

FINDING OF NO SIGNIFICANT IMPACT

**Two, 268 Megawatt Coal Fired Generating Units
(Gilbert Units 3 and 4)**

RURAL UTILITIES SERVICE

related to possible financing to:

**East Kentucky Power Cooperative
Kentucky 59**

Prepared by:

**Engineering and Environmental Staff
Rural Utilities Service**

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The Rural Utilities Service (RUS) may provide financing assistance to East Kentucky Power Cooperative to finance the construction of two, 268-megawatt coal-fired electric generating units.

East Kentucky Power Cooperative proposes to construct two, 268-megawatt coal fired electric generation units at its Spurlock Station in Maysville, Kentucky. Maysville is located in Mason County along the Ohio River. The two new generation units are to be named Gilbert Units 3 and 4. The units would consist of two circulating fluidized bed boilers, two turbine-generators, two baghouses, two sulfur dioxide removal systems, two selective non-catalytic reduction units, and two 720-foot stacks. The project would also include a double-circuit 345-kilovolt transmission line from the Spurlock Station to an existing 345-kV transmission line in Brown County, Ohio. The length of the transmission line would be approximately 3.5 miles and would parallel an existing 138 kV transmission line that crosses the Ohio River. Further details of the project are provided in the environmental assessment.

Alternatives considered by RUS and East Kentucky Power Cooperative include: (a) no action, (b) purchased power, (c) combustion turbine generation, (d) combined cycle generation, (e) run-of-the river hydro, and (f) various site locations.

East Kentucky Power Cooperative submitted an environmental report to RUS which addresses the potential environmental impacts of the project. RUS conducted an independent evaluation of the environmental report and concurs with its scope and content. In accordance with RUS' Environmental Policies and Procedures at 7 CFR § 1794.41, RUS has accepted East Kentucky Power Cooperative's environmental report as its environmental assessment of the proposed project.

The availability of the environmental assessment for public review was announced via an advertisement and a legal notice in *The Morehead News* and *The Winchester Sun* on January 8, 2002, *The Menifee County News*, *Grayson Journal*, and *The Ledger Independent* on January 9, 2002, and *The News Democrat*, and *The Ripley*

Bee on January 10, 2002. A 30-day comment period was announced. The environmental assessment was available for public review at the headquarters of RUS in Washington, DC, the headquarters of East Kentucky Power Cooperative in Winchester, Kentucky, the Clark County Public Library in Winchester, Kentucky, the Mason County Public Library in Maysville, Kentucky, the Rowan County Public Library in Morehead, Kentucky, and the Brown County Public Library in Georgetown, Ohio. No comments were received by RUS on the assessment.

Based on its environmental assessment, RUS has concluded that the project would have no significant impact to the air quality, ground or surface water, the 100-year floodplain, prime farmland, transportation, or ambient noise levels. The project will have no effect to wetlands. The construction of the two units and associated facilities at the Spurlock Station will not have an effect on resources listed or eligible for listing on the National Register of Historic Places. Once the centerline of the transmission line has been determined, an assessment will be conducted to determine if the proposed transmission line could have an effect of resources eligible for listing on the National Register of Historic Places. If eligible resources are identified that could be adversely affected by the transmission line, the resources will either be avoided or mitigative measures will be taken to ameliorate adverse impacts thereto. RUS will fulfill its compliance obligations pursuant to Section 106 of the National Historic Preservation Act prior to East Kentucky Power Cooperative initiating construction of the transmission line. RUS has also concluded that the proposed project is not likely to affect Federally listed threatened and endangered species or designated critical habitat thereof. The project would not disproportionately affect minority and low-income populations.

No other potential significant impacts resulting from the project have been identified. Therefore, RUS has determined that this finding of no significant impact fulfills its obligations under the National Environmental Policy Act, as amended (42 U.S.C. 4321 *et seq.*), the Council on Environmental Quality Regulations (40 CFR §§

1500-1508), and RUS' Environmental Policies and Procedures (7 CFR Part 1794) for its action related to the project.

RUS is satisfied that the environmental impacts of the proposed project have been adequately addressed and, therefore, finds no reason why a request from East Kentucky Power Cooperative for RUS assistance to finance the cost of the project should not be considered.

Since RUS' Federal action would not result in significant impacts to the quality of the human environment, it will not prepare an environmental impact statement for its action related to the project.

Dated: MAR 4 2002

A handwritten signature in black ink, appearing to read "Blaine D. Stockton", written over a horizontal line.

Blaine D. Stockton

Assistant Administrator, Electric

Rural Utilities Service