

**Public Scoping Report
For The
J. K. Smith Circulating Fluidized Bed Generating Unit
Clark County, Kentucky**



Prepared by:



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1. INTRODUCTION

East Kentucky Power Cooperative, Inc. (EKPC) is a non-profit electric generation and transmission cooperative headquartered in Winchester, Kentucky that provides electric power to 16 locally based electric distribution cooperatives. The distribution cooperatives distribute power to over 489,000 electric consumers in 89 counties located across the central and eastern portions of Kentucky. EKPC has requested financing from the U.S. Department of Agriculture (USDA), Rural Utility Service (RUS) to construct and maintain a circulating fluidized bed generating unit (CFB) and associated facilities in southeastern Clark County, Kentucky. RUS must complete a draft supplemental environmental impact statement (DSEIS) in accordance with its *Environmental Policy and Procedures for Implementing the National Environmental Policy Act* (7 CFR Part 1794), prior to approving the financing assistance for the proposed project. The DSEIS will be open for a public comment period for 45 days. Comments received will be incorporated in a final supplemental environmental impact statement (FSEIS).

To accommodate load growth among its member cooperatives, EKPC plans to construct a circulating fluidized bed generating unit at its J.K. Smith Power Station (J.K. Smith), located in the community of Trapp, Ky., in Clark County. The site currently contains seven combustion turbine units (CT's) with a total generating capacity of 826 MW at winter capacity.

The Smith CFB will provide the capacity necessary for the growing energy demands of EKPC's member cooperatives. The project is being evaluated in a draft supplemental environmental impact statement (DSEIS) with scoping requirements per USDA Rural Development Environmental Regulations and Policies 7 CFR 1794.24 (b)(1).

Therefore, EKPC prepared an Alternative Evaluation and Site Selection Study. This study was conducted to assess alternatives for generation and to assess potential environmental, social and cultural impacts.

To inform people about the scoping process and public scoping meeting, a Notice of Intent (NOI) to hold a public scoping meeting and prepare a supplemental environmental impact statement (SEIS) was published by the RUS in the Federal Register on October 6, 2006 (Volume 71, Number 194, pp. 59070-59071). A copy of the NOI is included in Appendix A.

A public scoping meeting was conducted by RUS and EKPC on October 18, 2006 at the Trapp Elementary School in Trapp, Kentucky. The purposes of the meeting were to provide information regarding the project to the public and solicit comments from the public for the preparation of a SEIS. The public was notified of this meeting by a series of advertisements in local newspapers. Copies of the newspaper notices are included in Appendix B.

A community action group (CAG) was organized in February 2005 with the assistance of EKPC to address the concerns of the Trapp community in the planning of the proposed units. EKPC hired a consultant to facilitate the meetings and continues to meet with the concerned citizens of Trapp. Meetings were initially held at the Trapp Elementary School, but are now held in a meeting room at the station. Various members of EKPC's staff have attended the meetings to provide information or respond to questions. EKPC has also invited public officials to address the concerns of the CAG. Minutes of the CAG meetings where available are included in the Appendix J along with the newsletter that is periodically issued.

2. INTERAGENCY MEETING

2.1 Agency Meeting

An agency meeting was held on October 18, 2006 at the Trapp Elementary School, located in Trapp, Kentucky. The purpose of the meeting was to introduce the project to various local, state, and federal agencies and obtain input and information about the potential impacts of the proposed generating units. Representatives from the following agencies were present at the meeting: Kentucky Geologic Survey, RUS, and EKPC. A copy of the agency sign-in sheet is included in Appendix D.

2.2 Written Agency Comments

EKPC sent letters, dated October 2, 2006, to various local, state, and federal agencies. The letters provided a brief project description and information about the public scoping meeting, as well as contact information for agency comments. A copy of these letters is included in Appendix C.

Comments were received from the US EPA and the US Forest Service. Copies of the agency responses are included in Appendix E.

3. PUBLIC SCOPING MEETING

The public scoping process for the project involved the following components:

- notifying people about the public scoping meeting;
- conducting the public scoping meeting; and
- collecting/reviewing public comments.

Additional public involvement has consisted of informing the public through the CAG, newsletters, personal communications, and newspaper articles about the project.

3.1 Goals and Objectives

The goals of the public scoping process were to provide information regarding the project to the public and solicit comments from the public for the preparation of a SEIS. The objectives of RUS and EKPC were to establish a clear and open dialogue with the public and provide a process to identify and define the scope of issues to be addressed in the FSEIS.

3.2 Notification Process

A Notice of Intent (NOI) to hold public scoping meetings and prepare a supplemental environmental impact statement was published by the RUS in the Federal Register on October 6, 2006 (Volume 71, Number 194, pp. 59070-59071). A copy of the NOI is included in Appendix A.

A public scoping meeting was conducted on October 18, 2006 at the Trapp Elementary School in Trapp, Kentucky. The public was notified of this meeting by a series of advertisements in local newspapers. Copies of the newspapers notices are included in Appendix B. The following papers published the notice of public scoping meeting:

- Lexington Herald-Leader, published on October 3, 2006
- The Winchester Sun, published on October 3, 2006

A newspaper article was also written about the proposed project and appeared in the Winchester Sun on October 12, 2006. A copy of this article is included in Appendix B.

3.3 Public Scoping Meeting

The public scoping meeting was in an open house format, with a series of information stations about various aspects of the proposed project. Each station was staffed by EKPC representatives, who provided information about the project and answered questions. Informative displays and materials were also available to the public at each station. RUS

representatives were present at the meeting and provided a comment form for the attendees to complete. Comment forms were also made available at each information station. Copies of all public scoping meeting materials are included in Appendix G. The information provided at each station is described below.

Welcome and Registration

RUS representatives welcomed the public to the meeting and asked them to sign-in. People were given a map of the project and a comment form.

Communications

An EKPC representative was present to greet the public and direct them through the different stations.

Community Advisory Group

A citizen advisory committee was organized in February 2005 to incorporate the Trapp community's input in the construction process of the Smith CFB units. Copies of the minutes of each meeting and newsletters addressing issues surrounding the status of the units were made available to the attendees and are available in Appendix J.

Emissions

Representatives of EKPC's Environmental Affairs Department were present to answer questions concerning air, water, and waste.

Employment

An EKPC representative from human resources was available to provide information on permanent jobs available at the power station.

EnviroWatts

An EKPC marketing employee was present to answer questions about "Green Power" available through EKPC generated by landfill-gas to electricity generators.

Natural Resources

EKPC biologists were available to address any concerns about the environmental impacts of the project.

Project Schedule

Information on manpower loading and construction scheduling was made available in a display. An EKPC representative manned the display.

Technology

A model portraying CFB technology was on display. An article addressing the CFB process and emissions was made available. EKPC representatives were present to answer questions pertaining to the technology.

Transportation

A display depicting flow charts for traffic control during construction was available. A contractor for EKPC was present to answer questions.

3.4 Public Comments

A total of 104 comments were received during the scoping comment period that ended November 18, 2006. Public comments were received in the form of letters mailed to RUS and EKPC, emails, comment forms, and verbal comments. The public comments along with a summary of all comments received are included in Appendix I. All original comment forms are on file with the RUS.

Summary of Comments by Category

Conservation

Conservation was the most pressing issue to organizations and individuals submitting comments. A total of thirteen (13) comments were received on various aspects of conservation. Several comments suggested that if greater efforts were put forth on conservation the CFB would not be needed. There were also general comments on conservation and associated benefits.

Air Pollution

Eight (8) comments were submitted concerning air pollution from the project. Most were concerned with the emissions from the CFB and their health effects. One was regarding fugitive dust produced by traffic and other processes at the site. There were also general comments about air pollution from coal combustion.

Alternative Energy

There were eight (8) comments concerning the uses of alternatives to coal fired generation. The majority of the comments centered on the use of wind or solar generation. Others suggested renewable sources such as biomass and biogas. Two comments suggest nuclear power as an alternative. One organization submitted comments that included the previously mentioned alternatives along with distributed generation (fuel cells), tidal power, wave power, and small hydroelectric projects.

Carbon and Global Warming

There were seven (7) comments regarding carbon emissions or global warming. There is concern among those commenting on the wisdom of building coal-fired generation in the face of mounting evidence that carbon emissions contribute to global warming. Others reflected on alternative non-carbon technologies. There were two (2) questions regarding carbon capture technology and its application in the project.

Traffic

Traffic was a concern in six (6) comments. Two (2) comments addressed the safety of Irvine Road. Others were concerned with the increase in traffic. One addressed the impact of coal trucks on safety and maintenance. Another requested that traffic is included as a topic in an EIS.

Water Quality

Comments on water quality ranged from concerns for pollution of surface waters to contamination of ground water. There was a comment regarding the quantity of the water available for the station. Another comment addressed the impacts of coal mining for supplying the station on surface water in the coalfields. Six (6) individuals addressed these issues.

Aesthetics

A total of four (4) questions were asked pertaining aesthetics. Two (2) comments concerned the height of the stack or the boiler. There were also concerns on impacts to view sheds.

Demand Side Management (DSM)

There were four (4) detailed comments concerning DSM and its potential to eliminate the need for the new unit. Some of the suggestions described actions by consumers that would lower electric energy needs. These included passive solar, energy audits, compact florescent lighting, fuel switching, solar hot water heaters, and other energy saving activities.

Risk

Four (4) comments were submitted on risks associated with CFB projects. Topics ranged from environmental concerns such as "carbon risk" to the financial risk the project could involve.

Best Available Control Technology (BACT)

The designation of CFB technology as BACT was questioned in three (3) comments. One comment suggested that IGCC would be more appropriate for that designation. Others questioned CFB technology as BACT.

Coal Mining

Three (3) comments were submitted concerning the effects of coal mining to obtain fuel for the CFB. Impacts of mountain top mining resulting from mining required to supply the CFB were a concern.

Unions

Representative from local steel workers and boilermakers unions submitted three (3) verbal comments on the merits of the project.

Cultural Resources

Two (2) comments were received concerning cultural resources within or near the site and possible impacts to these resources. The comment also addressed the possible impairment of views from historically significant sites.

Electro-Magnetic Field (EMF)

Two (2) comments about EMF generated by the transmission line associated with the project were received. The comments related to impacts on people living near the transmission lines, substations, or transformers related to the CFB.

Environmental

Environmental concerns were the focus of two (2) of the comments. One comment was questioning the effects of water withdrawal from the Kentucky River on aquatic organisms. The other concerned the effects of the project on endangered species and the need to address this in the SEIS.

Integrated Gasification Combined Cycle (IGCC)

The choice of technologies was the topic of two (2) comments. The comments suggested IGCC would be a more appropriate choice of coal technologies.

Limestone

The use of limestone in the combustion process was the topic of two (2) comments. There was a question of its use in the CFB and then a question in the possible use in pulverized coal units.

Mercury

There were two (2) comments regarding mercury emissions from the CFB.

Need

The need for the project was questioned in two (2) comments. The comments suggested that conservation efforts could lower demand for electricity, negating the need for the new unit.

Noise

Two (2) comments was received concerning traffic noise generated by the construction and operation of the project. It also addressed the noise generated by the operation of the CFB.

Social and Economic Impacts

The social and economic implications of the construction of the facility were addressed in two (2) comments.

Solid waste

Two (2) comments concerning the waste generated by the plant were received. Concerns regarded the volume and final disposition of the waste.

Wetlands

Possible effects the project could have on wetlands were the topic of two (2) comments. If required, the costs and locations of mitigation projects were questioned.

Endangered Species

One (1) comment concerned the impact of the project on endangered species.

Environmental Impact Statement (EIS)

There was one (1) comment suggesting the issues concerning this project should be addressed in an EIS not a SEIS.

Environmental Justice

A single comment (1) requested that environmental justice be addressed in the SEIS.

Hazardous Waste

One (1) comment requested that the topic of hazardous waste be included in the SEIS.

Information

A (1) comment was registered concerning the quantity and quality of the information made available to the public regarding the project.

Load Forecast

The reliability of the load forecast used to determine the need for the project was questioned in one (1) comment.

Prevention of Significant Deterioration (PSD) Permitting

If appropriate, one (1) comment requested PSD permitting is addressed in the SEIS.

Railroad

There was one (1) comment on the age and condition of the railroad bridges and tracks serving Smith Station and whether they could withstand the additional traffic and weight from continuous coal deliveries to the station.

Replacement

One (1) comment was received in support of the project if it would replace older plants with less pollution control.

Scoping Meeting

A request for a new scoping meeting was submitted in one (1) comment.

US Fish and Wildlife Service

There was one (1) comment concerning the involvement of the US Fish and Wildlife Service.

US Forest Service

The US Forest Service issued one (1) comment noting the distance of the project from the Daniel Boone National Forest (DBNF) and that the project is located in a watershed that does not impact the waters entering the DBNF.

Website

One (1) comment was received regarding errors and omissions in the materials posted on websites provided by RUS.

4. PROJECT STATUS

The RUS will prepare a Supplemental Environmental Impact Statement with scoping requirements to assess the potential impacts associated with the Smith CFB Project. Preparation of the SEIS is anticipated to begin in the fall of 2007 and would then be completed approximately 180 days later in the spring of 2008.

The FSEIS will be available for a 30-day review and comment period after which the RUS will prepare a Record of Decision (ROD). Notices announcing the availability of the SEIS and ROD will be published in the Federal Register and in local newspapers.

Any final action by the RUS related to the proposed project will be subject to, and contingent upon, compliance with all relevant federal, state, and local environmental laws and regulations and completion of the environmental review requirements as prescribed in the RUS Environmental Policies and Procedures (7 CFR part 1794).

If you have any questions or desire additional information, please feel free to contact the following:

Stephanie Strength
Environmental Protection Specialist
Rural Utilities Service
Engineering and Environmental Staff
1400 Independence Avenue, SW, Stop 1571
Washington, DC 20250-1571

Telephone: (202) 720-0468
Email: stephanie.strength@wdc.usda.gov

APPENDIX A:

Notice of Intent (NOI)

Notices

Federal Register

Vol. 71, No. 194

Friday, October 6, 2006

This section of the FEDERAL REGISTER contains documents other than rules or proposed rules that are applicable to the public. Notices of hearings and investigations, committee meetings, agency decisions and rulings, delegations of authority, filing of petitions and applications and agency statements of organization and functions are examples of documents appearing in this section.

JOINT BOARD FOR THE ENROLLMENT OF ACTUARIES

Meeting of the Advisory Committee; Meeting

AGENCY: Joint Board for the Enrollment of Actuaries.

ACTION: Notice of Federal Advisory Committee meeting.

SUMMARY: The Executive Director of the Joint Board for the Enrollment of Actuaries gives notice of a closed meeting of the Advisory Committee on Actuarial Examinations.

DATES: The meeting will be held on October 20, 2006, from 8:30 a.m. to 5 p.m.

ADDRESSES: The meeting will be held at The Segal Company, 116 Huntington Ave., 8th Floor, Boston, MA.

FOR FURTHER INFORMATION CONTACT: Patrick W. McDonough, Executive Director of the Joint Board for the Enrollment of Actuaries, 202-622-8225.

SUPPLEMENTARY INFORMATION: Notice is hereby given that the Advisory Committee on Actuarial Examinations will meet at The Segal Company, 116 Huntington Ave., 8th Floor, Boston, MA on Friday, October 20, 2006, from 8:30 a.m. to 5 p.m.

The purpose of the meeting is to discuss questions that may be recommended for inclusion on future Joint Board examinations in actuarial mathematics, pension law and methodology referred to in 29 U.S.C. 1242(a)(1)(B).

A determination has been made as required by section 10(d) of the Federal Advisory Committee Act, 5 U.S.C. App., that the subject of the meeting falls within the exception to the open meeting requirement set forth in Title 5 U.S.C. 552b(c)(9)(B), and that the public interest requires that such meeting be closed to public participation.

Dated: September 13, 2006.

Patrick W. McDonough,

Executive Director, Joint Board for the Enrollment of Actuaries.

[FR Doc. E6-16546 Filed 10-5-06; 8:45 am]

BILLING CODE 4830-01-P

DEPARTMENT OF AGRICULTURE

Forest Service

Mendocino Resource Advisory Committee

AGENCY: Forest Service, USDA.

ACTION: Notice of meeting.

