

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF EAST KENTUCKY)
POWER COOPERATIVE, INC. FOR A)
CERTIFICATE OF PUBLIC CONVENIENCE)
AND NECESSITY FOR THE CONSTRUCTION)
OF TRANSMISSION FACILITIES) CASE NO. 2000-00341
ASSOCIATED WITH THE CONSTRUCTION)
OF THE KENTUCKY PIONEER ENERGY, L.L.C.)
PROJECT, LOCATED IN CLARK, FAYETTE,)
MONTGOMERY, POWELL AND MADISON)
COUNTIES, KENTUCKY)

O R D E R

On June 30, 2000, East Kentucky Power Cooperative, Inc. (East Kentucky) filed an application for a Certificate of Public Convenience and Necessity to construct new transmission facilities needed in association with the combined cycle generating plant to be constructed by Kentucky Pioneer Energy, L.L.C. (Kentucky Pioneer) at East Kentucky's J.K. Smith generating site in Clark County, Kentucky. By Order dated September 18, 2000, the Commission found that the proposed transmission facilities are needed only if Kentucky Pioneer constructs its generating plant. Further, the Commission found that, [T]he prudent course of action is to be certain that Kentucky Pioneer has secured its financing prior to authorizing East Kentucky to construct new transmission facilities.

The Commission issued an Order on April 18, 2002, directing East Kentucky to provide a status report on, among other things, the efforts of Kentucky Pioneer to obtain

project financing. In its response filed on April 29, 2002, East Kentucky stated that Kentucky Pioneer had failed to meet its contractual financial closing date under its agreement with East Kentucky and that due to numerous uncertainties, it is presently impossible to estimate when such financing could be completed.

Based on the evidence of record and being otherwise sufficiently advised, the Commission finds that this case has been pending on our docket for over 10 months now and a definitive date by which Kentucky Pioneer will obtain project financing is still unknown. Since East Kentucky's need for the proposed transmission facilities is contingent upon construction of the Kentucky Pioneer project, this case should be removed from the Commission's docket. In the event that Kentucky Pioneer is able to obtain project financing, East Kentucky should file a new certificate application no sooner than 60 days prior to the date established for completion of project financing by Kentucky Pioneer.

IT IS THEREFORE ORDERED that this case is removed from the Commission's docket, without prejudice to East Kentucky, which may file a new certificate application no sooner than 60 days prior to the date established for completion of project financing by Kentucky Pioneer.

Done at Frankfort, Kentucky, this 6th day of May, 2002.

By the Commission

ATTEST:


Executive Director