

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

In the Matter of:

THE APPLICATION OF KENTUCKY)	
PIONEER ENERGY, LLC FOR A)	
CONSTRUCTION CERTIFICATE)	CASE NO. 2002-00312
PURSUANT TO KRS 278.704(1) TO)	
CONSTRUCT A MERCHANT)	
ELECTRIC GENERATING FACILITY)	

KENTUCKY PIONEER ENERGY, LLC'S RESPONSE TO
BOARD STAFF'S FIRST DATA REQUEST
DATED JANUARY 13, 2003

FILED: JANUARY 21, 2003

KENTUCKY PIONEER ENERGY, LLC

CASE NO. 2002-00312

**Kentucky Pioneer Energy, LLC's Response to
Board Staff's First Data Request
Dated January 13, 2003**

Question No. 1

Responding Witness: Dwight Lockwood

1. Provide a copy of Kentucky Pioneer's Site-Lease Agreement with East Kentucky Power Cooperative ("EKPC").
 - A.1 Please see the attached document.

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Question No. 2**

Responding Witness: Dwight Lockwood

2. Provide a graphical representation of EKPC's property boundaries at the J.K. Smith site.
- A-2. Please see the attached map.

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**Kentucky Pioneer Energy, LLC's Response to
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Question No. 3**

Responding Witness: Bob Hughes from EKPC

3. Provide information regarding the ground elevation and height of EKPC's existing stacks at the J.K. Smith site.
- A-3. The ground elevation of the J.K. Smith site is 800 feet above sea level. The height of stacks 1,2, and 3 is 100 feet and the height of stacks 4 and 5 is 150 feet.

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**Kentucky Pioneer Energy, LLC's Response to
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Question No. 4**

Responding Witness: Dwight Lockwood

4. In addition to the information that is contained in the DOE Final Environmental Impact Statement supplied as part of the application, does Kentucky Pioneer have a formal "Site Development Plan" in accordance with KRS 278.708(3)(a)? If so, provide a copy.

A-4. Please see the attached Site Development Plan.

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**Kentucky Pioneer Energy, LLC's Response to
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Question No. 5**

Responding Witness: Dwight Lockwood

5. From the project description, it appears that natural gas service is necessary during startup. Provide a description of the planned tie-in to existing or to new natural gas service for the proposed project.

- A-5. Appropriate discussions with a natural gas supplier have begun, though not yet with definitive plans for the location of a tie-in. However, KPE intends to tie-in to an existing Tenneco natural gas transmission line within the J.K. Smith property boundary. The Tenneco natural gas transmission line crosses the J.K. Smith property site near EKPC's peaking station. See map attached to A-10.

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Question No. 6**

Responding Witness: Dwight Lockwood

6. For the electrical service to the facility, Clark Energy Cooperative, Inc. ("Clark Energy") is identified as the proposed provider. Is Clark Energy also the current provider for EKPC at the J.K. Smith site?

A-6. Yes.

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**Kentucky Pioneer Energy, LLC's Response to
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Question No. 7**

Responding Witness: Dwight Lockwood

7. Will the Kentucky Pioneer project have access to electricity connection with Clark Energy that is similar to EKPC's? Explain.
- A-7. Yes. KPE expects to have a similar electrical connection with Clark Energy to supply site requirements during startup and outages. However, KPE will self-generate its own requirements during operations. KPE has not yet determined the nature or specific characteristics of the connection with Clark Energy.

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**Kentucky Pioneer Energy, LLC's Response to
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Question No. 8**

Responding Witness: Dwight Lockwood

8. Refer to the DOE Final Environmental Impact Statement at page 5-26. Provide a copy of the construction plans for the new water intake extension into the Kentucky River that is to be constructed, including the elevations of the various parts of the intake.
- A-8. Please see the construction plans attached to this answer. The attached water intake construction plans are the same plans as depicted in KPE's application to the US Army Corp of Engineers (USACE).