SUMMARY: The Mendocino County Resource Advisory Committee will meet October 20, 2006 (RAC) in Willits, California. Agenda items to be covered include: (1) Approval of minutes, (2) Handout Discussion, (3) Public Comment, (4) Financial Report, (5) Subcommittees, (6) Matters before the group, (7) Discussion—approval of projects, (8) Next agenda and meeting date.

DATES: The meeting will be held on October 20, 2006, from 9 a.m. until 12 noon.

ADDRESSES: The meeting will be held at the Mendocino County Museum, located at 400 E. Commercial St., Willits, California.

FOR FURTHER INFORMATION CONTACT: Roberta Hurt, Committee Coordinator, USDA, Mendocino National Forest, Covelo Ranger District, 78150 Covelo Road, Covelo CA 95428. (707) 983-8503; e-mail rhurt@fs.fed.us.

SUPPLEMENTARY INFORMATION: The meeting is open to the public. Persons who wish to bring matters to the attention of the Committee may file written statements with the Committee staff by October 15, 2006. Public comment will have the opportunity to address the committee at the meeting.

Dated: September 27, 2006.

Blaine Baker,

Designated Federal Official.

[FR Doc. 06-8527 Filed 10-5-06; 8:45 am]

BILLING CODE 3410-11-M

DEPARTMENT OF AGRICULTURE

Rural Utilities Service

East Kentucky Power Cooperative: Notice of Intent To Prepare a Supplemental Environmental Impact Statement

AGENCY: Rural Utilities Service, USDA.

ACTION: Notice of intent to hold a public scoping meeting and prepare a supplemental environmental impact statement (SEIS).

SUMMARY: The Rural Utilities Service (RUS), an agency which administers the U. S. Department of Agriculture's Rural Development Utilities Programs (USDA/RDUP) proposes to prepare a Supplemental Environmental Impact Statement (SEIS) and conduct a public scoping meeting related to possible financial assistance to East Kentucky Power Cooperative (EKPC) for the proposed construction of two 278 MW Circulating Fluidized Bed generating units (CFBs) in Clark County, Kentucky. EKPC is requesting that RUS provide financial assistance for the proposed project.

DATE: RUS will conduct a public scoping meeting in an open-house format: October 18, 2006, Trapp, Kentucky, at Trapp Elementary School, 11400 Irvine Road; The open house will be held from 5:30-8 p.m.

ADDRESSES: Written comments should be sent to: Ms. Stephanie Strength, Environmental Protection Specialist, USDA, Rural Development, Utilities Programs, Engineering and Environmental Staff, 1400 Independence Avenue, SW., Stop 1571, Washington, DC 20250-1571, or e-mail: stephanie.strength@wdc.usda.gov. An Alternatives Evaluation and Site Selection Study, prepared by East Kentucky Power Cooperative, will be presented at the public scoping meeting. The Report is available for public review at RUS at the address provided in this notice, on the RUS Web site <http://www.usda.gov/rus/water/ees/eis.htm>, at East Kentucky Power Cooperative, INC., 4775 Lexington Road, Lexington, Kentucky 40392-0707 and at: Clark County Public Library, 370 South Burns Ave., Winchester, Kentucky 40391, phone: (859) 744-5661.

FOR FURTHER INFORMATION CONTACT:

Stephanie Strength, Environmental Protection Specialist, USDA, Rural Development, Utilities Programs, Engineering and Environmental Staff, 1400 Independence Avenue, SW., Stop 1571, Washington, DC 20250-1571, telephone: (202) 720-0468. Ms. Strength's e-mail address is stephanie.strength@wdc.usda.gov.

SUPPLEMENTARY INFORMATION: EKPC

proposes to construct and operate two nominal 278-megawatt coal-based electric generating units at the Smith site, southeast of Winchester, Kentucky, in Clark County. Fuel will be supplied to the plant site by rail or truck. The construction of a substation and approximately 1 mile of 345-kV transmission line would be required to connect the new plant to EKPC's transmission system. The line would go northwest from the CFB substation to the existing Combustion Turbine substation. EKPC's schedule calls for the first of these facilities to be in commercial operation by June 2010 and the second by November 2012.

Alternatives to be considered by RUS include no action, purchased power, renewable energy sources, distributed generation, and alternative site locations. Comments regarding the proposed project may be submitted (orally or in writing) at the public scoping meetings or in writing no later than November 20, 2006 to RUS at the address provided in this notice.

RUS will use input provided by government agencies, private organizations, and the public in the preparation of a Draft SEIS. The Draft SEIS will be available for review and comment for 45 days. A Final SEIS will then be prepared that considers all comments received. The Final Supplemental EIS will be available for review and comment for 30 days. Following the 30-day comment period, RUS will prepare a Record of Decision (ROD). Notices announcing the availability of the Draft and Final SEIS and the ROD will be published in the **Federal Register** and in local newspapers.

Any final action by RUS related to the proposed project will be subject to, and contingent upon, compliance with all relevant Federal, State and local environmental laws and regulations and completion of the environmental review requirements as prescribed in the RUS Environmental Policies and Procedures (7 CFR part 1794).

Dated: October 2, 2006.
Mark S. Plank,
Director, Engineering and Environmental Staff, USDA/Rural Development/Utilities Programs.
[FR Doc. E6-16530 Filed 10-5-06; 8:45 am]
BILLING CODE 3410-15-P

COMMISSION ON CIVIL RIGHTS**Sunshine Act Meeting Notice**

AGENCY: U.S. Commission on Civil Rights.

DATE AND TIME: Friday, October 13, 2006, 9 a.m.

PLACE: U.S. Commission on Civil Rights, 624 9th Street, NW., Room 540, Washington, DC 20425.

The meeting is also accessible to the public through the following: Call-In Number: 1-800-597-0731; Access Code Number: 43783773; Federal Relay Service: 1-800-877-8339.

STATUS:**Agenda**

- I. Approval of Agenda.
- II. Approval of Minutes of August 18, Meeting.
- III. Announcements.
- IV. Staff Director's Report.
- V. Program Planning.
 - Record for Briefing on Benefits of Diversity in K-12 Education.
 - Briefing Report on K-12 Education.
 - Record for Omaha Briefing on Racially Identifiable School Districts.
 - Campus Anti-Semitism Public Education Campaign.
 - Research on Academic Mismatch.
- VI. Management and Operations.
 - Procedures for National Office Work Products.
- VII. State Advisory Committee Issues.
 - Re-Charter Package for Georgia State Advisory Committee.
 - Re-Charter Package for Illinois State Advisory Committee.
 - Re-Charter Package for Utah State Advisory Committee.
- VIII. Future Agenda Items.
- IX. Adjourn.

Briefing Agenda

- Commission Briefing: Voter Fraud and Voter Intimidation.
- Introductory Remarks by Chairman.
 - Speakers' Presentations.
 - Questions by Commissioners and Staff Director.

FOR FURTHER INFORMATION CONTACT:

Manuel Alba, Press and Communications (202) 376-7700.

David Blackwood,

General Counsel.

[FR Doc. 06-8581 Filed 10-4-06; 3:56 pm]

BILLING CODE 6335-01-P

DEPARTMENT OF COMMERCE**Foreign-Trade Zones Board****Docket 40-2006****Foreign-Trade Zone 104 – Savannah, Georgia, Application for Expansion**

An application has been submitted to the Foreign-Trade Zones Board (the Board) by the Savannah Airport Commission, grantee of FTZ 104, requesting authority to expand FTZ 104, in the Savannah, Georgia, area, within the Savannah Customs port of entry. The application was submitted pursuant to the provisions of the Foreign-Trade Zones Act, as amended (19 U.S.C. 81a-81u), and the regulations of the Board (15 CFR Part 400). It was formally filed on September 25, 2006.

FTZ 104 was approved on April 18, 1984 (Board Order 256, 49 FR 17789, 4/25/84) at sites in Savannah and Chatham County, adjacent to the Savannah Customs port of entry. The zone project currently consists of the following sites in the Savannah, Georgia area: *Site 1* (32 acres)-within the 3,400-acre Savannah International Airport, Savannah; *Site 2* (1,075 acres)-includes the 849-acre Garden City (Containerport) Terminal, 2 Main Street, Chatham, and 226-acre Ocean Terminal, 950 West River Street, Savannah; *Site 2A* (1 acre, 43, 560 sq. ft.)-730 King George Boulevard, Savannah; *Site 3* (1,820 acres)-Crossroads Business Center, Interstate 95 and Godley Road, Chatham County; *Site 4* (1,353 acres)-SPA Industrial Park, 1 mile east of the Interstate 95/U.S. 80 interchange, Chatham County; *Site 5* (24 acres)-within the 94-acre Savannah International Trade and Convention Center, One International Drive, Savannah; *Site 6* (1,182 acres)-Mulberry Grove site, Interstate 95 and State Highway 21, Savannah; *Site 7* (1,592 acres, 3 parcels)-within a 2,140-acre portion of the Tradeport Business Center industrial park, 380 Sunbury Road, Midway.

The applicant is requesting authority to add a 98 acre site, located at a proposed industrial park on Tremont Road near the interchange of I-16 and GA 516, Savannah. No specific manufacturing requests are being made

APPENDIX B:

Public Scoping Meeting Newspaper Notices

Lexington Herald-Leader, October 3, 2006



Please call 269-0700 or stop by 729 E. Main St. for a Yard Sign or to Volunteer

Notice of Intent to Prepare Supplemental Environmental Impact Statement

The Rural Utilities Service (RUS), an agency which administers the U. S. Department of Agriculture's Rural Development Utilities Programs (USDA Rural Development) proposes to prepare a Supplemental Environmental Impact Statement (SEIS) and conduct a public scoping meeting related to possible financial assistance to East Kentucky Power Cooperative (EKPC) for the proposed construction of two 278 MW Circulating Fluidized Bed generating units (CFBs) in Clark County, Kentucky. EKPC is requesting that RUS provide financial assistance for the proposed project. For more details please refer to the USDA RURAL DEVELOPMENT notice in the legal section of this newspaper.

CORMAN AND ASSOCIATES INC.

Custom Trade Show Exhibits



p 859.233.0544 ← 881 floyd dr.

Lexington Herald-Leader Oct. 3, 2006 p B2

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lacc. 8005 P. \$525
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**DEPARTMENT OF AGRICULTURE
Rural Utilities Service**

East Kentucky Power Cooperative: Notice of Intent to Prepare a Supplemental Environmental Impact Statement

AGENCY: Rural Utilities Service, USDA

ACTION: Notice of intent to hold a public scoping meeting and prepare a supplemental environmental impact statement (SEIS).

SUMMARY: The Rural Utilities Service (RUS), an agency which administers the U. S. Department of Agriculture's Rural Development Utilities Programs (USDA Rural Development) proposes to prepare a Supplemental Environmental Impact Statement (SEIS) and conduct a public scoping meeting related to possible financial assistance to East Kentucky Power Cooperative (EKPC) for the proposed construction of two 278 MW Circulating Fluidized Bed generating units (CFBs) in Clark County, Kentucky. EKPC is requesting that RUS provide financial assistance for the proposed project.

DATE: RUS will conduct a public scoping meeting in an open-house format: October 18, 2006, Trapp, Kentucky, at Trapp Elementary School, 11400 Irvine Road; The open house will be held from 5:30-8:00 p.m.

ADDRESSES: Written comments should be sent to: Ms. Stephanie Streight, Environmental Protection Specialist, USDA, Rural Development, Utilities Programs, Engineering and Environmental Staff, 1400 Independence Avenue, SW, Stop 1571, Washington, DC 20250-1571, or email: stephanie.streight@wdc.usda.gov

An Alternatives Evaluation and Site Selection Study, prepared by East Kentucky Power Cooperative, will be presented at the public scoping meeting. The Report is available for public review at RUS or the address provided in this notice, on the RUS website <http://www.usda.gov/rus/water/coes/eis.htm>, at East Kentucky Power Cooperative, INC., 4775 Lexington Road, Lexington, Kentucky 40392-0707 and at:

Clark County Public Library
370 South Barns Ave.
Winchester, Kentucky 40391
Phone: 859/744-5661

FOR INFORMATION CONTACT: Stephanie Streight, Environmental Protection Specialist, USDA, Rural Development, Utilities Programs, Engineering and Environmental Staff, 1400 Independence Avenue, SW, Stop 1571, Washington, DC 20250-1571, telephone: (202) 720-0468. Ms. Streight's email address is stephanie.streight@wdc.usda.gov.

SUPPLEMENTARY INFORMATION: EKPC proposes to construct and operate two nominal 278-megawatt coal-based electric generating units at the Smith site, southeast of Winchester, Kentucky, in Clark County. Fuel will be supplied to the plant site by rail or truck.

The construction of a substation and approximately 1 mile of 345-kV transmission line would be required to connect the new plant to EKPC's transmission system. The line would go northwest from the CFB substation to the existing Combustion Turbine substation. EKPC's schedule calls for the first of these facilities to be in commercial operation by June 2010 and the second by November 2012.

Alternatives to be considered by RUS include no action, purchased power, renewable energy sources, distributed generation, and alternative site locations. Comments regarding the proposed project may be submitted (orally or in writing) at the public scoping meetings or in writing no later than November 20, 2006 to RUS at the address provided in this notice.

RUS will use input provided by government agencies, private organizations, and the public in the preparation of a Draft SEIS. The Draft SEIS will be available for review and comment for 45 days. A Final SEIS will then be prepared that considers all comments received. The Final Supplemental EIS will be available for review and comment for 30 days. Following the 30-day comment period, RUS will prepare a Record of Decision (ROD). Notices announcing the availability of the Draft and Final SEIS and the ROD will be published in the Federal Register and in local newspapers.

Any final action by RUS related to the proposed project will be subject to, and contingent upon, compliance with all relevant federal, State and local environmental laws and regulations and completion of the environmental review requirements as prescribed in the RUS Environmental Policies and Procedures (7 CFR Part 1794).

Dated:
MARK S. FLANK, Director
Engineering and Environmental Staff
USDA/Rural Development/Utilities Programs

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19-221-4000

*Lexington Herald-Leader
Oct 3, 2006
p. E2*

Kentucky General
 notice is hereby
 of Winchester,
 public hearing at
 October 17, 2006 at
 impose of hearing
 used real pro-perty
 13.8 cents per \$100
 set, which when
 perty assessments,
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 Debra J. Bailey
 City Treasurer
 ance Department
 October 2, 9, 2006



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 744-3556

Public Notice

LEGAL PUBLIC NOTICE
DEPARTMENT OF AGRICULTURE
Rural Utilities Service

East Kentucky Power Cooperative: Notice of Intent to Prepare a Supplemental Environmental Impact Statement

AGENCY: Rural Utilities Service, USDA

ACTION: Notice of intent to hold a public scoping meeting and prepare a supplemental environmental impact statement (SEIS).

SUMMARY: The Rural Utilities Service (RUS), an agency which administers the U. S. Department of Agriculture's Rural Development Utilities Programs (USDA Rural Development) proposes to prepare a Supplemental Environmental Impact Statement (SEIS) and conduct a public scoping meeting related to possible financial assistance to East Kentucky Power Cooperative (EKPC) for the proposed construction of two 278 MW Circulating Fluidized Bed generating units (CFBs) in Clark County, Kentucky. EKPC is requesting that RUS provide financial assistance for the proposed project.

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Clark County Public Library
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 Phone: 859/744-5661

FOR INFORMATION CONTACT: Stephanie Strength, Environmental Protection Specialist, USDA, Rural Development, Utilities Programs, Engineering and Environmental Staff, 1400 Independence Avenue, SW, Stop 1571, Washington, DC 20250-1571, Telephone: (202) 720-0468. Ms. Strength's e-mail address is stephanie.strength@wdc.usda.gov.

SUPPLEMENTARY INFORMATION: EKPC proposes to construct and operate two nominal 278-megawatt coal-based electric generating units at the Smith site, southeast of Winchester, Kentucky, in Clark County. Fuel will be supplied to the plant site by rail or truck.

