LAW OFFICES

#### OSCAR H. GERALDS, JR.

OLD NORTHERN BANK BUILDING 259 WEST SHORT STREET, SECOND FLOOR LEXINGTON, KENTUCKY 40507-1237

> (859) 255-7946 Fax (859) 233-4099

### RECEIVED

FEB 1 2 2007

**PUBLIC SERVICE** COMMISSION

February 12, 2007

#### PUBLIC SERVICE COMMISSION

Beth A. O'Donnell, Executive Director Kentucky Public Service Commission 211 Sower Boulevard Frankfort, Kentucky 40602

Re: Case No. 2006-00564

Dear Ms. O'Donnell:

eight ten Please find enclosed the original and twelve copies of Petition to Intervene of the Cumberland Chapter of the Sierra Club filed in the above-referenced matter. By copy of this letter, all parties listed on the attached Certificate of Service been served. Please place this document on file.

Sincerely.

Oscar H. Geralds, Esq.

259 West Short St.

Lexington, KY 40507

Ph: (859) 255-7946; Fax: (859) 233-4099

E-mail: ogeralds@lexkylaw.com

#### Certificate of Service

I hereby certify that a copy of the foregoing was served by mailing a true and correct copy, by regular U.S. mail (unless otherwise noted) to all parties on the 12<sup>th</sup> day of February, 2007.

Hon. Dennis Howard Assistant Attorney General Office of the Attorney General Utility & Rate Intervention Division 1024 Capital Center Drive, Suite 200 Frankfort, KY 40601-8204

Honorable Michael L. Kurtz Attorney at Law Boehm, Kurtz & Lowry 36 East Seventh Street, Suite 1510 Cincinnati, OH 45202-4434

Honorable Charles A. Lile Senior Corporate Counsel East Kentucky Power Cooperative, Inc. 4775 Lexington Road P.O. Box 707 Winchester, KY 40392-0707

Öscar H. Geralds, Esq.

### RECEIVED

FEB 1 2 2007

## COMMONWEALTH OF KENTUCKY BEFORE THE PUBLIC SERVICE COMMISSION

PUBLIC SERVICE COMMISSION

EAST KENTUCKY POWER COOPERATIVE, INC.'S ) Case No. 2006-00564 CONTINUED NEED FOR CERTIFICATED GENERATION )	IN THE MATTER OF: AN INVESTIGATION II	,
	· · · · · · · · · · · · · · · · · · ·	,

# PETITION TO INTERVENE OF CUMBERLAND CHAPTER OF SIERRA CLUB

Pursuant to KRS 278.310 and 807 KAR 5:001 Section 3(8), the Cumberland Chapter of the Sierra Club ("Sierra") requests that it be granted full intervenor status in the above-captioned proceeding and states its support thereof as follows:

- 1. As the Commission noted in its Order dated January 5, 2007, which initiated this proceeding, East Kentucky Power Cooperative, Inc. (EKPC) had previously obtained certificates of convenience and necessity for the construction of two 278-MW (nominal) circulating fluidized bed coal-fired generating units, five 90-MW (nominal) gas-fired combustion turbines, and a transmission line in Barren, Warren, Butler and Ohio Counties. The decision of the Warren County Rural Electric Cooperative Corporation to terminate its agreement with EKPC and return to the TVA system raised the question as to whether all of these generating units will still be needed.
- 2. The Sierra Club is America's oldest, largest and most influential grassroots environmental organization, with 700,000 members nationwide and chapters in all 50 states. One of the organization's critical missions is "to practice and promote the

responsible use of the earth's ecosystems and resources." In recent years Sierra has focused increasing attention and expended significant resources on energy-related issues such as global warming, energy efficiency, and renewable energy technologies. Sierra's newly-approved national energy strategy calls for a gradual transition from a dependence on environmentally damaging fuels such as coal to a more energy-efficient economy with increasing contributions from cleaner renewable resources.

- 3. Sierra has a special interest in whether all of these generating units, particularly the two coal-fired baseload units, still need to be built. If both of the two coal-fired units are built, EKPC will be committing itself, *ceteris paribus*, to burn vast quantities of coal over the next several decades, above and beyond the amount that they plan to burn in their existing power plants. The environmental impacts of coal-fired power plants are massive. Burning coal in Kentucky's power plants contributes to some of the worst air pollution in the Midwest. Louisville and Northern Kentucky have some of the highest rates of respiratory disease, including childhood asthma, of any metropolitan area in the region. Mercury pollution from coal-burning power plants is a significant health problem, especially for fetuses and young children. In addition, the carbon dioxide released to the atmosphere when coal is burned contributes to global warming. Many of the people directly affected by these environmental impacts are Sierra Club members and customers of EKPC's member co-ops.
- 4. Based on close observation of EKPC's investment decisions and marketing programs over a period of years, Sierra has reason to believe that the utility may be overlooking promising strategies to meet projected future energy needs at a lower cost and in a more environmentally sound manner than building new baseload power plants.

It is also possible that an alternate strategy would lead to lower electric rates for all

customers, in both the short and long terms, than EKPC's proposed construction strategy.

Sierra believes that these issues and concerns are not otherwise adequately represented by

the other intervenors.

5. Sierra plans to present issues and develop facts that assist the Commission in fully

considering the continued need for the certificated generating units in a constructive

manner that does not unduly complicate or disrupt the proceedings. We will abide by the

procedural schedule that has been established by the Commission's Order of 1/5/07.

The attorney of record who is authorized to represent Sierra in this proceeding

and to take service of all documents is:

Oscar Geralds, Esq.

259 West Short St.

Lexington, KY 40507

Ph: (859) 255-7946; Fax: (859) 233-4099

E-mail: ogeralds@lexkylaw.com

WHEREFORE, the Cumberland Chapter of the Sierra Club requests that it be

granted full intervenor status in the above-captioned proceeding.

Respectfully submitted,

Óscar Geralds, Esq.

259 West Short St.

Lexington, KY 40507

Ph: (859) 255-7946; Fax: (859) 233-4099

E-mail: ogeralds@lexkylaw.com

**COUNSEL FOR SIERRA CLUB** 

February 12, 2007