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JAN 31 2005

PUBLIC SERVICE
COMMISSION

January 31, 2005

HAND DELIVERED

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

Case 2005-00053

Dear Ms. O'Donnell:

Please find enclosed for filing with the Commission an original and ten (10) copies of the Application of East Kentucky Power Cooperative, Inc. for a Certificate of Public Convenience and Necessity, and a Site Compatibility Certificate, for the Construction of a 278 MW Circulating Fluidized Bed Coal Fired Generating Unit and Five 90 MW Combustion Turbines in Clark County, Kentucky. Also included are an original and ten (10) copies of a Petition for Confidential Treatment of Information relating to certain designated information contained in exhibits to this Application.

Very truly yours,



Charles A. Lile
Senior Corporate Counsel

Enclosures

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

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JAN 31 2005

**PUBLIC SERVICE
COMMISSION**

THE APPLICATION OF EAST KENTUCKY)
POWER COOPERATIVE, INC. FOR A)
CERTIFICATE OF PUBLIC CONVENIENCE)
AND NECESSITY, AND A SITE) CASE NO. 2005-
COMPATIBILITY CERTIFICATE, FOR THE)
CONSTRUCTION OF A 278 MW (NOMINAL))
CIRCULATING FLUIDIZED BED COAL)
FIRED UNIT AND FIVE 90 MW (NOMINAL))
COMBUSTION TURBINES IN CLARK)
COUNTY, KENTUCKY)

**PETITION FOR CONFIDENTIAL
TREATMENT OF INFORMATION**

Comes East Kentucky Power Cooperative, Inc., hereinafter referred to as "EKPC", and petitions the Public Service Commission, hereinafter referred to as the "Commission", pursuant to 807 KAR 5:001 Section 7 and KRS §61.878 and related statutes, for confidential treatment of certain designated information contained in Exhibit 6 to the Application filed in this case. As grounds for this Petition, EKPC states as follows:

1. 807 KAR 5:001 Section 7 authorizes confidential treatment of information submitted to the Commission based on grounds provided in KRS §61.870 et seq. EKPC asserts that the information identified in Exhibit 6 to the Application in this case constitutes records generally recognized as proprietary and confidential which, if made public, would permit an unfair commercial advantage to competitors of EKPC, as more

fully explained hereinbelow. As such, this information should be granted confidential treatment pursuant to 801 KAR 5:001 Section 7 and KRS §61.878 (1)(c)(1).

2. The information designated as confidential in Exhibit 6 to the Application in this case, relates to the five-year annual cost estimates for the new peaking and baseload units. If competitors of EKPC in the bulk power market obtain this annual cost information, they will know EKPC's cost of this power and could use this information to underbid EKPC in any attempts to market surplus power. Knowledge of such information would also give potential purchasers of this power an unfair advantage in any negotiations on the price for the resale of the surplus power. EKPC competitors would thereby gain an unfair advantage, which would have the detrimental effect on EKPC and its member systems of diminishing the potential revenues from the resale of this surplus power.

3. EKPC also believes that all of the identified confidential information is protected from public disclosure pursuant to KRS §61.878 (1)(c)(2)(c) as confidential and proprietary records disclosed to the Commission in conjunction with its regulation of commercial enterprise, apart from any unfair commercial advantage public disclosure would provide to EKPC competitors.

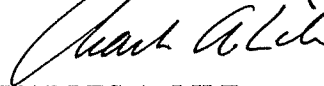
4. All of the identified confidential information is treated as confidential and proprietary by EKPC. This information is not known outside EKPC, and it is distributed within EKPC only to those with a need to know or use it for EKPC business purposes.

5. A set of the pages from Application Exhibit 6, with confidential information highlighted or otherwise indicated, is attached hereto. Ten copies of that Application, with confidential information redacted, are also enclosed.

WHEREFORE, Applicant respectfully requests the Commission to grant confidential treatment to the identified information and deny public disclosure of the information pursuant to 807 KAR 5:001 Section 7.

Respectfully submitted,

DALE W. HENLEY



CHARLES A. LILE

ATTORNEYS FOR EAST KENTUCKY
POWER COOPERATIVE, INC.
P. O. BOX 707
WINCHESTER, KY 40392-0707
(606) 744-4812

CERTIFICATE OF SERVICE

This is to certify that an original and ten copies of the foregoing Petition for Confidential Treatment of Information in the above-referenced case were delivered to Elizabeth O'Donnell, Executive Director, Public Service Commission, 211 Sower Boulevard, Frankfort, Kentucky 40601 on this 31st day of January, 2005.