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MARK S. FLANK, Director
 Engineering and Environmental Staff
 USDA/Rural Development Utilities Programs

October 3, 2006

See

Quote: We have the best

Winchester Sun
 Oct. 3, 2006
 p 87

Winchester Sun, October 6, 2006

Ann F. Gay	Robert Lee Rose	Executor	Final Settlement
Mary Elizabeth Morris	Ruby Marie Bosco	Executor	Final Settlement
Wanda Boggs	Darrell W. Reffett	Executor	Final Settlement
Dorothy Rogers	Bobby Joe Griggs	Executor	Final Settlement

WITNESS MY HAND THIS 3RD DAY OF OCTOBER, 2006.
DAVID N. HUNT,
CIRCUIT COURT CLERK.
OCTOBER 3, 2006

4827

**Notice of Intent to Prepare
Supplemental Environmental Impact Statement**

The Rural Utilities Service (RUS), an agency which administers the U.S. Department of Agriculture's Rural Development Utilities Programs (USDA Rural Development) proposes to prepare a Supplemental Environmental Impact Statement (SEIS) and conduct a public scoping meeting related to possible financial assistance to East Kentucky Power Cooperative (EKPC) for the proposed construction of two 278 MW Circulating Fluidized Bed generating units (CFBs) in Clark County, Kentucky. EKPC is requesting that RUS provide financial assistance for the proposed project. For more details please refer to the USDA RURAL DEVELOPMENT notice in the legal section of this newspaper.

4831

*Winchester Sun
Oct. 6, 2006
p A7*

Winchester Sun, October 19, 2006

Thursday October 19, 2006

Residents discuss impact of new power plant

by Mike Wynn

Living across from a power plant at J.K. Smith Station at Trapp keeps Pam Winebrenner's eyes open about East Kentucky Power Cooperative's plans to expand. "I think it's a good idea really as far as the economy," she said. "I was just curious about the smoke stacks and the power lines."

Winebrenner was one of about 50 residents who attended a meeting held by East Kentucky Power and the federal Rural Utilities Service Wednesday night at Trapp Elementary School.

The goal of the meeting was to gather information from residents that will assist the RUS in completing an environmental impact statement on EKPC's proposal to build a 278-megawatt generating unit at the plant.

The RUS, which lends money to electric cooperatives for building new facilities, solicited comment on the project's biological, cultural, aesthetic and historical impact as well as the impact on private property. Officials from the RUS compile the information into a single report to be presented at a later date.

"We're helping (the RUS) gather comments, and we're sharing information about the plant," said EKPC spokesman Kevin Osbourn.

The agency also was collecting information on the possibility of a second unit at Smith Station, but cooperative officials said that completing an air permit and

environmental impact statement on two units will "prevent a tremendous amount of paperwork should a second unit become necessary in the future."



CATCH THE LATEST

For more than a year and a half, East Kentucky Power has been having meetings with Trapp residents and public officials to address concerns over the plant's construction.

Some have expressed distress over increased construction traffic on Irvine Road when the project begins, along with the environmental and aesthetic impact of the plant and transmission lines once completed.

Berea resident George Oberst echoed those concerns last night when he registered comments with the RUS over a particular matter.

"(It's) really bad for you, especially if you are a kid. It can actually stunt your limb growth," said the father of three. "I think they would do way better to work on conservation."

Cooperative officials have been defending the plant as one of the cleanest coal-generating units in the nation - one that is critical to voltage support and will provide jobs and boost the economy of Clark County.

"We live in these communities and we meet and exceed all the regulations to protect the public health and welfare," Osbourn said.

East Kentucky Power has filed an air permit application with the Kentucky Division of Air Quality and has obtained a certificate of need from the Kentucky Public Service Commission. The plant is expected to be completed in the summer of 2010.

Meanwhile, residents in the area attempt to stay informed.

"They explain to the public step-by-step what is going on," said Winebrenner. "You just keep an eye on everything."

Copyright: The Winchester Sun 2006



Win

CATCH THE LATEST

Tuesday December 12, 2006

The Winchester Sun website updates every afternoon, and as events warrant.

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- [Classifieds](#)
- [Opinions](#)
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Thursday October 12, 2006

Advan

Public meeting set for Trapp plant

East Kentucky Power Cooperative and the federal Rural Utilities Service (RUS) will seek public comment on proposals to construct a new coal-powered unit at J.K. Smith Station in Trapp at a public meeting on Wednesday from 5:30 to 8 p.m. at Trapp Elementary School. The purpose of the meeting is to gather information that will assist RUS in completing an environmental impact statement for the project. RUS is a federal agency that lends funds to electric cooperatives for facilities that provide power to rural areas.

Current Poll

Should the county and city continue to work together on the Winchester-Clark County Planning Commission, or separate?

- The county should stay in the joint planning commission.
- There should be two separate planning commissions.
- We don't need any planning outside the city.

Submit Vote

"We hope people will come so that we can provide information about the project to the public," said Craig Johnson, plant manager of Smith Station. "Officials from the Rural Utilities Service will also be there to gather comments from the public."

The environmental report and the project application that East Kentucky Power is filing with the Kentucky Division of Air Quality will cover two clean-coal units at Smith Station, but EKPC currently only has plans for one 278-megawatt unit at the site.

"By doing the work to permit a second unit now, we will avoid having to duplicate a great deal of paperwork to obtain regulatory

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approvals down the road if a second unit becomes necessary," Johnson said.

Smith Station, a 3,000-acre site where Smith Unit #1 will be built, already contains seven natural gas "peaking" units that operate on the hottest and coldest days of the year.

For more than a year and a half, EKPC has worked with citizens who live near Smith Station through the Trapp Community Advisory Committee, as well as public officials, to address concerns and to answer questions from local citizens and public officials.

EKPC officials say the \$600 million project will create hundreds of construction jobs, boost the region's economy and generate electricity for thousands of Kentucky homes and businesses with new technology that greatly reduces emissions.

But, some residents in the area have also expressed concerns over the environmental impact of the new unit and increased construction traffic on Irvine Road once the project is underway.

According to the cooperative, the plant is needed to meet the demands of growth among the not-for-profit distribution cooperatives that receive power from and own EKPC.

Meanwhile, EKPC has obtained a Certificate of Need and Public Necessity from the Kentucky Public Service Commission. An application for an air permit has been filed with the state Environmental and Public Protection Cabinet. Smith 1 also will have to meet requirements of the National Environmental Policy Act (NEPA) under the federal Rural Utilities Service.

If approved, Smith #1 is expected to begin producing power in spring 2010.

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APPENDIX C:
Agency Meeting Letters

October 3, 2006

Commissioner Lloyd Cress
Department for Environmental Protection
14 Reilly Road
Ash Building
Frankfort, Kentucky 40601

Dear Commissioner Cress:

RE: Interagency Scoping Meeting for EKPC's Proposed New Circulating Fluidized Bed (CFB) Generating Units at the Smith Plant Site

The Rural Utilities Service (RUS), an agency which administers the U.S. Department of Agriculture's Rural Development Utilities Programs, is preparing a Supplemental Environmental Impact Statement (SEIS) in connection with a proposal by East Kentucky Power Cooperative, Inc. ("EKPC") for possible financial assistance for the proposed construction of two nominal 278 MW CFB units in Clark County, Kentucky. The proposed CFB project would be constructed at the Smith Plant Site in Clark County, Kentucky.

EKPC proposes to construct and operate two nominal 278-megawatt coal-based electric generating units, construction of a substation and approximately 1 mile of 345-kV transmission line within the existing Smith Plant Site. The Smith Plant Site is located southeast of Winchester, Kentucky, within Clark County. Fuel will be supplied to the plant by rail or truck. The first unit at the facility proposes to begin commercial operation by June 2010 and the second by November 2012.

RUS is serving as the lead agency for the environmental review process of this proposal. As part of the review process, RUS makes several environmental documents available for Federal, State and local agency and public review. Enclosed is a CD containing Adobe Acrobat files of the Alternatives Evaluation and Site Selection Study for the proposed project. A copy of the document is also available for review on the RUS website at: www.usda.gov/rus.water/ees/eis.htm and at the following public library:

Clark County Library

370 South Burns Avenue
Winchester, KY 40391
(859) 744-5661

Commissioner Cress
Page 2
October 3, 2006

Additionally, you are invited to an interagency meeting hosted by RUS on Wednesday, October 18, 2006, from 3:00 until 4:00pm. The meeting will be held at Trapp Elementary School located at 11400 Irvine Road, Trapp, Kentucky 40391. The phone number at the facility is 859-744-0027. Following the interagency meeting, a public scoping meeting will be held in an open house format from 5:30 p.m. until 8:00 p.m. The purpose of the meetings is to provide information and solicit comments for the preparation of a SEIS.

Please address any written comments by November 18, 2006 to Ms. Stephanie Strength, Environmental Protection Specialist, USDA, Rural Development, Utilities Programs, Engineering and Environmental Staff, 1400 Independence Avenue, SW., Stop 1571, Washington, DC 20250-1571, or e-mail: stephanie.strength@wdc.usda.gov.

Sincerely,

Robert E. Hughes, Jr., Manager
Environmental Affairs

Enclosure

October 3, 2006

Mr. John S. Lyons, Director
Department for Environmental Protection
Division of Air Quality
803 Schenkel Lane
Frankfort, Kentucky 40601

Dear Mr. Lyons:

RE: Interagency Scoping Meeting for EKPC's Proposed New Circulating Fluidized Bed (CFB) Generating Units at the Smith Plant Site

The Rural Utilities Service (RUS), an agency which administers the U.S. Department of Agriculture's Rural Development Utilities Programs, is preparing a Supplemental Environmental Impact Statement (SEIS) in connection with a proposal by East Kentucky Power Cooperative, Inc. ("EKPC") for possible financial assistance for the proposed construction of two nominal 278 MW CFB units in Clark County, Kentucky. The proposed CFB project would be constructed at the Smith Plant Site in Clark County, Kentucky.

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Sincerely,

Robert E. Hughes, Jr., Manager
Environmental Affairs

Enclosure

October 3, 2006

Mr. R. Bruce Scott, Director
Department for Environmental Protection
Division of Waste Management
14 Reilly Road
Frankfort, Kentucky 40601

Dear Mr. Scott:

RE: Interagency Scoping Meeting for EKPC's Proposed New Circulating Fluidized Bed (CFB) Generating Units at the Smith Plant Site

The Rural Utilities Service (RUS), an agency which administers the U.S. Department of Agriculture's Rural Development Utilities Programs, is preparing a Supplemental Environmental Impact Statement (SEIS) in connection with a proposal by East Kentucky Power Cooperative, Inc. ("EKPC") for possible financial assistance for the proposed construction of two nominal 278 MW CFB units in Clark County, Kentucky. The proposed CFB project would be constructed at the Smith Plant Site in Clark County, Kentucky.

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Sincerely,

Robert E. Hughes, Jr., Manager
Environmental Affairs

Enclosure

October 3, 2006

Mr. David Morgan, Director
Department for Environmental Protection
Division of Water
14 Reilly Road
Frankfort, Kentucky 40601

Dear Mr. Morgan:

RE: Interagency Scoping Meeting for EKPC's Proposed New Circulating Fluidized Bed (CFB) Generating Units at the Smith Plant Site

The Rural Utilities Service (RUS), an agency which administers the U.S. Department of Agriculture's Rural Development Utilities Programs, is preparing a Supplemental Environmental Impact Statement (SEIS) in connection with a proposal by East Kentucky Power Cooperative, Inc. ("EKPC") for possible financial assistance for the proposed construction of two nominal 278 MW CFB units in Clark County, Kentucky. The proposed CFB project would be constructed at the Smith Plant Site in Clark County, Kentucky.

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October 3, 2006

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Sincerely,

Robert E. Hughes, Jr., Manager
Environmental Affairs

Enclosure

October 3, 2006

The Honorable John Myers
Clark County Judge Executive
Clark County Courthouse, Third Floor
32 South Main Street
Winchester, Kentucky 40391

Dear Judge Myers:

RE: Interagency Scoping Meeting for EKPC's Proposed New Circulating Fluidized Bed (CFB) Generating Units at the Smith Plant Site

The Rural Utilities Service (RUS), an agency which administers the U.S. Department of Agriculture's Rural Development Utilities Programs, is preparing a Supplemental Environmental Impact Statement (SEIS) in connection with a proposal by East Kentucky Power Cooperative, Inc. ("EKPC") for possible financial assistance for the proposed construction of two nominal 278 MW CFB units in Clark County, Kentucky. The proposed CFB project would be constructed at the Smith Plant Site in Clark County, Kentucky.

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The Honorable John Myers
Page 2
October 3, 2006

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Sincerely,

Robert E. Hughes, Jr., Manager
Environmental Affairs

Enclosure

October 3, 2006

The Honorable Wallace Taylor
Estill County Judge Executive
Estill County Courthouse Room 101
Irvine, Kentucky 40336

Dear Judge Taylor:

RE: Interagency Scoping Meeting for EKPC's Proposed New Circulating Fluidized Bed (CFB) Generating Units at the Smith Plant Site

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Clark County Library
370 South Burns Avenue
Winchester, KY 40391
(859) 744-5661

The Honorable Wallace Taylor
Page 2
October 3, 2006

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Please address any written comments by November 18, 2006 to Ms. Stephanie Strength, Environmental Protection Specialist, USDA, Rural Development, Utilities Programs, Engineering and Environmental Staff, 1400 Independence Avenue, SW., Stop 1571, Washington, DC 20250-1571, or e-mail: stephanie.strength@wdc.usda.gov.

Sincerely,

Robert E. Hughes, Jr., Manager
Environmental Affairs

Enclosure

October 3, 2006

The Honorable W. T. Williams, Mayor
142 Broadway
Irvine, Kentucky 40336

Dear Mayor Williams:

RE: Interagency Scoping Meeting for EKPC's Proposed New Circulating Fluidized Bed (CFB) Generating Units at the Smith Plant Site

The Rural Utilities Service (RUS), an agency which administers the U.S. Department of Agriculture's Rural Development Utilities Programs, is preparing a Supplemental Environmental Impact Statement (SEIS) in connection with a proposal by East Kentucky Power Cooperative, Inc. ("EKPC") for possible financial assistance for the proposed construction of two nominal 278 MW CFB units in Clark County, Kentucky. The proposed CFB project would be constructed at the Smith Plant Site in Clark County, Kentucky.

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Sincerely,

Robert E. Hughes, Jr., Manager
Environmental Affairs

Enclosure

October 3, 2006

The Honorable Dodd Dixon, Mayor
P. O. Box 40
Winchester, Kentucky 40392

Dear Mayor Dixon:

RE: Interagency Scoping Meeting for EKPC's Proposed New Circulating Fluidized Bed (CFB) Generating Units at the Smith Plant Site

The Rural Utilities Service (RUS), an agency which administers the U.S. Department of Agriculture's Rural Development Utilities Programs, is preparing a Supplemental Environmental Impact Statement (SEIS) in connection with a proposal by East Kentucky Power Cooperative, Inc. ("EKPC") for possible financial assistance for the proposed construction of two nominal 278 MW CFB units in Clark County, Kentucky. The proposed CFB project would be constructed at the Smith Plant Site in Clark County, Kentucky.

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Sincerely,

Robert E. Hughes, Jr., Manager
Environmental Affairs

Enclosure

October 3, 2006

Colonel Raymond G. Midkiff
Commander and District Engineer
U.S. Army Corp of Engineers
600 Dr. Martin Luther King Place
Louisville, Kentucky 40202

Dear Colonel Midkiff:

RE: Interagency Scoping Meeting for EKPC's Proposed New Circulating Fluidized Bed (CFB) Generating Units at the Smith Plant Site

The Rural Utilities Service (RUS), an agency which administers the U.S. Department of Agriculture's Rural Development Utilities Programs, is preparing a Supplemental Environmental Impact Statement (SEIS) in connection with a proposal by East Kentucky Power Cooperative, Inc. ("EKPC") for possible financial assistance for the proposed construction of two nominal 278 MW CFB units in Clark County, Kentucky. The proposed CFB project would be constructed at the Smith Plant Site in Clark County, Kentucky.

