



3773 Cherry Creek North Drive
Suite 850
Denver, Colorado 80209-3827
303.321.2547 fax 303.399.0448
www.bbcresearch.com
bbc@bbcresearch.com

August 12, 2002

Stephanie Bell, Secretary
Kentucky State Board on Electrical Generation and Transmission Siting
211 Sower Boulevard
P.O. Box 615
Frankfort, Kentucky 40602-0615

Re: Case No. 2002-00149
Summary of Permit Conditions

Dear Ms. Bell:

In response to Ms. Curry's and Mr. Greenwell's request, this memo offers draft permit conditions for consideration by PSC staff and the board.

1. Access Control

RMP shall provide access control and security up to industry standards suitable to their particular operation. Based upon research conducted by this consultant, these industry standards include the following:

Approved parking areas for employees.

Fenced, lighted plant perimeter.

Access to waste disposal areas must be locked.

Storage buildings with hazardous or dangerous chemicals must be locked.

Only personnel who have attended an induction course will be permitted to work on-site.

All employees and subcontractors working at the site must have a site security pass which must be carried at all times.

Entry to the site will be controlled, and only persons approved for work on the site will be allowed access. Access for site personnel will be via a security gate controlled by site security.

Commercial vehicle drivers delivering/removing materials to/from the site must first register with KMP.

Documentation of all drivers will be subject to examination (only those holding the necessary documents for the type of vehicle, plant or equipment to be driven, will be allowed on the site).

All vehicles entering/leaving the site shall be subject to search by KMP security.

Vehicle speeds on site shall not exceed 15 km/h unless there are signs indicating other limits.

If KMP subsequently determines that there is a preponderance of industry standards which suggest an exception to any of the above, they may request and substantiate such an exception in their periodic compliance reports. (See condition 9.)

2. Site Definition

KMP shall comply with the setback requirements according to KRS 278. This may be accomplished by purchasing additional land within their leaseholding, reconfiguring the 195-acre site parcel to include both lands owned in fee and lands under long-term lease, or through a waiver of objection obtained from the adjacent land owner which ensures that the subject land will comply with the legislation's setback requirement.

3. Compatibility with scenic surroundings

KMP shall ensure that the building contractors responsible for the smokestack construction, the water pump house construction and the water diversion structure select neutral background colors which will minimize contrast with existing surroundings. Industry standards for accomplishing this permit condition should be applied.

4. Minimization of noise impacts

KMP shall instruct its contractors to include enclosures and baffling for the boiler pumps and the water pumps to reduce noise impacts to the extent practicable, following industry standards.

5. Minimize disturbance from steam blows

To reduce noise impacts from steam blows, KMP shall ensure that its contractors either install silencers during the planned start-up period during which steam blows occur, or adjust the timing of steam blows such that they occur between the hours of 7 a.m. to 9 p.m.

6. Construction and use of new bridge and access road

KMP shall encourage and support the Commonwealth of Kentucky, Knott County, and any other parties in their effort to design, construct, operate and maintain the turn-out lane from Kentucky 80 to Talcum, the new bridge and the new paved access road to the plant site. KMP shall encourage and in no way inhibit the construction of this new access road to occur as soon as possible after project construction commences.

7. Use of certain roadways

Prior to completion of the new bridge and access road, KMP shall encourage to the maximum extent possible that its contractors, vendors and employees use Kentucky Highway 80, Kentucky Highway 15, and the access to the plant site at Talcum which crosses Kentucky 1087 heading directly to the plant site. Without violating existing laws or breaching existing contracts, KMP shall instruct its employees, vendors, contractors and their sub-contractors to utilize the existing Talcum access to the plant from Kentucky 80, and subsequently the new bridge and access road when it is completed, to the maximum extent practicable. Exceptions would include emergencies where other routes are necessary, access by employees or vendors who currently reside along other access roads to the sites or other similar circumstances where the use of the preferred route would be clearly unreasonable.

8. Preserving property values and ensuring economic benefits.

KMP shall to the maximum extent practicable, hire workers, vendors and contractors from the local area. A worker hired from the local area is one that can commute daily to the plant site from his or her primary residence which existed prior to employment at the KMP site. Typically, workers, vendors or contractors living within a 50-mile radius of the site prior to their association with KMP may be considered local.

KMP shall include language in their contracts, provide training for their hiring agents and purchasing agents which indicate the preference for such local hiring and expenditure patterns to the maximum extent practicable. Such provisions would not be considered practicable if they directly threatened the project's ability to construct or operate or obtain financing.

9. Follow-up compliance reporting

KMP shall institute a compliance reporting program through construction of the project. The content, frequency and duration of this program is outlined in a separate memorandum.

Sincerely,



Edward Harvey
Managing Director



Douglas Jeavons

Managing Director