CHARLES A. LILE

(Smith1-pet-confid)

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

RECEIVED

JAN 31 2005

PUBLIC SERVICE
COMMISSION

IN THE MATTER OF:

THE APPLICATION OF EAST KENTUCKY POWER)
COOPERATIVE, INC. FOR A CERTIFICATE OF PUBLIC)
CONVENIENCE AND NECESSITY, AND A SITE)
COMPATIBILITY CERTIFICATE, FOR THE) CASE NO. 2005-
CONSTRUCTION OF A 278 MW (NOMINAL))
CIRCULATING FLUIDIZED BED COAL FIRED UNIT)
AND FIVE 90 MW (NOMINAL) COMBUSTION)
TURBINES IN CLARK COUNTY, KENTUCKY)

APPLICATION

1. Applicant, East Kentucky Power Cooperative, Inc., hereinafter referred to as “EKPC”, Post Office Box 707, 4775 Lexington Road, Winchester, Kentucky 40392-0707, files this Application for a Certificate of Public Convenience and Necessity and a Site Compatibility Certificate for the construction of a 278 MW coal-fired generating unit (“Smith CFB 1”) utilizing a circulating fluidized bed (“CFB”) boiler, and five 90 MW combustion turbines (“Smith CTs 8-12”) at the J. K. Smith Power Station located in Clark County, Kentucky, on the Kentucky River near Trapp, Kentucky.

2. This Application is made pursuant to KRS §278.020, 278.216 and related statutes, and 807 KAR 5:001 Sections 8, 9, and related sections.

3. A copy of Applicant’s restated Articles of Incorporation and all amendments thereto was filed with the Public Service Commission (the “Commission”) in PSC Case No. 90-197, the Application of East Kentucky Power Cooperative for a Certificate of Public Convenience and Necessity to Construct Certain Steam Service Facilities in Mason County, Kentucky.

4. A copy of the resolution from Applicant’s Board of Directors approving the

filing of this Application, and approving the procurement and construction of the proposed facilities, and use of general funds for the proposed facilities are filed herewith as Applicant's Exhibit 1 and Exhibit 1A.

5. Pursuant to KRS §278.020 and 807 KAR 5:001, Section 9, Applicant states the power requirements of EKPC and its sixteen (16) member distribution cooperatives and Warren RECC, a distribution cooperative with headquarters in Bowling Green, Kentucky, require the construction of the proposed generating units which are more fully described in the various exhibits filed with this Application. Warren RECC will become a member distribution cooperative of EKPC on April 1, 2008. As evidence of Warren RECC's membership in EKPC, Applicant filed a copy of the Special Membership Agreement between EKPC and Warren RECC as Applicant's Exhibit 15 in PSC Case No. 2004-00423 and a copy of the Wholesale Power Contract between EKPC and Warren RECC as Applicant's Exhibit 16 in PSC Case No. 2004-00423. Warren RECC and EKPC executed these documents on May 27, 2004.

In further support of Applicant's contention that the public convenience and necessity requires, or will require, the proposed facilities, Applicant submits the following:

(a) The need for the proposed generating units and the alternatives considered, are documented in EKPC's "2004 Load Forecast Report" ("2004 LFR"), approved by EKPC's Board on September 14, 2004, the Executive Summary designated as Applicant's Exhibit 2; EKPC's "Integrated Resource Plan" ("IRP"), dated April 21, 2003, filed in PSC Case No. 2003-00051, which is hereby incorporated by reference as a part of this Application; the "IRP Update

Report”, designated as Applicant’s Exhibit 3; and the “RFP No. 2004-01 Proposal Evaluation Process” (“RFP Summary”), designated as Applicant’s Exhibit 4.

(b) A description of the proposed Smith CFB 1 coal fired unit and Smith CTs 8-12 is included as Applicant's Exhibit 5. Maps showing the proposed site for Smith CFB 1 and Smith CTs 8-12 are also included in Exhibit 5. It is not anticipated that the proposed facilities will compete with any other public utilities, corporations, or persons.

(c) A construction permit for Smith CTs 8-12 will be filed within the next two months with the Division for Air Quality. A construction permit for Smith CFB 1 will be applied for in April with the Division for Air Quality.