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Colonel Raymond G. Midkiff
Page 2
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Sincerely,

Robert E. Hughes, Jr., Manager
Environmental Affairs

Enclosure

October 3, 2006

Mr. Jimmy Palmer
Regional Administrator
United States Environmental Protection Agency
Region 4
Sam Nunn Atlanta Federal Center
61 Forsyth Street, SW
Atlanta, Georgia 30303-8960

Dear Mr. Palmer:

RE: Interagency Scoping Meeting for EKPC's Proposed New Circulating Fluidized Bed (CFB) Generating Units at the Smith Plant Site

The Rural Utilities Service (RUS), an agency which administers the U.S. Department of Agriculture's Rural Development Utilities Programs, is preparing a Supplemental Environmental Impact Statement (SEIS) in connection with a proposal by East Kentucky Power Cooperative, Inc. ("EKPC") for possible financial assistance for the proposed construction of two nominal 278 MW CFB units in Clark County, Kentucky. The proposed CFB project would be constructed at the Smith Plant Site in Clark County, Kentucky.

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Sincerely,

Robert E. Hughes, Jr., Manager
Environmental Affairs

Enclosure

October 3, 2006

Mr. Lee Andrews
Field Supervisor
U.S. Fish and Wildlife
3761 Georgetown Road
Frankfort, Kentucky 40601

Dear Mr. Andrews:

RE: Interagency Scoping Meeting for EKPC's Proposed New Circulating Fluidized Bed (CFB) Generating Units at the Smith Plant Site

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Mr. Lee Andrews
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Sincerely,

Robert E. Hughes, Jr., Manager
Environmental Affairs

Enclosure

October 3, 2006

Mr. Eddie Thomas
Acting Southern Regional Administrator
Federal Aviation Administration
Southern Region
1701 Columbia Avenue
College Park, Georgia 30037

Dear Mr. Thomas:

RE: Interagency Scoping Meeting for EKPC's Proposed New Circulating Fluidized Bed (CFB) Generating Units at the Smith Plant Site

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Sincerely,

Robert E. Hughes, Jr., Manager
Environmental Affairs

Enclosure

October 3, 2006

Ms. Mary Lynne Miller
Acting Regional Director
Federal Emergency Management Agency
3003 Chamblee Tucker Road
Atlanta, Georgia 30341

Dear Ms. Miller:

RE: Interagency Scoping Meeting for EKPC's Proposed New Circulating Fluidized Bed (CFB) Generating Units at the Smith Plant Site

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Ms. Mary Lynne Miller
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Sincerely,

Robert E. Hughes, Jr., Manager
Environmental Affairs

Enclosure

October 3, 2006

Mr. Jerry Perez
Forest Supervisor
USDA Forest Service Daniel Boone National Forest
1700 Bypass Road
Winchester, Kentucky 40391

Dear Mr. Perez:

RE: Interagency Scoping Meeting for EKPC's Proposed New Circulating Fluidized Bed (CFB) Generating Units at the Smith Plant Site

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Mr. Jerry Perez
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Sincerely,

Robert E. Hughes, Jr., Manager
Environmental Affairs

Enclosure

October 3, 2006

Mr. Bob Carson
Air Resources Management Specialist
U.S. National Park Service
Science and Resource Management Division
P. O. Box 7
Mammoth Cave, Kentucky 42259

Dear Mr. Carson:

RE: Interagency Scoping Meeting for EKPC's Proposed New Circulating Fluidized Bed (CFB) Generating Units at the Smith Plant Site

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Sincerely,

Robert E. Hughes, Jr., Manager
Environmental Affairs

Enclosure

October 3, 2006

Mr. David Harris
Head of Energy & Mining Section
Kentucky Geologic Survey
228 Mining & Minerals Resources Building
University of Kentucky
Lexington, Kentucky 40506-0107

Dear Mr. Harris:

RE: Interagency Scoping Meeting for EKPC's Proposed New Circulating Fluidized Bed (CFB) Generating Units at the Smith Plant Site

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Sincerely,

Robert E. Hughes, Jr., Manager
Environmental Affairs

Enclosure

October 3, 2006

Dr. Mark D. Myers
Director
USGS National Center
12201 Sunrise Valley Drive
Reston, Virginia 20192

Dear Dr. Myers:

RE: Interagency Scoping Meeting for EKPC's Proposed New Circulating Fluidized Bed (CFB) Generating Units at the Smith Plant Site

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Dr. Mark D. Myers
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Sincerely,

Robert E. Hughes, Jr., Manager
Environmental Affairs

Enclosure

October 3, 2006

Mr. Gregory Hogue
Regional Environmental Officer
Office of Environmental Policy and Compliance
Russel Federal Building, Suite 1144
75 Spring Street, SW
Atlanta, Georgia 30303

Dear Mr. Hogue:

RE: Interagency Scoping Meeting for EKPC's Proposed New Circulating Fluidized Bed (CFB) Generating Units at the Smith Plant Site

The Rural Utilities Service (RUS), an agency which administers the U.S. Department of Agriculture's Rural Development Utilities Programs, is preparing a Supplemental Environmental Impact Statement (SEIS) in connection with a proposal by East Kentucky Power Cooperative, Inc. ("EKPC") for possible financial assistance for the proposed construction of two nominal 278 MW CFB units in Clark County, Kentucky. The proposed CFB project would be constructed at the Smith Plant Site in Clark County, Kentucky.

EKPC proposes to construct and operate two nominal 278-megawatt coal-based electric generating units, construction of a substation and approximately 1 mile of 345-kV transmission line within the existing Smith Plant Site. The Smith Plant Site is located southeast of Winchester, Kentucky, within Clark County. Fuel will be supplied to the plant by rail or truck. The first unit at the facility proposes to begin commercial operation by June 2010 and the second by November 2012.

RUS is serving as the lead agency for the environmental review process of this proposal. As part of the review process, RUS makes several environmental documents available for Federal, State and local agency and public review. Enclosed is a CD containing Adobe Acrobat files of the Alternatives Evaluation and Site Selection Study for the proposed project. A copy of the document is also available for review on the RUS website at:

www.usda.gov/rus.water/ees/eis.htm and at the following public library:

Clark County Library
370 South Burns Avenue
Winchester, KY 40391
(859) 744-5661

Mr. Gregory Hogue
Page 2
October 3, 2006

Additionally, you are invited to an interagency meeting hosted by RUS on Wednesday, October 18, 2006, from 3:00 until 4:00pm. The meeting will be held at Trapp Elementary School located at 11400 Irvine Road, Trapp, Kentucky 40391. The phone number at the facility is 859-744-0027. Following the interagency meeting, a public scoping meeting will be held in an open house format from 5:30 p.m. until 8:00 p.m. The purpose of the meetings is to provide information and solicit comments for the preparation of a SEIS.

Please address any written comments by November 18, 2006 to Ms. Stephanie Strength, Environmental Protection Specialist, USDA, Rural Development, Utilities Programs, Engineering and Environmental Staff, 1400 Independence Avenue, SW., Stop 1571, Washington, DC 20250-1571, or e-mail: stephanie.strength@wdc.usda.gov.

Sincerely,

Robert E. Hughes, Jr., Manager
Environmental Affairs

Enclosure

October 3, 2006

Mr. W. Patrick Ragsdale
Director
Bureau of Indian Affairs
Main Interior Building MS 2340
1849 C. Street, NW
Washington, DC 20204

Dear Mr. Ragsdale:

RE: Interagency Scoping Meeting for EKPC's Proposed New Circulating Fluidized Bed (CFB) Generating Units at the Smith Plant Site

The Rural Utilities Service (RUS), an agency which administers the U.S. Department of Agriculture's Rural Development Utilities Programs, is preparing a Supplemental Environmental Impact Statement (SEIS) in connection with a proposal by East Kentucky Power Cooperative, Inc. ("EKPC") for possible financial assistance for the proposed construction of two nominal 278 MW CFB units in Clark County, Kentucky. The proposed CFB project would be constructed at the Smith Plant Site in Clark County, Kentucky.

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Mr. W. Patrick Ragsdale
Page 2
October 3, 2006

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Sincerely,

Robert E. Hughes, Jr., Manager
Environmental Affairs

Enclosure

October 3, 2006

Mr. Stephen Reeder, Director
Kentucky Finance Cabinet
Kentucky River Authority
70 Wilkinson Blvd.
Frankfort, Kentucky 40601

Dear Mr. Reeder:

RE: Interagency Scoping Meeting for EKPC's Proposed New Circulating Fluidized Bed (CFB) Generating Units at the Smith Plant Site

The Rural Utilities Service (RUS), an agency which administers the U.S. Department of Agriculture's Rural Development Utilities Programs, is preparing a Supplemental Environmental Impact Statement (SEIS) in connection with a proposal by East Kentucky Power Cooperative, Inc. ("EKPC") for possible financial assistance for the proposed construction of two nominal 278 MW CFB units in Clark County, Kentucky. The proposed CFB project would be constructed at the Smith Plant Site in Clark County, Kentucky.

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Mr. Stephen Reeder
Page 2
October 3, 2006

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Please address any written comments by November 18, 2006 to Ms. Stephanie Strength, Environmental Protection Specialist, USDA, Rural Development, Utilities Programs, Engineering and Environmental Staff, 1400 Independence Avenue, SW., Stop 1571, Washington, DC 20250-1571, or e-mail: stephanie.strength@wdc.usda.gov.

Sincerely,

Robert E. Hughes, Jr., Manager
Environmental Affairs

Enclosure

APPENDIX D:
Agency Sign-in Sheet



Project Name
Agency Scoping Meeting Sign-In Sheet
October 18, 2006
3:00 to 4:00 pm

Name/Address

1	_____
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14	_____
15	_____



Project Name
 Agency Scoping Meeting Sign-In Sheet
 October 18, 2006
 3:00 to 4:00 pm

Name/Address		
1	Stephanie Strength (USDA/ED)	steph stephanie.strength@wdc.usda.gov
2	Mike Norman (USDA/RD)	mike.norman@ndia.usda.gov
3	Kevin Osbourn EKPC	kevin.osbourn@ekpc.coop
4	Bess Conoley EKPC	Bess.conoley@ekpc.coop
5	Larry Morris EKPC	larry.morris@ekpc.coop
6	Dave Harris Univ of Ky Ky Geological Survey	dharris@uky.edu
7	Nick Comer EKPC	nick.comer@ekpc.coop
8	Joe Settles EKPC	joe.settles@ekpc.coop
9	Earl Ferguson EKPC	earl.ferguson@ekpc.coop
10	Craig Johnson EKPC	Craig.johnson@ekpc.coop
11		
12		
13		
14		
15		

APPENDIX E:
Agency Responses

File Code: 1950-4

Date: NOV 2 2006

Ms. Stephanie Strength
Environmental Protection Specialist
USDA, Rural Development, Utilities Programs, Eng. and Env.
Staff
1400 Independence Avenue, SW., Stop 1571
Washington, DC 20250-1571

Dear Ms. Strength:

I am writing in response to your letter of October 3, 2006, in which you asked for my agency's input and comments on a proposal to prepare a supplemental Environmental Impact Statement for possible financial assistance for the proposed construction of two nominal 278 MW Circulating Fluidized Bed units in Clark County, Kentucky.

The project as described in your letter is approximately 15 air-miles west of the proclamation boundary for the Daniel Boone National Forest. Because of this, the fact that the project is within the existing Smith Plant Site, and the fact that the project is not within a watershed that has the potential to carry water quality impacts on to the national forest, we have no specific concerns pertaining to federal land holdings administered by the Forest Service.

Sincerely,


JEROME E. PEREZ
Forest Supervisor





UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

REGION 4
ATLANTA FEDERAL CENTER
61 FORSYTH STREET
ATLANTA, GEORGIA 30303-8960

October 17, 2006

Ms. Stephanie Strength
Environmental Protection Specialist
U.S. Department of Agriculture
Rural Development
Utilities Programs
Engineering and Environmental Staff
1400 Independence Avenue, SW
Stop 1571
Washington, DC 20250-1571

**SUBJ: EPA Scoping Comments on RUS' SEIS for EKPC's Proposed New
Circulating Fluidized Bed Generating Units at the Smith Plant Site;
Clark County, KY**

Dear Ms. Strength:

The U.S. Environmental Protection Agency (EPA) has received a scoping letter (with an enclosed CD on the site selection study) from East Kentucky Power Cooperative (EKPC) dated October 3, 2006, regarding the Rural Utilities Service's (RUS) Supplemental Environmental Impact Statement (SEIS) for the subject proposed project. The SEIS will document EKPC's proposal for two additional nominal 278 MW power plant units at the existing Smith Plant Site (SPS) in Clark County, Kentucky. Both units would be coal-fired and are expected to go online in 2010 and 2012. RUS is preparing the SEIS due to its prospective financial federal assistance to EKPC, which would make this project a major federal action requiring NEPA compliance.

EPA's primary environmental concerns for this proposed power plant expansion project include air quality and cumulative impacts. Our air quality concerns focus on the potential coal combustion emissions generated and their local/regional effects. Cumulative impacts could also be an issue since the SPS is an existing site with natural gas combustion turbines. EPA is aware that EKPC has also applied for approval to construct and operate five additional combustion turbines at the SPS. Therefore, together with the effects of the existing and proposed combustion turbines at SPS, the proposed additional two coal-fired units would cumulatively affect the same resources of the area. The air impacts of the proposed coal-fired units as well as the cumulative impacts of all existing and proposed units at SPS should be fully addressed in the pending SEIS.

In addition to these primary concerns, EPA would also expect other impact areas to be addressed in the SEIS, as appropriate. These include potential project impacts on wetlands and other waters of the U.S. (streams, rivers and other waterbodies), air toxics,

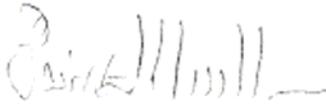
Internet Address (URL) • <http://www.epa.gov>

Recycled/Recyclable • Printed with Vegetable Oil Based Inks on Recycled Paper (Minimum 30% Postconsumer)

mercury deposition, Prevention of Significant Deterioration (PSD) permitting, fugitive dust (from coal and construction), National Pollutant Discharge Elimination System (NPDES) permitting for stormwater (construction) and operation of the generation units, endangered species, hazardous wastes, noise (facility and truck/train coal delivery), cultural resources, environmental justice (EJ), induced/secondary impacts, and other potential impacts. In addition and consistent with NEPA, the project's purpose and need and alternatives analysis (technologies and sites) should be fully addressed in the SEIS. For reference, we also suggest review of EPA scoping comments for the proposed expansion of the Seminole Electric Cooperative, Inc. coal-fired power plant at the Seminole Generating Station in Putnam County, Florida (EPA letter dated 11/21/05). Several of those scoping comments could also be relevant to the scoping of this project as well.

EPA appreciates the opportunity to provide these scoping comments. Should you have questions, feel free to contact Chris Hoberg of my staff at 404/562-9619 or hoberg.chris@epa.gov.

