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August 14, 2009

Mr. Jeffrey Derouen
Executive Director
Kentucky Public Service Commission
211 Sower Boulevard
P.O. Box 615
Frankfort, KY 40602-0615

RECEIVED

AUG 17 2009

PUBLIC SERVICE
COMMISSION

Re: East Kentucky Power Cooperative, Inc.
2009 Integrated Resource Plan
PSC Case No. 2009-00106

Dear Mr. Derouen:

Enclosed please find herewith an original and ten (10) copies of East Kentucky Power Cooperative, Inc.'s Reply to Response of Environmental Groups to Application for Rehearing regarding the above-referenced matter. By copy of this letter, all parties listed on the Certificate of Service have been served. Please return a file stamped copy of the above to me in the enclosed self-addressed, stamped envelope.

Please file this document of record.

Sincerely yours,

Mark David Goss / sac
Mark David Goss

Enclosures

cc: Hon. Dennis G. Howard, II
Hon. Lawrence W. Cook
Hon. Robert Ukeiley
Hon. Michael L. Kurtz
Hon. Richard Raff

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

RECEIVED
AUG 17 2009
PUBLIC SERVICE
COMMISSION

In the Matter of:

**2009 INTEGRATED RESOURCE PLAN OF) CASE NO.
EAST KENTUCKY POWER COOPERATIVE, INC.) 2009-00106**

**EAST KENTUCKY POWER COOPERATIVE, INC.’S REPLY
TO RESPONSE OF ENVIRONMENTAL GROUPS TO
APPLICATION FOR REHEARING**

East Kentucky Power Cooperative, Inc. (“EKPC”), replies to the response of the Sierra Club, Kentucky Environmental Foundation and Kentuckians for the Commonwealth (collectively, “Environmental Groups”), wherein they request that the Kentucky Public Service Commission (“Commission”) deny EKPC’s Application for Rehearing of the Commission’s July 13, 2009 Order allowing for full intervention by the Environmental Groups.

I. BACKGROUND

Let’s face it. Relations between groups, such as the Environmental Groups in this case, and electric utilities have recently been marked by conflict and suspicion. Unfortunately, that conflict has spilled over into this review of EKPC’s 2009 Integrated Resource Plan (“IRP”).

On the very first page of the Environmental Groups’ response, counsel accuses EKPC of engaging in “character attacks”. While it may be more polite and less distracting to let such histrionics pass unnoticed, character attacks are not EKPC’s style. A word-for-word review of EKPC’s Application for Rehearing fails to uncover any evidence of the charge. EKPC invites counsel for the Environmental Groups to specifically identify the document and/or page where any such character attack occurred so that the allegation may be substantiated. EKPC feels very confident that no such reference can be furnished.

It is true that there are profound differences between these two parties related to the use of coal for the generation of electricity. The Environmental Groups carry the torch of change, while utilities such as EKPC are charged with the obligation of supplying the very energy needed to keep that torch burning, not necessarily an unhealthy debate. But, EKPC's Integrated Resource Plan should not, and must not, become either the theatre or the vehicle for the acquisition of information with which to fuel that debate.

Concern that that was about to happen arose from statements made by the Environmental Groups in their Motion to Intervene, their subsequent Data Requests and their established history of opposition to coal which has been, and continues to be, reflected in their slogans, policies, public pronouncements and litigation positions.

The very important goal in this proceeding is to achieve the required filing of EKPC's IRP under 807 KAR 5:058, while preserving the rights of Intervenors, such as the Environmental Groups (if they are to remain parties) to discovery and comment, consistent both with the purposes of an IRP and with the jurisdiction of this Commission; while, at the same time, protecting the rights of EKPC to invoke the protection of proprietary and confidential business information.

**II. THE ENVIRONMENTAL GROUPS' RESPONSE
DEMONSTRATES THAT THE COMMISSION SHOULD
EITHER RESCIND THE ORDER ALLOWING FOR
INTERVENTION OR MORE CLEARLY DELINEATE
THEIR ROLE IN THIS PROCEEDING.**

In its Order allowing intervention by the Environmental Groups, the Commission stated that the Groups could address issues dealing with energy efficiency, demand-side management and renewable energy, but that they could not address issues “. . . beyond the scope of the

Commission's jurisdiction, including ratepayers' interest in their property and health, environmental, air emission and pollution impacts; and life cycle energy costs."¹

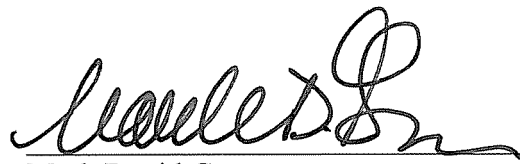
Yet, in complete disregard of the Commission's Order, the Environmental Groups spend at least five pages² discussing the deleterious effects of coal combustion upon the health of one of its members, Stephan S. Boyce, and his wife, which is supported by a four page "Declaration" attached as an exhibit to their Response.

It is difficult for EKPC to understand how it can be accused of "character attacks" upon the Environmental Groups when everything EKPC has said is factual and supported by referenced documentation, and when those groups completely disregard the Order of the Commission that they are not permitted to address health-related concerns in this case.

III. CONCLUSION

EKPC continues to claim that the Environmental Groups are not proper parties to this matter and that the Commission erred in granting them full intervention. That issue has already been fully argued and is ready for a ruling pursuant to EKPC's Application for Rehearing. If that application is overruled, then EKPC has asked the Commission to clearly delineate those issues which fall within the ambit of the Environmental Groups' participation and those which do not.

This 14th day of August, 2009.



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¹ Commission's Order of July 13, 2008, at 8.

² See Environmental Groups' Response of August 12, 2009, at 8-12.

CERTIFICATE OF SERVICE

I hereby certify that a true and accurate copy of the foregoing was served by U.S. Mail, postage prepaid, on August ^{14th}, 2009 to the following:

Mr. Jeffrey Derouen
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