Figures 8-1 & 8-2 depict the general design of the intake, the discharge lines, and the associated intake structure. Relative elevations are noted, and are in conformance with current US Army Corp of Engineers (USACE) and Kentucky Natural Resources and Environmental Protection Cabinet requirements at the time of application to USACE.

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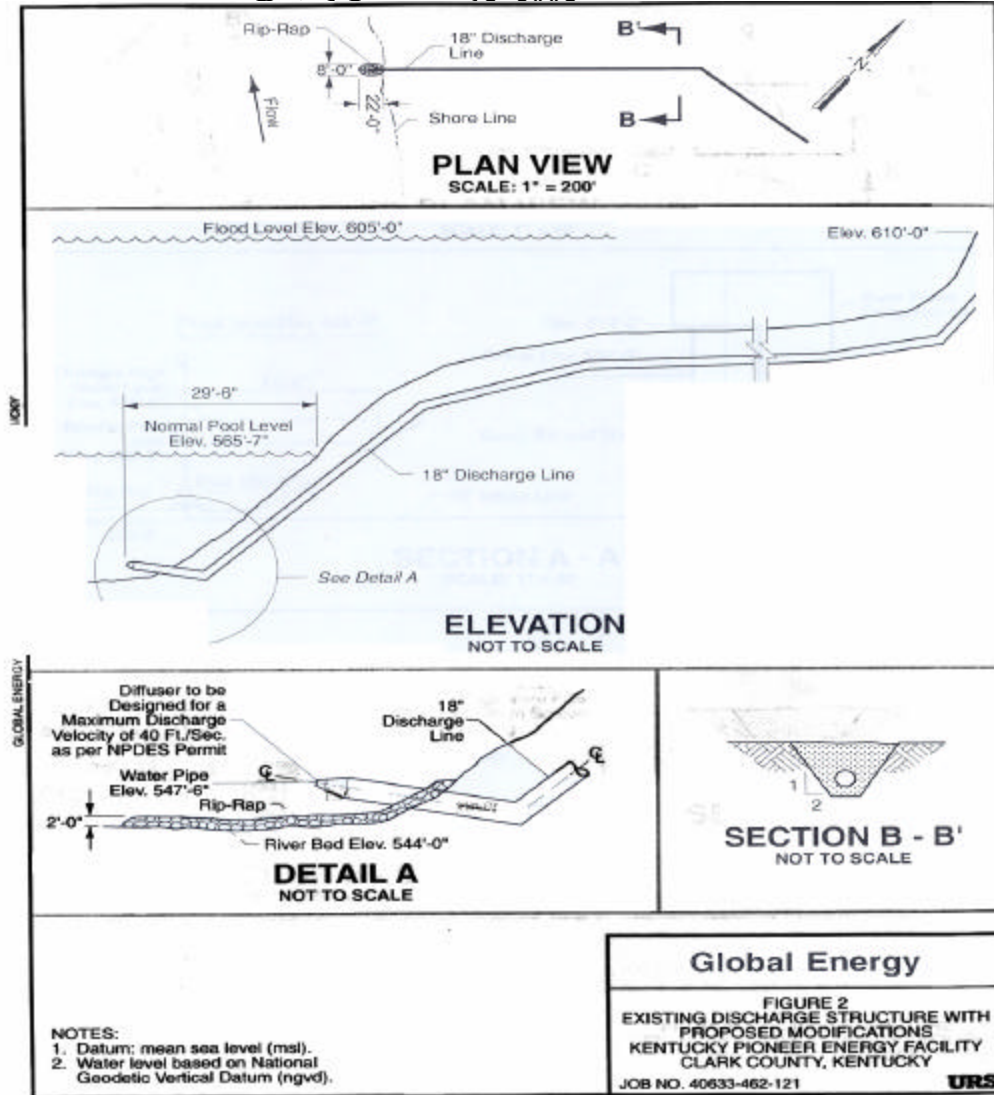