Sincerely,



Heinz J. Mueller, Chief
NEPA Program Office
Office of Policy and Management

cc:

Robert E. Hughes, Jr.
Manager
East Kentucky Power Cooperative
P.O. Box 707
Winchester, KY 40392-0707

APPENDIX F:
Public Scoping Meeting Sign-In Sheets



Project Name
 Scoping Meeting Sign-In Sheet
 October 18, 2006
 5:30-8:00 pm

	Name/Address
1	Rick Clavett 225 Aberdeen Dr. Lexington 40517
2	Brian Clavett " " " "
3	GREG GRIFFITT 603 VIANNA Rd
4	Les Preston 1050 Ferry Rd. WINCHESTER
5	Tim Bankes 575 wells Rd. mt. Sterling Ky 40353
6	Paul Bell 5706 whispering hills Lex. Ky 40319
7	Robert Akin 262 Creason Lane Granton Ky 42743
8	Nick BAKAY 355 Raton Lane WINCHESTER
9	MALCOLM SMITH 393 Thomas Pt. PARRIS, KY 40361
10	Garland Rainey 1039 Cole Rd. Winchester Ky 40391
11	Jack Stickney 2005 Lilly Ferry Rd. Irvine, Ky. 40336
12	Lisa Annan 405 Charlotte Tr. Paint Lick KY 40461
13	Charles Thomas 151 N. Eagle Creek Dr. Lex, Ky 40509 suite 240
14	Robert Yelving 433 Chestnut St Berea Ky 40404
15	George Oberst 118 Holly St. Berea KY 40403



Project Name
 Scoping Meeting Sign-In Sheet
 October 18, 2006
 5:30-8:00 pm

	Name/Address
1	David Powell 728 Sorrento Ln Lexington, Ky 40515
2	Sarah Conley 370 Jackson Ferry Rd, Winchester Ky 40391
3	TIM WIREMAN 108 E New Circle Road Lexington Ky.
4	Jamie Taulbee 1018 E. New Circle Rd. Lexington, KY
5	Jerry Yates 100 Blue Sky Pkwy Lexington Ky
6	LARRY SHELL 2179 N HILL RD MUSCATINE, IA 52761
7	Steve Schuler 7011 Hobbs Dr Blue Grass IA 52761
8	MARK ASHCROFT 344 Logan Lick Rd Winchester, Ky 40391
9	Karin Cartell 1100 Iowa Rd Win 40391
10	Erin Powell 3110 Willis Roper Dr - 40391
11	Thelma Sue Epperson 2435 Mesa Station Rd 40391
12	Robert R. Johnson 525 DeRoode St Lexington KY 40508
13	Clara Kirby
14	MOBLE ASHCROFT
15	David J. Hampt 14486 ERVING WINCHESTER KY 40391



Project Name
 Scoping Meeting Sign-In Sheet
 October 18, 2006
 5:30-8:00 pm

Name/Address

- 1 August Morgan Fisher 600 Old Log Lick Rd.
- 2 Gary T Crawford 299 Main St. Sharpburg, KY 40374
- 3 Fred Brown 380 Deer Creek Rd. Bowling, Ky 40306
- 4 Pam Wymore 1289 Midway Rd. Winchester, Ky 40391
- 5 Aubrey Baldwin 112 Holly Street Berea, KY 40403
- 6 Shannon Johnson 3886 Jacksons Ferry Rd Winchester
- 7 Geoff Young 454 Kimberly Pl. lex KY 40503
- 8 John Helmsing 1911 Tropp & Goffs Lane Winchester Ky 40394
- 9 Tom D Jackson 13544 Jarman Rd Winchester Ky 40391
- 10 E. Roy Hollis 505 Old Cup Creek
- 11 Leisa DePaul P.O. Box 782, Winchester, Ky, 40392
- 12 Steve Boyce 300 Dale Lane, Paint Lick, KY 40461
- 13 Patty Boyce 300 Dale Lane, Paint Lick, KY 40461
- 14 David Collins 115 E Main St. Elizaville, KY 40441
- 15 Don Blackburn 103 Dry Fork Rd Winchester



Project Name
Scoping Meeting Sign-In Sheet
October 18, 2006
5:30-8:00 pm

Name/Address

- 1 Patty Draus 608 Allen Ct Lexington Ky 40505
- 2 Patricia Baumgartner 102 Day Fork Rd Winchester 40391
- 3 Tom Adams 1987 Tapp-Bottoms Winchester 40391
- 4 _____
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APPENDIX G:
Public Scoping Meeting Materials



Serving Kentucky, not-for-profit

East Kentucky Power Cooperative

Winchester-based East Kentucky Power Cooperative (EKPC) is a not-for-profit organization, and exists to provide wholesale electricity and related services to 16 cooperative member systems that distribute the energy to retail members.

Unlike many businesses, EKPC is owned and governed by these member systems and operates on a not-for-profit basis. Its purpose is serving people, not profit.

EKPC is called a generation and transmission co-op (also known as a G&T) because it generates power from its plants and transmits it over 2,800 miles of line to the member systems. The 16 member systems are locally owned and provide power to more than a million Kentuckians located in 89 of the state's 120 counties. About 60 G&Ts exist in the United States, with EKPC ranking high among them in terms of size. However, EKPC is considered a small power supplier (with a winter peak of about 2,500 megawatts) when it is compared with huge investor owned utilities.

The organization consistently ranks among America's lowest cost electric power producers, and has been widely recognized with national and state environmental awards.

Because of the great need for rural electricity, a group of ordinary Kentucky citizens got together and started EKPC in 1941. During the decades that followed, EKPC and its member systems brought electricity to the countryside and improved the quality of life for millions of rural families. Our employees have worked to spread the benefits of rural electrification worldwide through the co-op international program, which has brought electric power to more than 35 million people located in the world's poorest countries.

EKPC supplies power through three coal-fired power plants in Clark, Pulaski and Mason counties; seven peaking units in Clark County that operate when demand is high; hydro power from Wolf Creek and Laurel dams supplied by the Southeastern Power Administration; and most recently, Kentucky's first landfill gas-to-electricity plants in Boone, Laurel, Greenup and Hardin counties. The landfill gas plants are Kentucky's first renewable energy plants.

EKPC and the system's 16 member cooperatives are part of the national Touchstone Energy alliance. More than 600 electric co-ops across the nation have joined Touchstone Energy, sharing four key values: integrity, accountability, innovation and commitment to community.

In 1954, the Cooperative built its first plant, William C. Dale Station, in Clark County. Other baseload plants include John Sherman Cooper Station in Pulaski County, and the organization's largest power plant, the H.L. Spurlock Station in Mason County.

PUBLIC MEETING TO GATHER COMMENTS ON CLEAN-COAL PLANT IN CLARK COUNTY

The federal Rural Utilities Service (RUS) and East Kentucky Power Cooperative will gather public comments on Wednesday, Oct. 18 from 5:30 p.m. to 8 p.m. at Trapp Elementary for a previously announced clean-coal unit in Clark County.

Information gathered at the meeting will assist RUS in completing a Supplemental Environmental Impact Statement for the project. RUS is a federal agency that lends funds to electric cooperatives for facilities necessary to provide power to rural areas.

"We hope people will come so that we can provide information about the project to the public," said Craig Johnson, East Kentucky Power's plant manager of Smith Station located in Trapp. "Officials from the Rural Utilities Service will also be there to gather comments from the public to prepare the Supplemental Environmental Impact Statement."

The supplemental environmental report and the project application that East Kentucky Power is filing with the Kentucky Division of Air Quality will cover two clean-coal units at Smith Station, but EKPC currently only has plans for one 278-megawatt unit at the site.

"Our Board has only approved plans to build one clean coal unit at Smith Station," Johnson said. "By doing the work to permit a second unit now, we will avoid having to duplicate a great deal of paperwork to obtain regulatory approvals down the road if a second unit becomes necessary."

Smith Unit #1 will create hundreds of construction jobs, boost the region's economy and generate electricity for thousands of Kentucky homes and businesses. "Smith 1" is the third clean-coal plant that EKPC will add to its system. Spurlock Unit #4 is an identical clean-coal unit now under construction at EKPC's Maysville plant; EKPC's first clean-coal unit started operation in March 2005 at Spurlock Station.

Together, these three units will bring EKPC's total investment in clean-coal technology to more than \$1.5 billion.

For more than a year and a half, EKPC has worked closely with citizens who live near Smith Station through the Trapp Community Advisory Committee, as well as public officials, to address concerns and to answer questions from local citizens and public officials.

The \$600 million project will include features that benefit the economy and the environment in several ways, such as:

- Up to 700 construction jobs at an average of \$60,000 a year.
- \$11 million in state property taxes in its first 20 years of operation.
- \$1 million in revenue for Clark County from payroll taxes during construction.
- New market for up to 1.2 million tons of coal each year.
- Sharply reduced emissions through the latest, proven clean-coal technology called “circulating fluidized bed.”
- 99 percent less sulfur dioxide and 80 percent less nitrogen oxide than a conventional pulverized coal power plant.
- Enough electricity to supply 19 cities the size of Winchester – 278 megawatts – that’s dedicated to serve the cooperative member-owners in Kentucky.

The plant is needed because of strong growth among the not-for-profit distribution cooperatives that receive power from – and own – EKPC. The member systems are growing at a rate nearly twice the national average.

Smith Unit #1 will be built at the J.K. Smith Station, a 3,000-acre site that already contains seven natural gas “peaking” units that operate on the hottest and coldest days of the year.

The site was named after J.K. Smith, a visionary cooperative leader who was instrumental in the formation of EKPC, as well as the first general manager of the Kentucky Association of Electric Cooperatives, the first manager of Fleming-Mason Rural Electric Cooperative, and the founder of the National Rural Utilities Cooperative Finance Corporation.

EKPC has obtained a Certificate of Need and Public Necessity from the Kentucky Public Service Commission. An application for an air permit has been filed with the state Environmental and Public Protection Cabinet. Smith 1 also will have to meet strict requirements of the National Environmental Policy Act (NEPA) under the federal Rural Utilities Service.

If approved, Smith #1 is expected to begin producing power in spring 2010.

EKPC is a not-for-profit organization providing wholesale electricity to 16 distribution cooperatives that serve more than 500,000 Kentucky homes, farms, businesses and industries across 89 counties. EKPC provides power through plants located in Mason, Clark and Pulaski counties, renewable energy plants in Boone, Hardin, Laurel and Greenup counties, along with gas peaking units, hydro power and more than 2,800 miles of transmission lines. Together, EKPC and the member cooperatives are known as Kentucky's Touchstone Energy Cooperatives.

For more information, call Kevin Osbourn, (859) 745-9419 or (859) 771-3100

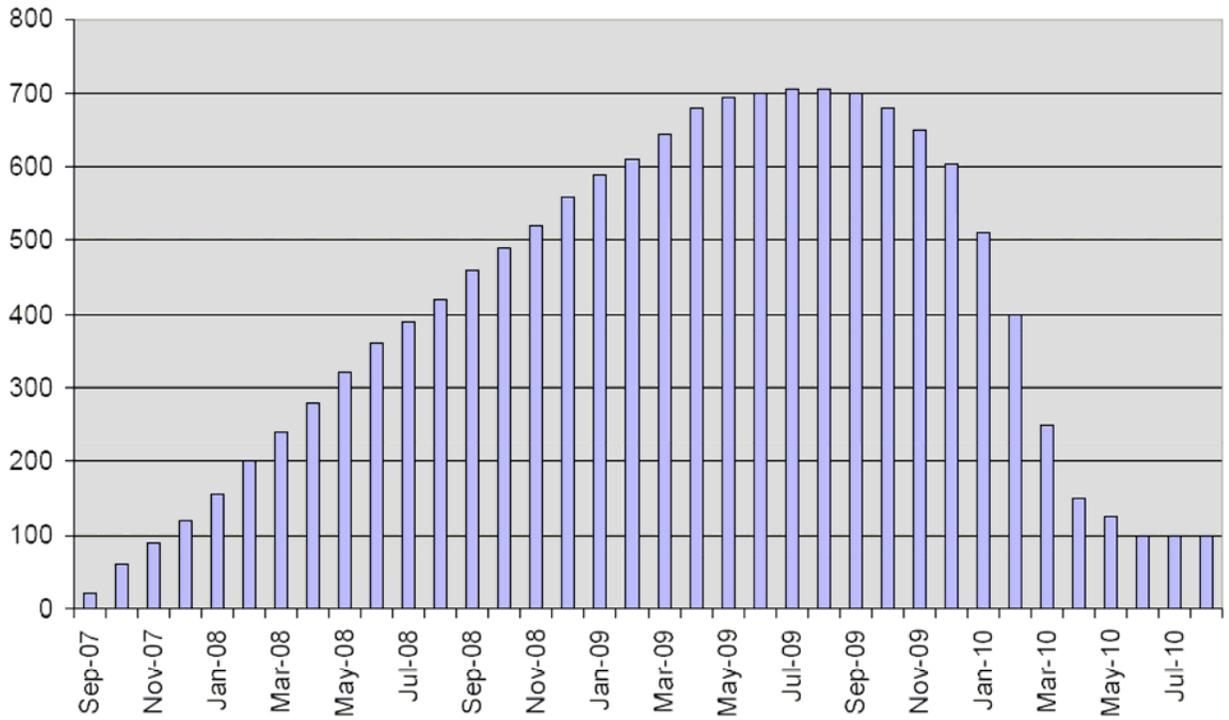
How Do Smith #1's Emissions Stack Up?

Here's how Smith Unit #1 emissions compare with those of two other EKPC generating units.

	Spurlock #1	Spurlock #2	Smith #1*
Boiler technology	Pulverized coal	Pulverized coal	Circulating Fluidized Bed (CFB)
1 st year of operation	1977	1981	2010
Megawatts produced	325	525	278
Emissions (2005)			
Sulfur dioxide, tons	20,677	19,657	986
Nitrogen oxide, tons	3,501	3,972	920

* Estimated emissions

SMITH UNIT #1 MANPOWER LOADING





Co-ops have spent billions over the past 30 years to make their power plants as clean as practical, and they continue to look for smarter, more environmentally benign ways to burn coal

Getting Cleaner

By Peter Nyo

When Sam Holloway joined East Kentucky Power Cooperative back in 1963, coal-fired power plants sent black smoke billowing up their stacks, carrying ash and polluting chemicals across the countryside. That changed after Congress passed the Clean Air Act of 1970. Since then Holloway has seen technology improvements that virtually eliminated smoke and substantially reduced emissions—including sulfur dioxide and nitrogen dioxide, the chemicals that cause acid rain. Today he manages East Kentucky Power's newest power plant, a showcase for clean-coal technology.

The E.A. Gilbert Unit in Mayfield, named after a board member, has a circulating fluidized bed boiler. Unlike conventional coal plants that burn powdered coal at temperatures between 2,200 degrees and 2,400 degrees Fahrenheit, the Gilbert Unit burns crumbed coal—up to three-eighths of an inch thick—at temperatures ranging between 1,500 degrees and 1,650 degrees. The other big difference is that the coal is mixed with limestone.

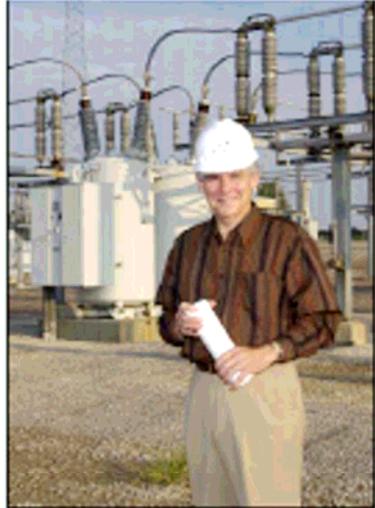
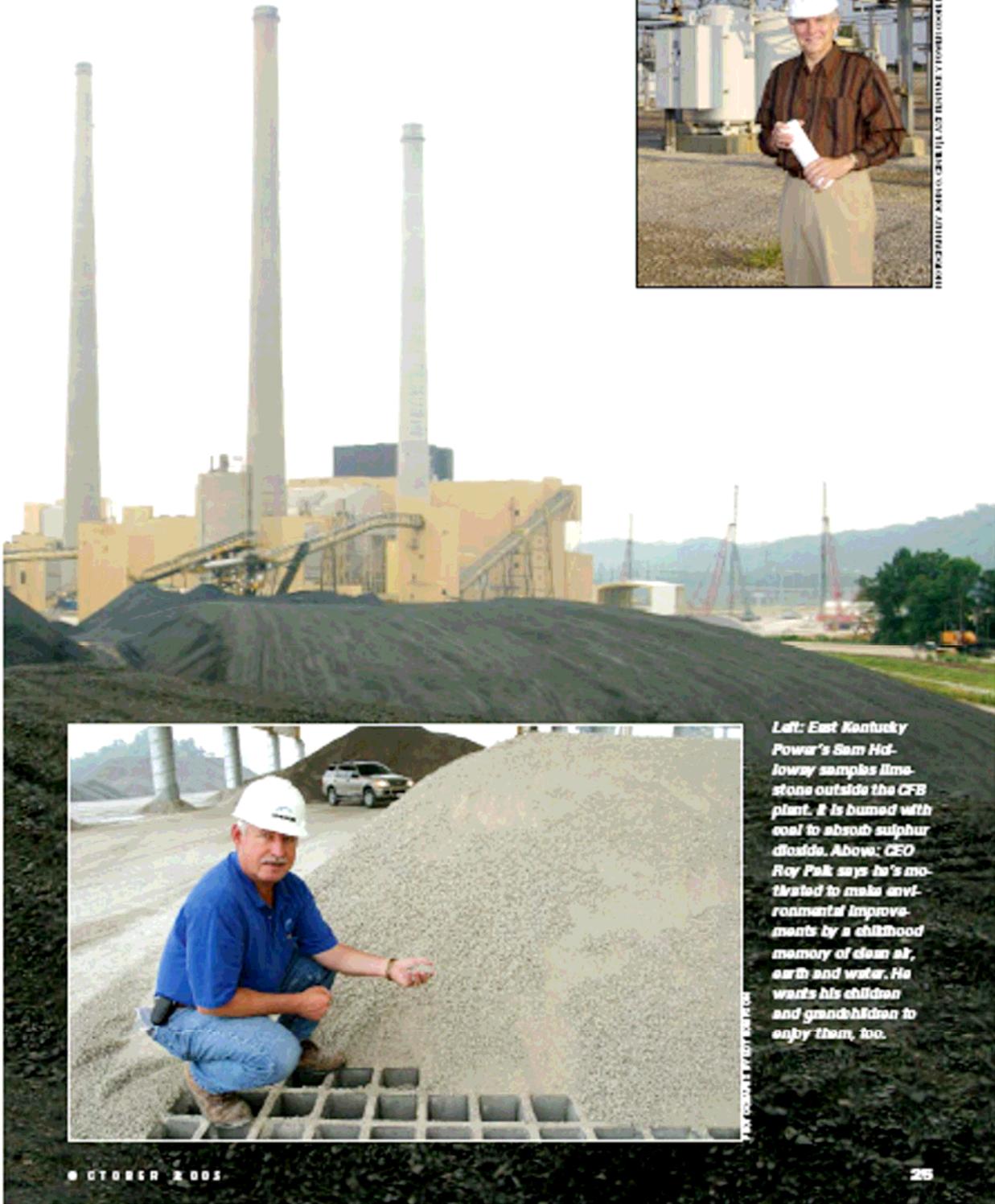
Air is blown into the boiler to suspend ("fluidize") the mixture as it burns. A cyclone attached to the boiler returns ash and unburned fuel for reburning, making the burning process more thorough, reducing the volume of particles in the flue gas and lowering operating costs.

