



June 19, 2006

FACSIMILE AND MAILED

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

RECEIVED
JUN 20 2006
PUBLIC SERVICE
COMMISSION

Re: PSC Case No. 2005-00053

Dear Ms. O'Donnell:

Please find enclosed for filing with the Commission in the above-referenced case an original and ten (10) copies of a report of the status of environmental approvals for the J. K. Smith Station Circulating Fluidized Bed Unit and Combustion Turbines project site, as directed in the Commission's order in this case dated April 18, 2006.

Very truly yours,

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

Charles A. Lile
Senior Corporate Counsel

Enclosures

Cc: Service List

Smith Environmental Status Report

EKPC has prepared a Site Selection Process and Alternative Analysis that has been submitted to RUS for the use in the NEPA process.

Upon completion of the RUS review, Scoping Meetings will be scheduled for the public and involved agencies.

RUS will prepare an Environmental Report to satisfy the NEPA requirements. All environmental studies have been completed on the site. The RUS NEPA report will be prepared by a Third Party contractor. The final report is expected to be approved in the early spring of 2007.

Extensive discussions have been held with the Division for Air Quality, USEPA, and the Federal Parks Service concerning the approval for the construction due to Air Quality regulations. Air modeling procedures have been approved by all the involved agencies and the computer models are being run. The modeling is expected to be completed in three weeks. Upon completion of the modeling, the actual air permit application will be filed. This application is planned to be filed as soon as the modeling is complete. The final approval from Air Quality to construct has been promised by the Division for Air Quality in 9 months.

The above approvals are necessary only for on-site physical construction and do not relate to award of equipment contracts.

RECEIVED

JUN 20 2006

PUBLIC SERVICE
COMMISSION