Figure 8-1

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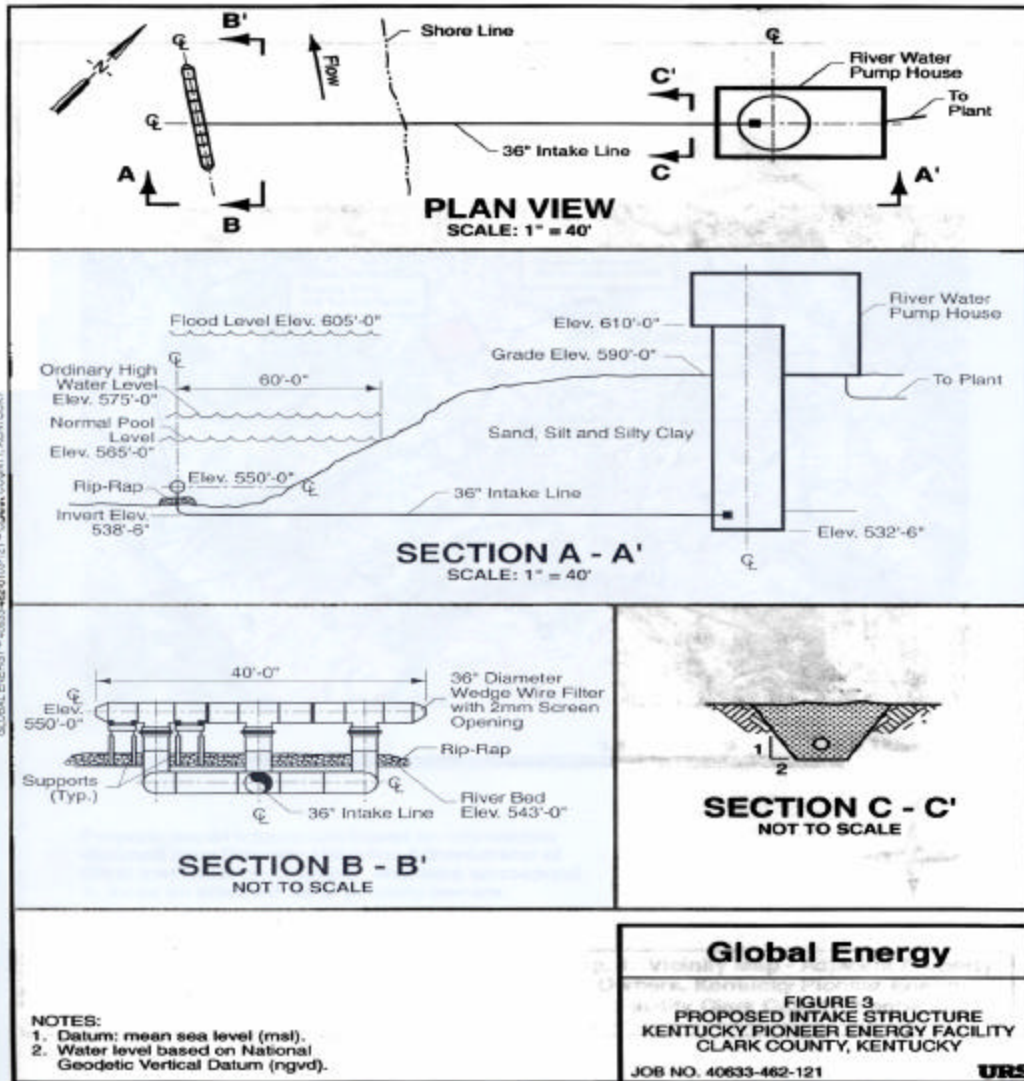


Figure 8-2

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**Kentucky Pioneer Energy, LLC's Response to
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Question No. 9**