"The boiler heat turns limestone into lime, which absorbs sulphur dioxide," Holloway explains. "So the majority of sulphur dioxide is removed in the furnace. The lower temperature produces less nitrogen dioxide."

Most of the remaining nitrogen dioxide, a chemical that contributes to smog, is reduced by spraying ammonia in the flue gas nozzles at the top of the boiler. Nitrogen dioxide breaks down to nitrogen, an element that makes up 80 percent of the earth's air and water. Overall, the CFB process removes some 98 percent of the sulphur dioxide and produces only 20 percent of nitrogen dioxide of conventional coal plants.

East Kentucky Power President/CEO Iroy Polk says the Gilbert Unit sets higher standards for other utilities. "We have raised the bar. Now investor-owned utilities have to meet that bar or exceed it."

The new plant, which went online in April, generates 268 MW and is the G&T's first new coal-fired plant in 21 years. Construction took 30 months and cost \$400 million, including \$173 million for pollution-control equipment. Moreover, the G&T has spent \$173 million since 2002 at two other coal-fired plants to install selective catalytic reduction (SCR), a chemical transformation process that breaks down nitrogen dioxide into nitrogen and water.



PHOTOGRAPHY: JAMES G. GIBB (LEFT); BOSTON KEYSTONE/COALTRAK



Left: East Kentucky Power's Sam McIlwain samples limestone outside the CFB plant. It is burned with coal to absorb sulphur dioxide. Above: CEO Roy Falk says he's motivated to make environmental improvements by a childhood memory of clean air, earth and water. He wants his children and grandchildren to enjoy them, too.

PHOTOGRAPHY: JAMES G. GIBB (LEFT); BOSTON KEYSTONE/COALTRAK

■ POWER GENERATION

Falk says East Kentucky Power plans to construct two more similar CFB units for the G&T's 16 local distribution co-ops. Over the past decade, their combined 89-county service territory has grown 5 percent annually—double the national average.

"We're hoping to break ground this autumn on the second of two plants, with a third in the summer of 2006," he adds. Over the next five to six years, East Kentucky Power is scheduled to spend \$2 billion in clean-coal technology for the new plants and retrofits, including SCR, on existing plants for cleaner operation.

Falk, who has presided over East Kentucky Power since 1994, says that adapting the latest technical advances is part of corporate strategy. "My motivation comes from my days growing up on a farm in Cookeville, in east-central Tennessee. I enjoyed fresh water, green trees and grass. That's what my wife and I want for our four children and eight grandchildren.

"I've been fortunate to find a company where my philosophy and the company's philosophy are compatible," he adds. "Our board of directors is very supportive of our clean-coal technology. We're creating a corporate legacy to meet power demands in the cleanest way possible at the time the plants are built. That's more expensive. But we're investing for the long run. This corporation considers environmental policy as part of its corporate mission. I think it's an issue of demonstrating that sound business practices and environmental stewardship can complement each other. They don't have to be competitors. We're making a quality investment in technology because the co-op is going to be around for a long time—it's not for sale."

130 new coal plants

Coal, an organic rock ranging from soft lignite to hard anthracite, has long had a dirty reputation. Dickens's London was filthy with its soot. When the novelist visited the U.S. in 1842, he saw dense smoke pouring out of Pittsburgh's coal-fired steel mills one night and later described the scene as "hell with the lid lifted off."



Coal has been mined since Europe exhausted the wood and surface coal resources it used for cooking and heating. Deep mining was made possible by the invention of the rotary steam engine by James Watt in the late 18th century. And this efficient way to convert an abundant fossil fuel to mechanical energy sparked the Industrial Revolution.

A century later, the technology for making industrial steam was transferred to the budding electric power industry. Thomas Edison used it in the Pearl Street Station in New York City in 1882, the first central generating plant in the world. Coal has dominated power generation ever since, surviving challenges by nuclear and gas.

One of the few utilities to invest in coal-fired power plants in the 1980s and 1990s is Old Dominion Electric Cooperative, a G&T in Glen Allen, Va., serving 12 distribution co-ops. Old Dominion built two 440MW coal plants near the southern Virginia town of Clover. They went into operation in 1995.

"The plants cost a total of \$1.2 billion, and pollution-control equipment made up one-third of our costs," says David Smith, director of environmental health and safety services. The Clover Power Station generators feature boilers that fire at an angle to create a swirling fireball that retains residue to maximize burning.

Today, some 130 new coal-based plants, including ones that will be owned by co-ops, are in some stage of development, according to the Department of Energy's National Energy Technology Laboratory.

The number is substantial considering that each plant represents eight to 10 years for permitting, constructing, engineering and connecting to the grid. Taking into account that these plants have a life expectancy of at least 60 years, coal will continue making electricity into the late 21st century.

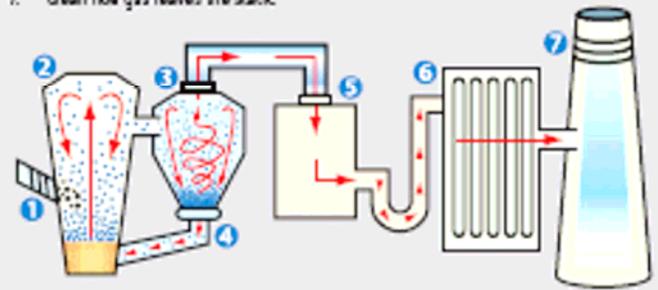
Bob Hughes, East Kentucky Power's environmental affairs manager, points out that construction costs have been pushed up by surging economies in China and India, where a new coal plant opens every month. "Global competition is creating a shortage of concrete and steel, driving up the prices." In response, East Kentucky Power and Southern Montana Electric Cooperative, a G&T in Billings, combined their orders to take advantage of economies of scale.

Of the 66 G&T co-ops, 44 own their generating capacity, according to NRECA's Strategic Planning Department. Thirty-five own coal plants, 30 have gas plants and 26 own both gas and coal.

HOW A CFB BOILER WORKS

CFB stands for circulating fluidized bed technology, a cleaner way to burn coal in a power plant boiler. The coal is mixed with limestone and burns at a lower temperature than in conventional boilers. Here's how.

1. Coal and limestone pour into the boiler.
2. Jets of air circulate and "fluidize" the mixture.
3. Particles are carried to the cyclone.
4. Unburned particles are circulated back to the boiler.
5. Fine particles are trapped in the bag house.
6. Remaining dirt particles are removed.
7. Clean flue gas leaves the stack.





Left and right: Coal arrives at the Spoutlock Station on barges pushed by tug boats plying the Ohio River. Below, right: A hundred times a day, a truck carries 50 tons of ash away from the three power plants.

plants. Eighty percent of the power that co-ops generate comes from coal (compared with 50 percent of the total U.S. generating capacity, exceeding the nearly 40 percent worldwide); nuclear power is next with 13 percent of generation

(compared with 20 percent nationally); followed by 7 percent for natural gas (38 percent nationally).

Tri-State Generation and Transmission Association in Westminster, Colo., has a 400-MW plant under construction and set to begin operation in September 2006. Seven other G&Ts are looking to build new coal units planned for operation in 2010 or 2011: Southern Montana Electric; Basin Electric Power Cooperative in Bismarck, N.D.; Associated Electric Cooperative in Springfield, Mo.; Seminole Electric Cooperative in Tampa, Fla.; and Sunflower Electric Power Corp. in Hays, Kan. Western Farmers Electric Cooperative in Anadarko, Okla., is in a preliminary phase of building a new coal unit at its Hugo facility in southeast Oklahoma with Brazos Electric Cooperative in Waco, Tex., as a partner.

Mac McLennan, vice president of external affairs at Tri-State, says the G&T is spending \$939 million to build its first coal-fired base-load power plant in almost two decades, at the Springerville Generating Station in eastern Arizona. Of that sum, \$150 million is allocated for pollution-control equipment—\$90 million for equipment in the new unit and \$60 million to upgrade the existing units. Tri-State sells power to 44 member distribution co-ops in Colorado, New Mexico, Wyoming and western Nebraska; they serve more than 1 million consumers spread across 250,000 square miles.

"We looked at the three options available for a base-load plant and decided on coal," McLennan explains. "One option is natural gas, but it's so expensive today. The second option is nuclear, but nobody has built a nuclear plant since the late 1970s. The third option is coal. It is abundant, affordable. You can burn it relatively clean, get your emissions down and obtain a permit to build a plant."

NRECA's Kirk Johnson, executive director of environmental affairs, says that since the Clean Air Act of 1970 (reauthorized in 1977 and 1990) co-ops and other utilities have improved air quality to meet Environmental Protection Agency emission standards to protect public health and the environment. EPA issued standards on six principal air pollutants: nitrogen dioxide, sulfur dioxide, carbon monoxide, ozone (a combination of nitrogen dioxides and volatile organic compounds known as smog), particulate matter and dust. EPA identified another group called hazardous air pollutants, such as mercury.

Utilities deployed a range of technologies. In addition to circulating fluidized bed and selected catalytic reduction are

- Scrubbers. Known as flue gas desulfurization (FGD), scrubbers remove up to 99 percent of sulphur dioxide from smoke stacks.
- Bag houses. Tightly woven cloth bags resembling those in a home vacuum cleaner collect up to 99 percent of the dirt particles in the flue gas.



■ POWER GENERATION

- Electrostatic precipitators. Particulates such as ash, a non-hazardous material, collect on metal plates charged with an electrical field. When the plates vibrate, more than 99 percent of the ash falls to the bottom of the precipitator for collection and disposal.

- Coal cleaning. Preparation of coal lowers levels of sulphur and mineral matter, reducing ash content by more than 50 percent, cutting waste from coal combustion and reducing carbon dioxide emissions.

"Total emissions of the six principal air pollutants have dropped 48 percent since 1970, while the economy has grown 164 percent and energy use has increased 42 percent," Johnson says. "Emissions will drop dramatically under existing and proposed clean-air rules."

Bobbing-nag-seale plants

For Kentucky Power's Sam Holloway calls electricity the ultimate just-in-time product. "The instant anyone turns the light switch on, they have electricity. Our consumers may not think about where their power comes from. But to the distribution coop and its generation plant, that light switch means an added load."

East Kentucky Power's Gilbert Unit is the third coal-fired generator at the Hugh L. Spurlock Station, named after the G&T's first general manager, in Maysville. Two other units went into operation in 1977 and 1981; they generate 850 MW. Besides coal, the new Gilbert Unit can burn more than 1 million car tires a year and 150,000 tons of sawdust and other wood products.

The Spurlock Station is a 90-minute drive north from the G&T's headquarters in Winchester over two-lane roads winding past a couple of drive-in movie theaters and miles of wood-and-stone fences

bordering bluegrass horse farms—one even sports a herd of camels. Maysville, on the Ohio River, was the hometown of singer Rosemary Clooney. It supports one end of a suspension bridge crossing to Aberdeen, Ohio, that architect Joseph Strauss designed as a model for his San Francisco landmark, the Golden Gate Bridge.



Sam Holloway (left) consults a schematic drawing of the Gilbert Unit with a control room employee.

bordering bluegrass horse farms—one even sports a herd of camels. Maysville, on the Ohio River, was the hometown of singer Rosemary Clooney. It supports one end of a suspension bridge crossing to Aberdeen, Ohio, that architect Joseph Strauss designed as a model for his San Francisco landmark, the Golden Gate Bridge.

The 3,500-acre Spurlock Station is an engineering marvel. Visiting it reminded this writer of the land of *Bobbing-nag in Gulliver's Travels*, where everything is colossal. Spurlock's three boilers burn more than 10,000 tons of coal daily—3.8 million tons a year. The coal yard takes up 14 acres. Giant conveyors move coal to the boilers.

A fleet of monster trucks with oversized tires, four on the rear axle, make 100 runs daily going the other direction, each hauling 50 tons of ash from the precipitators for deposit over some 60 acres.

The Gilbert Unit's mustard-colored boiler building, like its two companions, rises 14 stories above the ground. Its boiler is an 80-foot-long rectangular box with steel walls up to 7 inches thick, explains Holloway. Empty, it weighs 280 tons, and in operation with water and coal it weighs 350 tons.

Steve Ficker, senior plant engineer, explains that the boiler encases thousands of narrow-diameter tubes that are welded side by side. "They are filled with water and surround the burner. If a tube leaks, it is a small leak. In the old days, the boilers were like steam kettles—a leak was serious."

Heat from the burning coal converts water entering the boiler bottom into steam that reaches 1,000 degrees Fahrenheit and produces 2,400 pounds of pressure per square inch. Steam power turns the rotor blades of a high-pressure turbine to 3,600 rpm, and that turbine joins a low-pressure turbine spinning at the same rate. The turbines connect to a generator assembly of windings (water-cooled copper bars) with a magnetic field that creates a flow of electrons—electricity.

Enclosed in steel casings, the turbines and generator assembly weigh 300 tons. They squat on a concrete foundation poured 20 feet deep into the ground on steel pilings driven 120 feet underground to bedrock. "That way, the plant won't settle over time," Holloway says.

Machine noise permeates the plant. Holloway took us up an elevator to the outside top of the boiler. As he led us down the stairs, the handrails were too hot to hold. Near the turbines and generator is the



Bob Hughes says environmental concerns have taken on greater importance every year of his career.

RURAL ELECTRIC

central control room for all three units, a quiet, cool oasis where operations staff monitor 38 computer screens that keep up with real-time readings from monitors in the stacks and equipment. Computers check 20,000 data points, and make real-time graphs showing trends.

During my visit, computers showed that the Gilbert Unit's sulphur dioxide read 0.170 lb. M BTU (pounds per million BTU heat input), below the EPA standard of 0.20. Nitrogen dioxide measured 0.0699 lb. M, compared with the EPA standard of 0.1. And carbon monoxide measured 0.074—half of EPA's 0.15 standard. Another computer showed opacity, which is the amount of sunlight blocked out by smoke coming out of the stacks: 2.1 percent—well below the EPA standard of 20 percent.

Looking to the future

East Kentucky Power's Dale Plant, in Trap, within a rifle shot of Fort Boonesborough, established by Daniel Boone, has been online since 1954, making it one of only a handful of fossil-fuel plants in the national co-op network to celebrate its 50th anniversary. Bob Hughes, a second-generation co-op employee, says environmental concerns there and at the other East Kentucky Power plants have taken on greater importance every year since he joined the G&T in 1973. They grew to a point where the G&T decided to create two environment departments—one that Hughes leads for environmental permitting, and a second for education.

"We have biologists working in the field to do surveys of transmission lines for state and federal compliance," he says. "The biologists were invited to talk to school kids about environmental aspects of the electrical industry and transmission lines. It got to the point where we

had such demand that we created a separate department in 1999."