Environmental assessment reports for the site are designated as Applicant’s Exhibit 14, to demonstrate compliance with the National Environmental Policy Act (“NEPA”) pursuant to the provisions of KRS §278.216 (2). The J. K. Smith Power Station is an existing site which complies with NEPA, and EKPC expects the Rural Utilities Service (“RUS”) to issue a Finding of No Significant Impact regarding the environmental assessment report since all relevant siting issues regarding the proposed Smith CTs 8-12 and the Smith CFB 1 unit have been addressed during the process of obtaining approvals for the construction of previous units at the site.

6. The manner of financing proposed for the project, which will include the issuance of indebtedness to the United States of America, through the RUS is discussed in the prepared Testimony of David G. Eames, included as Applicant's Exhibit 8. Since

U. S. Government financing is anticipated, which does not require Commission approval under KRS §278.300(10), no request for financing approval is made herein.

7. The five-year annual cost estimates for Smith CTs 8-12 for calendar years 2007 through 2012 are shown in Applicant's Exhibit 6, based on commercial operation dates of April 2007 for Smith CTs 8-9, and April 2008 for Smith CTs 10-12. The five-year annual cost estimates for Smith CFB 1 for calendar years 2009 through 2013 are also shown in Applicant's Exhibit 6, based on a commercial operation date of April 2009.

8. In further support for this Application, EKPC offers additional prepared testimony as follows:

a. The prepared testimony of Roy M. Palk, concerning how these projects support EKPC's corporate mission, is attached as Applicant's Exhibit 7.

b. The prepared testimony of David G. Eames concerning the need and economic justification for Smith CFB 1 and Smith CTs 8-12 and the financial impacts of the proposed facilities, is also included as Applicant's Exhibit 8.

c. The prepared testimony of Robert Hughes, concerning the environmental permitting and licensing issues, is attached as Applicant's Exhibit 9.

d. The prepared testimony of Paul C. Atchison concerning the transmission plan and interconnection facilities required for the proposed generating units is attached as Applicant's Exhibit 10.

e. The prepared testimony of James Shipp, concerning the engineering and construction of the proposed generating units, is attached as Applicant's Exhibit 11.

f. The prepared testimony of Jerry Bordes concerning fuel procurement requirements for the proposed generating units is attached as Applicant's Exhibit 12.

g. The prepared testimony of James C. Lamb, concerning the 2004 LFR, is attached as Applicant's Exhibit 13.

9. It is important for EKPC to have the proposed generating units in service as proposed to meet the load requirements of EKPC's member systems including Warren RECC. Two of the combustion turbines planned for 2008 are needed for Warren RECC's peaking needs. This schedule for commercial operation requires EKPC to request an expedited review of this Application by the Commission. EKPC will use all reasonable efforts to facilitate this process.

WHEREFORE, the Applicant, East Kentucky Power Cooperative, Inc., requests that this Commission perform an expedited review of this Application and issue an order:

1. Certifying that the public convenience and necessity require the construction of the proposed generating units as described herein; AND
2. Granting a Site Compatibility Certificate for the proposed generating units.

Respectfully submitted,

DALE W. HENLEY



CHARLES A. LILE

ATTORNEYS FOR APPLICANT
EAST KENTUCKY POWER
COOPERATIVE, INC.
P.O. BOX 707
WINCHESTER, KY 40392-0707
(859) 744-4812

LIST OF EXHIBITS
EAST KENTUCKY POWER COOPERATIVE, INC.

- 1. Board Resolution – November 9, 2004**
- 1A. Board Resolution – December 14, 2004**
- 2. 2004 Load Forecast Report – Executive Summary**
- 3. IRP Update Report**
- 4. RFP No. 2004-01 Proposal Evaluation Process**
- 5. Description of the Proposed Facilities and Site**
- 6. Five Year Annual Project Cost Estimates**
- 7. Prepared Testimony of Roy M. Palk**
- 8. Prepared Testimony of David G. Eames**
- 9. Prepared Testimony of Robert E. Hughes**
- 10. Prepared Testimony of Paul C. Atchison**
- 11. Prepared Testimony of James Shipp**
- 12. Prepared Testimony of Jerry Bordes**
- 13. Prepared Testimony of James C. Lamb**
- 14. Environmental Reports for the Proposed Peaking and Baseload Generating
Units**
- 15. EKPC Financial Forecast Base Case Expansion Plan**