

August 6, 2002

Stephanie Bell  
 Kentucky State Board on Electrical  
 Generation and Transmission Siting  
 211 Sower Boulevard  
 P.O. Box 615  
 Frankfort, Kentucky 40602

Re: Case No. 2002-00149

Dear Ms. Bell:

Enclosed is Kentucky Mountain Power, LLC's ("KMP") Objections to Review of Kentucky Mountain Power Site Assessment Report in the matter of KMP's application for a certificate to construct a power plant in Knott County Kentucky. If you have any questions concerning this matter, please don't hesitate to contact me at either (859) 422-5562 or (859) 492-2323.

Sincerely,

Peter C. Brown  
 Director of Contract Administration  
 EnviroPower, LLC

cc: Randy Bird  
 Robin Morecroft  
 Tom Fitzgerald

300-KMP-Siting-Consultant-Report-Objections-Filing-Letter

COMMONWEALTH OF KENTUCKY  
BEFORE THE KENTUCKY STATE BOARD ON  
ELECTRIC GENERATION AND TRANSMISSION SITING

In the Matter of:

THE APPLICATION OF KENTUCKY )  
MOUNTAIN POWER, LLC / )  
ENVIROPOWER, LLC FOR A ) CASE NO. 2002-00149  
MERCHANT POWER PLANT )  
CONSTRUCTION CERTIFICATE IN )  
KNOTT COUNTY, KENTUCKY )  
NEAR TALCUM )

KENTUCKY MOUNTAIN POWER, LLC'S OBJECTIONS TO REVIEW OF  
KENTUCKY MOUNTAIN POWER SITE ASSESSMENT REPORT

COMES NOW Kentucky Mountain Power, LLC ("KMP") and objects to the Review of Kentucky Mountain Power Site Assessment Report ("Report"), tendered by BBC Research & Consulting, as follows:

**OBJECTIONS**

KMP objects to certain statements/recommendations made within the Report for the following reasons:

1. The Report makes various recommendations/statements with regard to facility site access and security. These recommendations are outside the scope of the factors the Kentucky State Board on Electric Generation and Transmission ("Board") may consider in granting or denying KMP's request for a certificate to build and a power plant in Knott County, Kentucky, as set forth in Senate Bill 257. Hereinafter, this objection shall be referred to as a "Scope Objection".

2. The report recommends hiring construction and operation personnel and purchasing materials locally to the greatest extent possible. First, KMP is unsure what

negative factor this recommendation is supposed to mitigate. The Report already indicates that the facility should not negatively impact the real estate values surrounding the site and that the facility should positively impact the region economically. While it is KMP's desire to hire and purchase locally where practicable, the facility will be constructed by large multinational contractors who in many instances already have pre-established work forces. While these contractors have indicated a desire and willingness to hire from the local area when possible, the construction of the facility will require highly skilled tradespeople who specialize in the construction of large solid fuel power plants and materials and manufacturing, which may or may not be available from the local area during the construction of the facility.

3. The Report recommends the use of silencers for the steam blow downs, enclosing the boiler feed pumps and baffling and enclosing the pumps at the River Intake. The boiler feed pumps will be enclosed within the boiler and turbine building and the River pumps will be enclosed and baffled. The use of silencers for the steam blows is not industry standard. The silencers would only serve to reduce noise created during an approximate three-day period near the end of construction. The noise produced by the facility during the steam blows is significantly less than the noise produced by the blasting by the adjacent mining company which already exists in the area. There would be very little gain to the surrounding community by requiring the installation of silencers for the steam blow downs.

4. The Report recommends setting up a bi-annual reporting system, assumably for the life of the plant, to report on the effects of the facility on the surrounding communities. This procedure is outside the Scope of authority granted to the Board by Senate Bill 257.

5. The Report makes various safety/security recommendations as to procedures that should be followed on the facility site starting in Section C, page 8 of the Report and concluding on page 9. KMP objects to these recommendations based upon Scope.

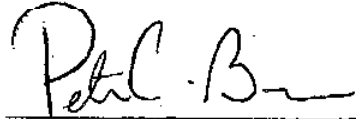
6. The Report raises various concerns of the scenic impact of the power plant to potential visitors to KMP's leasehold, the proposed industrial park and the proposed golf course. Any visitor to KMP's leasehold will be a guest of KMP (or a trespasser) and will thus be willingly accepting any potential scenic impact of the power plant by agreeing to enter the leasehold. The land for the proposed industrial park and golf course is being donated by KMP to the Commonwealth of Kentucky with the proviso that but for the existence of the power plant, the land would not be donated, and the Commonwealth waives any objections it may have concerning the effects the power plant may have on the Commonwealth's use of the land, provided KMP follows all of the applicable rules and regulations governing the construction and operation of the power plant.

### **CONCLUSION**

KMP objects to the Report on the basis set forth above, however it retains its right to raise additional objections to the Report at the hearing scheduled before the Board on August 7, 2002.

**CERTIFICATION**

Peter C. Brown, being attorney of record for Kentucky Mountain Power, LLC, certifies that the above objections to the Review of Kentucky Mountain Power Site Assessment Report are true and accurate as stated.

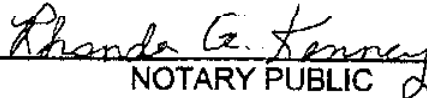


Peter C. Brown  
Attorney of Record  
Kentucky Mountain Power, LLC  
2810 Lexington Financial Center  
Lexington, Kentucky 40507

**COMMONWEALTH OF KENTUCKY**

**COUNTY OF FAYETTE**

The foregoing instrument was subscribed, sworn, to and acknowledged before me this 6th day of ~~July~~<sup>August</sup>, 2002, by **PETER C. BROWN** as **Attorney of Record** for **Kentucky Mountain Power, LLC**, a Kentucky limited liability company, for and on behalf of said company.

  
NOTARY PUBLIC

My Commission Expires: 5/2/04