Responding Witness: Mary Jane Warner at EKPC

9. Refer to the DOE Final Environmental Impact Statement supplied as part of the application, at pages 3-1 through 3-12. Provide a more complete description of the tentative route of EKPC's 138 kV transmission line(s) that must be upgraded as a result of KPE's generation project. The route description should also include a map or maps at 1:24,000 on a USGS topographic base map illustrating existing transmission lines, the tentative route(2) of any new transmission lines, and the locations of residential or any other structures along the proposed route(s). If the exact location of transmission line routes is not known, limits of an area of location or a corridor (area for a linear feature) are sufficient.
- A-9. As stated in Part 3.1 of the DOE Final Environmental Impact Statement the J.K. Smith – KU Spencer Road 138kV transmission line will be new construction. Route development has not been done for this project, however a general study corridor has been identified and is indicated on the enclosed map. The corridor is oriented in a Northeast direction from J.K. Smith near Trapp to the existing Kentucky Utilities Spencer Road Substation, which is 2 to 3 miles Southeast of Mount Sterling on Kentucky Route 713. EKPC's topographic maps for the project area have not been updated to reflect current information.

As indicated on the attached map, there are several existing transmission lines in the vicinity. Precise locations are not readily available for the existing transmission lines. The study corridor has been oriented to allow the possibility of building a portion of the new line from J.K. Smith – KU Spencer Rd. on adjacent right of way and parallel to an existing transmission line for approximately 4 miles into the Spencer Rd. Substation.

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**Kentucky Pioneer Energy, LLC's Response to
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Question No. 10**

Responding Witness: Craig Johnson at EKPC

10. Provide a map of the plant site and surrounding area at a scale of 1:10,000 or smaller with roads, railroads, and river as a base map, clearly showing the following features:
- a. Boundary of EKPC parcel(s).
 - b. Boundary of leased parcel (plant site).
 - c. Pipeline to be constructed for supply of natural gas to the plant site from existing natural gas transmission line(s).
 - d. Water and wastewater pipelines and any associated facilities, such as pumping stations, to be constructed for the operation of the proposed plant.
 - e. Existing security fence and access points.
 - f. Storage areas for fuel and by-products. If the exact location is not known, limits of an area of location or a corridor (area for a linear feature) are sufficient.

A-10. See the attached map. The water pumps will be located in the water intake structure.

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Question No. 11**

Responding Witness: Dwight Lockwood

11. Provide a copy of the contract between EKPC and Kentucky Pioneer for purchase of power.
- A-11. Please see the attached redacted versions of the Power Purchase Agreement ("PPA") by and between Kentucky Pioneer Energy, LLC., and East Kentucky Power Cooperative, Inc ("EKPC"), and Amendments 1-3. The PPA and Amendment 1, attached hereto, were previously filed before the Kentucky Public Service Commission ("Commission") on a confidential basis. Case No. 2000-079, *In the Matter of: The Application of East Kentucky Power Cooperative, Inc. For Approval of a Power Purchase Agreement with Kentucky Pioneer Energy, L.L.C.* The Commission, acting on a petition by EKPC, determined that the PPA and Amendment 1 contained certain information that was confidential and withheld them from public inspection. *Id.*, Notice dated March 6, 2000. In response to this data request, EKPC will be filing a request for confidential treatment of the same information that was previously granted such treatment by the Commission.

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Question No. 12**

Responding Witness: D. Lockwood

12. Provide copies of any finance agreements related to the proposed facility.
- A-12. Financing agreements for this project are not yet concluded. Recent conclusion of the EIS by the US Department of Energy, and the pending Record of Decision for that process, enables the financing process to move forward.

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**Kentucky Pioneer Energy, LLC's Response to
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Question No. 13**

Responding Witness: Mary Jane Warner

13. Provide the location and voltage of each proposed transmission line which EKPC will construct as a result of the Kentucky Pioneer project.

A-13. KPE – J.K. Smith 138kV Circuits #1 & #2
J.K. Smith – KU Spencer Rd. 138kV transmission line
J.K. Smith – Avon 345kV transmission line

The KPE – J.K. Smith 138kV circuits are short in length and will be entirely contained on EKPC's J.K. Smith property. The specific location of these facilities has not been determined at this time and no study corridor has been established.

The locations of the J.K. Smith – KU Spencer Rd. 138kV and J.K. Smith – Avon 345kV transmission line study corridors are indicated on the attached map.
Please see the map attached to A-9.