Jeff Hohman manages that department, Marketing and Natural Resources. "We do environmental programs in the schools from September to May," he says. From June through August, his department conducts biological and endangered species surveys required under the National Environmental Policy Act and submitted to the U.S. Fish & Wildlife Agency and the Rural Utilities Service.

Hohman and his staff of six have visited 1,600 schools to give talks to more than 180,000 kids about the birds, reptiles and amphibians, bats and wildflowers of Kentucky. The G&T has printed and given away more than 100,000 nature posters.

"The school requests go to the local distribution co-ops that book us," Hohman says. "We are booked up a year in advance."

The children East Kentucky Power reaches with its talks and materials will grow up and become adults in a world where coal is still burned to make electricity, and where utilities, regulators and elected officials continue to look for cleaner ways to burn it.

Hughes observes that it will become harder to balance costs with benefits. "We have taken emissions down so low that the next step is going to be very expensive." ■



Contractor Jeff Sheaffer takes a trip to the bottom of a stack at East Kentucky Power's Hugh L. Spurlock Station in Maysville (below).





a greener, cleaner world

EnviroWatts is our name for green power, energy generated from environmentally preferred, renewable resources such as landfill gas, wind, biodiesel, solar, water and geothermal springs.

Landfill gas is created from organic matter decaying in a landfill. This gas is captured and used to make electricity.

Wind turns turbines that generate electricity.

Biodiesel fuel contains renewable ingredients, which are refined and may be blended with regular diesel.

Solar collects energy using photovoltaic panels to produce electricity.

Hydro uses water from dams to turn electric turbines.

Fifteen of Kentucky's Touchstone Energy Cooperatives now offer their customers a choice in the type of energy they purchase through the EnviroWatts program.

EnviroWatts - Earth Friendly Energy Alternatives



SNAKES OF KENTUCKY



Venomous Snakes

- 

Copperhead
Length: 30-40" Record: 52"
- 

Western Diamondback
Length: 30-40" Record: 52"
- 

Timber Rattlesnake
Length: 30-40" Record: 52"
- 

Northern Copperhead
Length: 30-40" Record: 52"



Northern Scorpion Snake
Length: 18-20" Record: 33"



Scorpion King Snake
Length: 18-20" Record: 27"



Black King Snake
Length: 20-25" Record: 55"



Pine King Snake
Length: 20-25" Record: 55"



Eastern Milk Snake
Length: 30-40" Record: 42"



Red Milk Snake
Length: 30-40" Record: 52"



Northern Water Snake
Length: 30-40" Record: 55"



Copperbelly Water Snake
Length: 30-40" Record: 45"



Black-banded Water Snake
Length: 20-30" Record: 45"



Diamondback Water Snake
Length: 20-30" Record: 45"



Horseshoe Green Water Snake
Length: 30-40" Record: 50"



Queen Snake
Length: 18-20" Record: 35"



Western Mud Snake
Length: 20-30" Record: 45"



Ribbon Snake
Length: 18-20" Record: 24"



Eastern Hognose Snake
Length: 20-30" Record: 45"



Eastern Hognose Snake
Length: 20-30" Record: 35"



Western Hognose Snake
Length: 20-30" Record: 37"



High Yellow Snake
Length: 20-30" Record: 45"



Black Racer
Length: 30-40" Record: 55"



Black Tail Snake
Length: 20-30" Record: 35"



Juvenile Red Snakes



Cottontail Snake
Length: 20-30" Record: 37"



Northern Pine Snake
Length: 20-30" Record: 37"



Eastern Hognose Snake
Length: 20-30" Record: 45"



Ringneck Snake
Length: 18-20" Record: 27"



Worm Snake
Length: 8-10" Record: 15"



Smooth Earth Snake
Length: 7-10" Record: 15"



Southeastern Cowbird Snake
Length: 8-10" Record: 15"



Northern Red-bellied Snake
Length: 8-10" Record: 15"



Silver Snake
Length: 8-10" Record: 15"

APPENDIX H:
Public Scoping Meeting Comment Form



Comments/Questions

U. S. Department of Agriculture, Rural Development,
Utilities Programs (Rural Utilities Service)
Scoping Meeting

JK Smith Circulating Fluidized Bed Generating Units
Trapp Elementary School

Optional: Name: _____

Address: _____

If you would like to take this form with you, please mail to:

Stephanie A. Strength
USDA, Rural Utilities Service,
Engineering & Environmental Staff
1400 Independence Ave. SW
Mail Stop 1571, Room 2244
Washington, DC 20250-1570
202-720-0468 or stephanie.strength@wdc.usda.gov

APPENDIX I:
Public Comments and Summary

Strength, Stephanie - Washington, DC

From: aubrey e. baldwin [aubrey@airadvocates.net]
Sent: Monday, November 20, 2006 2:12 PM
To: Strength, Stephanie - Washington, DC
Cc: Robert Ukeiley
Subject: Scoping Comments on SEIS for EKPC Smith Station

Attachments: scoping comments.pdf

Ms. Strength,

Sierra Club and the Kentucky Environmental Foundation offer the attached comments on the scoping process for the NEPA process for a new circulating fluidized bed unit at East Kentucky Power Cooperative's Smith Station. I would appreciate a confirmation email letting me know that you received this document

Thank you,

Aubrey Baldwin



scoping
comments.pdf (586 K)

Aubrey Baldwin
Law Office of Robert Ukeiley
433 Chestnut Street
Berea, KY 40403
Tel: (859) 986-5402
Fax: (859) 986-1299

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433 CHESTNUT STREET
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RUKEILEY@IGC.ORG

VIA E-MAIL

November 20, 2006

Ms. Stephanie Strength
Environmental Protection Specialist
USDA, Rural Development, Utilities
Programs, Engineering and
Environmental Staff,
1400 Independence Avenue, SW, Stop 1571,
Washington, DC 20250-1571,
E-mail: stephanie.strength@wde.usda.gov

Re: **Scoping Comments on supplemental environmental impact statement (SEIS)
for CFB unit at East Kentucky Power Cooperative's Smith Station.**

Dear Ms. Strength:

On behalf of the Sierra Club and the Kentucky Environmental Foundation and their thousands of members in Kentucky and throughout the world, I am writing to provide you scoping comments on the supplemental environmental impact statement that the United States Department of Agriculture's Rural Utilities Service is intending to prepare for possible financial assistance to East Kentucky Power Cooperative (EKPC) for two coal-fired 278 megawatt Circulating Fluidized Bed generating units (CFBs) at Smith Station. We appreciate the opportunity to participate in this process and request that you provide us with notice, sent to the undersigned counsel, regarding all further actions in this matter.

At the outset, we wish to make perfectly clear that it is beyond reasonable debate that the pollution from two coal-fired 278 megawatt Circulating Fluidized Bed generating units (CFBs) at Smith Station would lead to a variety of serious adverse consequences including the premature death of innocent members of the public from fine particulate matter and sulfur dioxide air pollution. The United States Court of Appeals for the Sixth Circuit, over two decades ago, already acknowledged that "there is now no longer any doubt that high levels of pollution sustained for periods of days can kill," and that long-term exposure to sulfur dioxide produces significant health effects, including "[a]cute respiratory infections in children, chronic respiratory diseases in adults, and decreased levels of ventilatory lung function in both children and adults." *Ohio Power Co. v. US EPA*, 729 F.2d 1096, 1098 (6th Cir. 1984). The U.S. Department of Agriculture's sister agency, the United States Environmental Protection Agency, has explained, after extensive study, that fine particulate matter pollution causes a variety of adverse health effects, including premature death, heart attacks, strokes, birth defects, and asthma attacks. 71

Fed. Reg. 2630 (Jan. 17, 2006). In the review of the fine particulate matter health based ambient air quality standard, EPA was unable to discern a threshold level of pollution under which the death and disease associated with fine particulate matter would not occur. *Id.* at 2635. Studies reviewed by the U.S. Environmental Protection Agency revealed a linear or almost linear relationship between diseases like cancer and the amount of fine particulate matter in the ambient air. *Id.* Put simply, the more fine particulate matter the proposed EKPC CFB units and other sources emit into our air, the more death and disease. While some may wish to engage in a debate about whether this death and disease is acceptable or necessary, it does not seem subject to reasonable debate that when the federal government is engaged in an activity that will lead to the death of some of its citizens, its analysis of the decision to engage in that activity should be extremely comprehensive and accurate. It is in this context that we offer these comments.

1. USDA RUS SHOULD PROVIDE A NEW PUBLIC NOTICE ON SCOPING AND HOLD A NEW SCOPING MEETING.

The U.S. Department of Agriculture Rural Utilities Service (RUS) should provide a new public notice in the Federal Register for a new scoping public meeting and new written comment period on scoping for at least three reasons. First, RUS has not made the relevant information available. It appears that RUS' web page, which is referenced in the Federal Register notice announcing the scoping meeting and public comment period, contains the wrong version of the Revised Alternatives Evaluation and Site Selection Study for the Proposed J.K. Smith Circulating Fluidized Bed Generating Units, Clark County, Kentucky (Revised Alternative Evaluation). We visited RUS' web page, <http://www.usda.gov/rus/water/eas/pdf/EKPC%20Site%20Selection%20Smith0706.pdf>, on November 18, 2006 and found a July 2006 version of this document. However, at the public scoping meeting, we were provided a September 2006 version of this document. The public and other agencies are entitled to the most recent information upon which to formulate their comments. That is not happening here. Similarly, the September 2006 version of the Revised Alternative Evaluation at page A-1 states that 1980 EIS Related to the Proposed J. K. Smith Power Plant Station Units 1 and 2 and Associated Transmission Lines is a major resource used in preparing the Revised Alternatives Evaluation and is intended to be Appendix A. However, rather than attach it to the Revised Alternatives Evaluation, the Revised Alternatives Evaluation says that it is available at www.USDA.gov/RUS/Electric/Environmental/Environmental/Environmental Impact Statements. That URL, however, does not exist. Moreover, at visit on 11/19/2006 to <http://www.usda.gov/rus/water/eas/eis.htm#East%20Kentucky%20Power%20Cooperative>, where the July 2006 Revised Alternatives Evaluation is posted, revealed that the 1980 EIS Related to the Proposed J. K. Smith Power Plant Station Units 1 and 2 and Associated Transmission Lines was not there. Similarly, Appendix B of the September 2006 Revised Alternatives Evaluation states that the East Kentucky Power Cooperative, Inc., 400 MW Combustion Turbine Project Alternatives Analysis/Siting Study is a major resource that was to comprise Appendix B, but that document was only available at the non-existent web site referenced above. Moreover, a visit on 11/19/2006 to <http://www.usda.gov/rus/water/eas/eis.htm#East%20Kentucky%20Power%20Cooperative>, where the July 2006 Revised Alternatives Evaluation is posted, revealed that the East Kentucky Power Cooperative, Inc., 400 MW Combustion Turbine Project Alternatives Analysis/Siting Study was not there. The same is true for Appendix D, the Executive Summary of the September 2004 EKPC Load Forecast

Report, and Appendix F, EKPC's 2003 Integrated Resource Plan. We need these appendices to prepare comprehensive and complete scoping comments.

Second, 7 CFR 1794.52(b) requires RUS to provide the public with 14 days advanced notice of public meetings on scoping. However, in this case RUS' notice was published in the Federal Register on October 6, 2006 and the public meeting was on October 18, 2006. Thus, the public was not given the required 14 days advanced notice.

Third, the public notice, which appears at 71 Fed. Reg. 59070 (Oct. 6, 2006) does not explain what the Supplemental Environmental Impact Statement is a supplement to. Again, the public has the right to participate and comment based on the relevant information. What is being supplemented is obviously relevant to the supplementation process. We speculate that what is being supplemented is the Environmental Impact Statement (EIS) for the Kentucky Pioneer Integrated Gasification Combined Cycle Demonstration Project. However, we should not be required to base our comments on speculation of key data points such as this. Moreover, if it is the EIS for Kentucky Pioneer that is being supplemented, that is a key piece of information. As you may know, the Kentucky Pioneer project was extremely unpopular among local politicians and residents. Failure to mention the Kentucky Pioneer EIS in the public notice could have the affect of failing to engage in this process the local politicians and members of the public who were involved in the Kentucky Pioneer process. We are not claiming that RUS is deliberately trying to avoid attracting the attention of those local politicians and members of the public, but rather that regardless of intent, that could be the effect. We also note that the Kentucky Pioneer EIS was for a combustion process called Integrated Gasification Combined Cycle (IGCC) and this notice makes no mention of IGCC as an alternative. To the extent this is Supplemental Environmental Impact Statement is supplementing a Environmental Impact Statement from a different type of combustion technology that appears to be already excluded from current consideration, the public should know this.

For the above reasons, we request that RUS issue a new Federal Register notice for a new public scoping meeting and public comment period. The new notice should give the public at least 14 days advanced notice of the public scoping meeting, should provide the public with access to the most up to date Alternatives Evaluation including all of its appendices and should explain what this Supplemental Environmental Impact Statement is supplementing.

2. RUS SHOULD PREPARE AN EIS AND NOT A SEIS.

As explained above, we do not know for certain what the Supplemental Environmental Impact Statement that RUS is preparing is supplementing, but we suspect that it is supplementing the Environmental Impact Statement prepared for the Kentucky Pioneer project that was proposed for this same site but did not proceed. If that is the case, then RUS should not prepare a Supplemental Environmental Impact Statement, but rather should prepare a separate Environmental Impact Statement for EKPC's new project. This is so because the projects are different. The Kentucky Pioneer Environmental Impact Statement was prepared by the U.S. Department of Energy and not RUS because the Kentucky Pioneer project was going to be a U.S.

Department of Energy project. EKPC was not going to be the owner or operator of the Kentucky Pioneer project. The Environmental Impact Statement for the Kentucky Pioneer project states:

The proposed Kentucky Pioneer IGCC Demonstration Project was selected as one of the candidate projects that would best further the objectives identified in the CCT Program. The purpose of this proposed project is to demonstrate and assess the reliability, and maintainability of a utility-scale IGCC system using high-sulfur bituminous coal and an RDF blend in an oxygen-blown, fixed-bed, slagging gasifier.

In contrast, the purpose of the current project is to meet the energy demand of EKPC's member cooperatives. Because the Kentucky Pioneer project and the current project have different purposes and different parties are involved, it is inappropriate to supplement the Kentucky Pioneer Environmental Impact Statement rather than to prepare an Environmental Impact Statement for this project. Thus, a new public notice, public meeting and comment period is needed for scoping for an Environmental Impact Statement for this project.

3. THE EIS SHOULD BE LIMITED TO 278 MW OF DEMAND.

The public notice states that RUS is preparing a Supplemental Environmental Impact Statement for two 278 megawatt circulating fluidized bed boilers. However, the Kentucky Public Service Commission has only authorized one 278 megawatt circulating fluidized bed boiler at this time. Thus the Environmental Impact Statement should be limited to what is currently legally permissible, that is the construction of one 278 megawatt circulating fluidized bed boiler.

4. THE EIS MUST EXAMINE THE APPROPRIATE RANGE OF ALTERNATIVES.

The public notice shows that RUS has already illegally foreclosed alternatives even before the NEPA process has begun because the public notice states that it is preparing a Supplemental Environmental Impact Statement for two 278 megawatt circulating fluidized bed boilers, rather than for meeting 278 or 556 megawatts of baseload demand. Nevertheless, we offer the following comments on alternatives to meet 278 or 556 megawatts of theoretical future baseload demand.

A. GENERATION OR SUPPLY SIDE ALTERNATIVES

The following generation or supply side alternatives should be considered. In considering these supply side alternatives, attention should be given to power purchase agreements as well as to obtaining EKPC owned generation assets. By power purchase agreement, we include small scale power purchase agreements. For example, TVA purchases electricity from residential solar PV systems. The Sacramento Municipal Utility District does the same and also pursues an option of renting space on residential and commercial buildings to install its equipment. Also,

consideration should be given the option of generation assets outside of EKPC's service territory. For example, FirstEnergy of Ohio has recently purchase wind power from a West Virginia wind farm. Moreover, the Los Angeles Municipal Utility just purchased wind output from a Wyoming wind farm. Also, it is important to remember that baseload and dispatchability are relative concepts. For example, large coal fired power plants suffer forced outages so, in fact, large coal-fired power plants are intermittent resources in a literal sense of that term. Moreover, because coal-fired power plants often are large units, forced outages have dramatic effects on system reliability versus wind or solar resources that are much more distributed and thus less likely to all be unexpectedly unavailable at the same time. Furthermore, the disadvantages, as well as advantages, of different options must be considered. For example, it would be inappropriate to dismiss a distributed generation option like fuel cells or solar hot water because, assuming for the sake of argument, they require more initial capital without considering the cost savings from decreased transmission cost and federal tax credits.

