line April 14, 2012 through April 22, 2012, as the final tie-in involves a chimney common to both Cooper Units 1 and 2.

The southern Kentucky region is served by three primary generation and transmission sources: Cooper Station Units 1 and 2; the LGE/KU Alcalde-Elihu 161 kV line; and the Wolf Creek-Cooper 161 kV line. The loss of two of the three aforementioned sources could lead to load shedding conditions. The purpose of this letter is to make the Commission aware of the steps EKPC is taking to mitigate the potential for manual curtailment in the southern Kentucky region as a result of the Cooper Station outages. EKPC plans to take actions as detailed below.

#### Preemptive Actions-Cooper Station

- Thoroughly inspect plant equipment for issues that could result in unplanned unit outages
- Replace, repair, upgrade identified equipment as recommended

#### Preemptive Actions-EKPC Power Delivery

- Inspect Wolf Creek – Cooper 161 kV Circuit
- Inspect LGE/KU Elihu – Cooper 161 kV Circuit
- Inspect Laurel Dam – Cooper 161 kV Circuit
- Coordinate with LGE/KU to inspect Alcalde – Elihu 161 kV and Alcalde 345/161 kV transformer (LGE/KU has agreed to perform this inspection.)
- Evaluate inventory on facilities recommended for inspection to help insure repairs can be completed quickly
- Review relay coordination on Wolf Creek – Cooper 161 kV Circuit

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Preemptive Actions-EKPC System Operations

- Maintain adequate water supply in Laurel Lake
- Communicate to Army Corps personnel at Laurel and Wolf Creek of the importance of maintaining these facilities during the outage time
- Review and update Operating Guide with LGE/KU and Reliability Coordinator (LGE/KU has agreed to perform this review and update.)
- Review communication and coordination measures for load reduction (public appeals)
- Review EKPC load shed steps in the Energy Management System
- Discuss operational plans with affected cooperatives

I, along with EKPC representatives from construction, power delivery, production and regulatory services, will call you to follow up on this letter to ensure any questions you may have are answered.

Very truly yours,



Anthony S. Campbell  
President and CEO