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April 22, 2005

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

Case No. 2005-00164

Dear Ms. O'Donnell:

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

If there are any questions concerning this information, please contact me or Ralph Tyree at EKPC headquarters.

Very truly yours,



Charles A. Lile
Senior Corporate Counsel

Enclosures

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

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In the Matter of:

APPLICATION OF EAST KENTUCKY POWER)
COOPERATIVE, INC. FOR AN ORDER DECLARING)
THE HARDIN COUNTY LANDFILL GAS TO ENERGY) CASE NO. 2005-00164
PROJECT TO BE AN ORDINARY EXTENSION OF)
EXISTING SYSTEMS IN THE USUAL COURSE)
OF BUSINESS)

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 Hardin 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 \$5 million. No site compatibility certificate is required for this Project, pursuant to the provision 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 leased portions 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 facility will not represent wasteful duplication of plant, equipment, property or facilities.

6. Attached hereto is Exhibit I, which includes detailed information concerning the Hardin County LFGTE project. As indicated in the table of content 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 EKPC board resolution relevant to the Project. This project is similar to the Bavarian LFGTE project, which was approved by the Commission in PSC Case No. 2002-00352 on December 18, 2002, and the Green Valley and Laurel Ridge Projects which were approved by the Commission in PSC Case No. 2002-00474, and EKPC hereby incorporates by reference the information filed in those cases, which provides general background on the development of 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 begin generating electricity from this facility by the end of 2005.

WHEREFORE, EKPC respectfully requests the Commission to expedite its review of this Application and to issue a declaratory order to the effect that the Projects constitute ordinary extensions of existing facilities in the usual course of business and do not require Certificates of Public Convenience and Necessity, pursuant to KRS 278.020 (1) and 807 KAR 5:001 Section 9 (3).

Respectfully submitted,


DALE W. HENLEY



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ATTORNEYS FOR EAST KENTUCKY
POWER COOPERATIVE, INC.