

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

February 21, 2007

PUBLIC SERVICE COMMISSION

Beth A. O'Donnell, Executive Director  
Kentucky Public Service Commission  
P.O. Box 615, 211 Sower Boulevard  
Frankfort, Kentucky 40602-0615

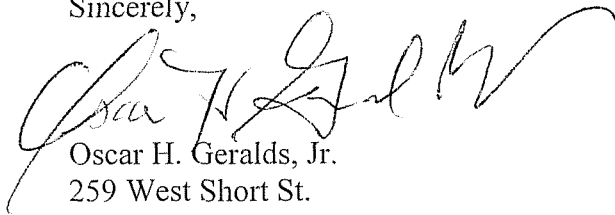
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FEB 22 2007  
PUBLIC SERVICE  
COMMISSION

Re: Case No. 2006-00564

Dear Ms. O'Donnell:

Please find enclosed for filing with the Commission in the above-referenced case an original and ten copies of Response to Objections to Full Intervention of the Cumberland Chapter of the Sierra Club. All parties listed on the attached Certificate of Service have been served by a copy of this letter.

Sincerely,



Oscar H. Gerald, Jr.  
259 West Short St.  
Lexington, KY 40507  
Ph: (859) 255-7946; Fax: (859) 233-4099  
E-mail: ogeralds@lexkylaw.com

Enclosures

cc: Parties of Record

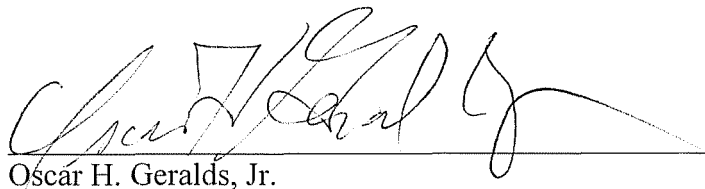
**CERTIFICATE OF SERVICE**

I hereby certify that an original and ten copies of the foregoing Response to Objections to Full Intervention of the Cumberland Chapter of the Sierra Club filed in the above-styled case were mailed to the office of Beth A. O'Donnell, Executive Director of the Kentucky Public Service Commission, 211 Sower Boulevard, Frankfort, KY 40601, and that copies were mailed to the Parties of Record, this 21st 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

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

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

  
Oscar H. Gerald, Jr.

**COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION**

**RECEIVED**

FEB 22 2007

PUBLIC SERVICE  
COMMISSION

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

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**RESPONSE TO OBJECTIONS TO FULL INTERVENTION  
BY CUMBERLAND CHAPTER OF THE SIERRA CLUB**

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On February 19, 2007, East Kentucky Power Cooperative, Inc. ("EKPC") formally objected to the petition of the Cumberland Chapter of the Sierra Club ("Sierra") for full intervenor status in the above-captioned proceeding. In so doing, EKPC ignored certain information contained in Sierra's petition and constructed a straw-man argument.

Sierra does not contest EKPC's statement that the Commission's jurisdiction is limited to issues of rates and service of regulated utilities, nor does Sierra contest the utility's statement that in the context of an investigation of a certificate of public convenience and necessity, the Commission's authority is to determine that the subject facilities are required to supply utility service, and that their construction would not amount to a wasteful duplication of facilities.

In its petition, however, Sierra stated that it "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." Sierra intends to present information that will assist the Commission in

determining whether alternate strategies could enable EKPC and its member cooperatives to provide the energy services that will be needed by their end-use customers at a lower cost than building certain of the proposed power plants. If the Commission considers such information in this case and determines that Sierra's position is substantially correct, then the construction of one or more of the proposed high-cost baseload power plants would constitute a wasteful duplication of facilities. Information that bears on the question of whether EKPC is proposing a strategy that saddles customers with excessive and unnecessary costs is directly relevant to the determination the Commission will make in this proceeding.

In its petition, Sierra further stated that "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." The question of the rate impacts of EKPC's proposed investment strategy is also clearly within the purview of the Commission in this proceeding.

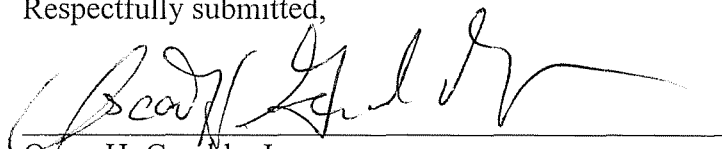
In its statement of objections, EKPC raised the straw-man argument that Sierra is trying to turn this proceeding into a "determination of environmental issues." Sierra is well aware that compliance with environmental laws and regulations is enforced by other agencies of the state and federal governments, and it has no intention of raising such issues or asking the Commission to do another agency's job. EKPC's suspicions in this regard are groundless.

Sierra believes it has shown that it meets the requirements of KRS 278.310 and 807 KAR 5:001 Section 3(8), in that it has a special interest in this proceeding that is not otherwise adequately represented by the other intervenors, and that full intervention by

Sierra is likely to present issues or to develop facts that assist the commission in fully considering this issue without unduly complicating or disrupting the proceedings.

**WHEREFORE**, the Cumberland Chapter of the Sierra Club requests that it be granted full intervenor status in the above-captioned proceeding.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Oscar H. Gerald, Jr.", written over a horizontal line.

Oscar H. Gerald, Jr.

259 West Short St.

Lexington, KY 40507

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

E-mail: ogeralds@lexkylaw.com

COUNSEL FOR SIERRA CLUB