Most importantly, RUS must consider a combination of options in order to meet the 278 or 556 megawatts of demand. For example, it is inappropriate to dismiss wind power as an option because RUS is under the mistaken impression that 556 megawatts of wind resources are not currently available. This is not true, but assuming it was, RUS must still consider meeting part of the demand with demand side management and part of the demand with supply side assets which may include generation assets and storage assets.

1. GENERATION

Generation options include the following:

- Wind - on-shore and off-shore;
- Solar - Photovoltaic;
- Solar - Thermal;
- Hydroelectric - small scale;
- Geothermal- including distributed use (which can also be considered a demand side alternative);
- Biomass - dedicated crops or wood waste and wood stoves;
- Biogas;
- Natural Gas Combined Cycle - including co-generation;
- Distributed Generation - including Microturbines and Fuel Cells;
- Pulverized Coal Boilers - including supercritical and ultra-supercritical and co-generation applications;
- Fluidized Bed Boilers - including supercritical CFBs and pressurized fluidized bed boilers including co-generation applications;
- Integrated Gasification Combined Cycle Units;
- Tidal Power; and
- Wave Power.

2. STORAGE

Storage options include the following:

- Pump storage;
- Battery (or Chemical) Type Systems;
- Hydrogen;
- Flywheel; and
- Compressed Air Storage.

B. DEMAND SIDE MANAGEMENT

It is almost always the case that the cheapest kilowatt is the one that is never generated. It is always the case that the kilowatt with the least environmental impact is the one that is never generated. Therefore, RUS needs to consider how to meet this "demand," or at least part of this "demand" with "negawatts" rather than megawatts. A list of some, but not all Demand Side Management options are below. However, again, the key to a rational analysis is to consider a combination of alternatives. Furthermore, RUS should consider EKPC acting as an Energy Service Company (ESCO) with low interest money from RUS, the use of existing or new private ESCOs and partnering with existing energy service programs as well as non-profit welfare and economic development organizations. Because EKPC is a non-profit, it does not suffer from the potential lost profit to shareholders that investor owned utilities claim they face. The fact that EKPC has acted in a manner similar to an investor owned utility rather than truly serving its customers' interests in the past should not play a role in this analysis.

Demand Side Management options include the following:

- Switching to compact fluorescent (CFL) or LED lighting;
- Improved insulation and weatherization;
- Energy efficient appliances such as refrigerators, air conditioners, geothermal heating systems, and hot water heaters;
- Switching from electric to natural gas appliances such as heating systems and hot water heaters;
- Energy efficient improvements in industrial applications such as electric motors and HVACs;
- Switching from electric to natural gas in industrial applications;
- Cycling programs for heating as well as cooling;
- Programmable thermostats and down comforters;
- Passive Solar;
- Energy audits;
- General energy education on conservation and efficiency; and
- Efficient mobile home purchasing.

5. THE EIS MUST INCLUDE AN ANALYSIS OF CLIMATE CHANGE IMPACTS.

RUS must consider the climate change impacts from the various alternatives. Of course, the demand side management alternatives have no climate change impacts. In considering climate change, RUS must consider the cumulative impacts on climate change not only from the other EKPC projects that RUS has provided financial assistance to, but from all fossil fuel power

generation projects that RUS has and plans to in the future provide financial assistance to. This includes, but is not limited to, the Highwood Generating Station in Montana, the Associated Electric Cooperative, Inc project, the Basin Electric Cooperative project, the Dairyland Power Cooperative project, and the Seminole Electric Cooperative. RUS should also include in this cumulative impacts analysis the cumulative impacts of power plants subject to NEPA review because of other federal agency involvement such as the Western Area Power Administration and the Big Stone II project.

In considering climate change impacts, RUS must consider the emissions of carbon dioxide as well as the emissions of other greenhouse gases such as nitrous oxide (N₂O). It is especially important to consider N₂O emissions when evaluating the coal-fired circulating fluidized bed option because these units have very high N₂O emissions and because N₂O is a very potent greenhouse gas. This analysis should also look at emissions in terms of pounds of each greenhouse gas per net megawatt hour produced as well as ton mass of emissions so that one can truly understand the benefits of, for example, a super-ultracritical PC versus the sub-critical CFB that EKPC is currently proposing. Again, the climate change impacts would be moot if RUS chose an alternative made up of demand side management and true renewables such as wind and solar.

6. THE EIS MUST INCLUDE A RELIABLE AND SUPPORTABLE LOAD FORECAST.

The Environmental Impact Statement must include an analysis of the projected future demand, or load forecast. In this analysis, it is important to keep in mind that EKPC was wrong regarding the need for pulverized coal fired units at Smith in 1980, and that the current load forecast suffers from the same or similar faulty analysis. The load forecast must be supported by reliable data. For example, EKPC's projection of population growth, which appears completely unrealistic, must be supported with actual, credible data.

7. THE EIS MUST CONSIDER AIR POLLUTION IMPACTS.

The alternatives' air pollution impacts must be evaluated for adverse impacts on school children, other sensitive populations and the general public. This analysis must include the "criteria pollutants" as well as all of the other pollutants the alternatives will emit, including hazardous air pollutants and diesel exhaust. This should also consider the impacts of air emissions of radioactive material. The boilers themselves as well as other units, such as on-site diesel emissions from stationary and mobile sources and construction equipment, must be considered. Fugitive emissions from haul roads, coal piles and coal moving must be considered. Air impacts from the life cycle of the fuel should also be considered. For example, if waste coal or garbage is going to be trucked in, the air emissions, both exhaust and fugitive, should be considered. If coal, lime or limestone is going to be transported on barges, that must be considered.

As to the criteria pollutants, the analysis should not rely on the fact that some impacts may be below the current National Ambient Air Quality Standards (NAAQS) for several reasons. First, for all of the NAAQS except for particulate matter, the U.S. Environmental Protection Agency is currently in violation of its legal obligation to update and revise as necessary the NAAQS. An Environmental Impact Statement should not rely on out-dated information. As for the PM_{2.5} NAAQS, the U.S. Environmental Protection Agency has acknowledged that adverse impacts, including premature mortality, are observed at ambient levels below the NAAQS. In fact, the U.S. Environmental Protection Agency has concluded that it could not find any threshold below which it did not find adverse impacts. In addition, Madison and Fayette Counties currently have PM_{2.5} levels above the annual NAAQS. Finally, it is likely that the PM_{2.5} NAAQS will be challenged in court. A cumulative exposure analysis of all the power plants in the region should be done. In addition, an assessment of the adverse impacts from the proposed Smith units alone should be done to quantify the adverse health (including premature mortality) that will be caused by these units. The analysis should also report these impacts in terms of dollars. The U.S. Environmental Protection Agency's analysis prepared for the remedy phase of its New Source Review enforcement action against the Baldwin power plant would serve as a useful model. The non-profit organization Clear the Air provides a simplified version of this analysis for individual power plants on its website. This can be found at: <http://www.cleartheair.org/dirtypower/map.html>. The methodology is also available at that site. Again, if RUS is going to fund an option that may kill people, the public and the decision makers have a right to know.

Air impacts on threatened and endangered plant and animal species as well as sensitive and commercially important species should be considered. This includes impacts from climate change.

RUS should consider air pollution impacts to protected areas like wildlife refuges and national forests and parks. This should include areas that are not listed as Class I under the Clean Air Act such as the Red River Gorge and its Clifty Wilderness.

The impact of additional mercury loading on ecosystems from the significant mercury that will be released by the new power plant should be considered. Additionally, the health impacts from the proposed plant's mercury emissions should be included. RUS should provide a cumulative mercury exposure analysis of all the power plants in the region. RUS should also consider how this mercury pollution, as well as other pollution, disproportionately impacts poor and minority people.

8. THE EIS MUST CONSIDER THE IMPACT OF SOLID WASTE.

RUS should consider coal combustion waste and construction waste in its analysis. This is especially important for the circulating fluidized bed alternative which generates much more solid waste than other coal combustion technologies. Also, the solid waste from a CFB is not capable of being made into a saleable product like at PC and IGCC units. The cumulative impact of the plant's waste and how it will be disposed should be analyzed. This analysis should be

done for all waste, including items from the power plant waste stream, wastewater from the sanitary systems on site and land clearing.

9. THE EIS MUST CONSIDER WATER ISSUES.

The impact of this facility on surface and groundwater that flows near or under the plant during construction and operation must be considered. This includes quantity and quality issues. RUS should undertake a thorough analysis of the various alternatives' impacts on drinking water supplies for communities. This analysis must include examination of water impacts from the lifecycle of the alternatives. That is, if some of the coal may come from mountain top removal mining, the water quality impacts from that mining must be considered. If barge transport is to be used, manipulation of waterways such as the Ohio and Kentucky rivers for barge traffic must be considered. If the coal ash is to be landfilled or put in ponds, that must be considered. For example, an ash pond at a coal-fired power plant in North Georgia was breached several years ago, sending sludge into a river that served as a drinking water source for many people. This is the type of lifecycle water impact from the coal alternative that should be considered and compared to the lifecycle water impacts from true renewables like wind and solar, and demand side management.

10. THE EIS MUST CONSIDER THE IMPACTS FROM MINING

As mentioned in the previous section, water quality and quantity impacts from mountaintop removal mining must be considered. However, RUS should not limit its analysis to this one impact from the extraction portion of the lifecycle of the coal-fired alternatives. Rather, all impacts from coal extraction should be considered and indirect impacts from alternatives involving coal.

11. THE EIS MUST CONSIDER THE IMPACTS OF TRUCK TRAFFIC.

The impacts on communities, including the Trapp school and schoolchildren, of the flow of large trucks hauling supplies and construction materials during construction, plus the potential for a frequent flow of large trucks on small roads hauling coal, lime or limestone and other materials to the new plants must be considered. Economic damage to roads, air pollution from the trucks, as well as quality of life issues from sharing narrow roads with large trucks must be considered.

12. THE EIS MUST CONSIDER IMPACTS FROM SWITCHYARDS AND TRANSMISSION LINES

The cumulative impact of any switchyards and transmission lines that will be required to export off-site the electricity that is produced at the plant must be considered. Impacts that should be considered include the taking of property, impacts to threatened and endangered

species, the use of herbicides to maintain a weed free right of way, impacts to the viewsheds of residents and recreationalists. These impacts should be determined in both physical and psychological terms. Past Environmental Assessments represent inappropriate segmentation of this project and thus do not justify exclusion from the EIS of the analysis of impacts from transmission lines.

13. THE EIS MUST EVALUATE SOCIAL AND ECONOMIC IMPACTS

A. ECONOMIC DEVELOPMENT

RUS should evaluate the economic development opportunities that the various alternatives offer. The current economic status of Eastern Kentucky demonstrates that extracting and burning coal in large centralized power plants is a failure in terms of economic development. The Environmental Impact Statement should consider the economic development that renewables and demand side management would bring to Eastern Kentucky.

B. TRANSIENT POPULATION OF CONSTRUCTION WORKERS

A complete analysis would consider the impact of the hundreds of projected short-term construction jobs will have on the region's ability to serve those employees and their families. This analysis should include the additional needs for multi-lingual education as well as other multi-lingual requirements for healthcare, needed for expanded emergency healthcare and other social services. Additionally, this analysis should include the impact on property taxes to serve an increased transient population of construction workers and their families as well as increased infrastructure to serve short-term needs due to increased transient population and traffic.

14. THE EIS MUST CONSIDER CARBON RISK, CREDIT RISKS AND OTHER RISKS.

A. "CARBON RISK"

Most reasonable people believe that greenhouse gases will be regulated in some fashion in the relatively near future. The head of one of the largest utilities in the country, which used to be known as Cinergy, has acknowledged this fact. RUS must undertake an analysis of how the various alternatives would fair economically if greenhouse gases, including carbon dioxide and nitrous oxide are regulated. In the event that EKPC goes ahead with commencing construction of a coal-fired circulating fluidized bed unit and that unit becomes not financially viable, RUS should consider the impacts from the partial construction of the coal fire units.

B. OTHER RISKS

RUS should also consider other risks that could render a coal fired unit infeasible during or after construction, and how those risks would apply to other options. For example, Duke

Energy has recently admitted that its initial estimate of \$2 billion to build a new coal fired power plant was off by \$1 billion dollars. RUS should consider the risk of construction price escalation (or price decreases) for the various alternatives. An example of price decreases is that in a demand side management alternative that involves LED lighting, it is almost certain that the price of this alternative would decrease with time as LED light bulbs increase in production and make it more into the mainstream.

Similarly, many large construction projects often face delays. Construction delay from the various options should be evaluated. Of course, if a power purchase agreement is considered as an alternative and the power purchase agreement includes financial protection against delay, that protection should be considered in the analysis.

Finally, in addition to greenhouse gas regulation, other regulations will likely be imposed that will increase the cost and efficiency of the fossil fuel (especially coal) alternatives but have no impact on other alternatives. Such regulations include Madison, Clark or Fayette County being designated as nonattainment for PM2.5, or ozone, sulfur dioxide or nitrogen oxides after those NAAQS are revised. RUS should discuss these risks as decision makers and the public have the right to know which alternative is the most conservative.

C. CREDIT RISK

The EIS should also consider EKPC's credit risk. First of all, EKPC has demonstrated through its actions that it is a loan risk based upon a preliminary evaluation of financial reports and a cursory review of environmental liabilities. Significant liabilities exist associated with past and current environmental non-compliance and EKPC's performance is sub-par when compared to financial performance indicators. Even with the more than \$804 million loaned by RUS and the \$650 million loaned by foreign banks since 2002, EKPC generated a net income return of -0.003 percent and -0.002 percent for fiscal years 2005 and 2004 on that loaned money, respectively. EKPC has operated at a significant loss for each of the most recently reported years, even though they have received substantial loans to improve its operating performance.

As described in EKPC's Annual Report (2005), RUS has already loaned EKPC more than \$804 million to complete capital-intensive projects primarily for construction related projects at their power generation facilities at the Spurlock coal-fired plant and the J.K. Smith Station. In addition, significant environmental non-compliance existed in the past and still exists today. The U.S. Environmental Protection Agency has issued Notices of Violations and filed federal court enforcement actions that could result in significant monetary penalties and injunctive relief, further jeopardizing EKPC's ability to pay back the loan. Public interest groups have also challenged several EKPC air permits that may require EKPC to spend money on cleaning up existing units.

When general performance ratios are computed for EKPC, several negative trends are noted. Specifically for 2005, there are substantial negative performance indicators for return on equity (-48%), growth rate on assets (-87%), and return on assets (-3%), and a substantial increase in assessment penalties (\$32 million) was realized. Although EKPC has reported substantial current assets in the form of pollution credits for 2005 (\$4.1 million), those credits

will likely be lost when EPA imposes its air pollution fines in the near future; therefore negatively affecting EKPC's future balance sheet. Long-term debt to maturity is projected to increase almost 150 percent to more than \$145 million in the next five (5) years alone. EKPC has clearly needed borrowed funds for simply maintaining their monthly operating expenses, in addition to the substantial loans made by RUS. EKPC reported in their Annual Report that the Bank of Tokyo and CFC made \$650 million in loans in 2005 because EKPC's general operating profits have not provided enough cash to conduct EKPC's daily operations.

15. THE EIS MUST EVALUATE IMPACTS FROM ELECTRO-MAGNETIC FIELDS (EMF).

EMF and their impact on people who live in or near the path of the proposed transmissions lines, sub-stations and transformers should be thoroughly analyzed for the centralized power plant options.

17. THE EIS MUST CONSIDER FOREST AND WETLAND DESTRUCTION.

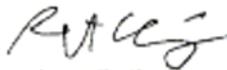
RUS must prepare a complete analysis of forest and wetlands destruction, including the cost and location of mitigation measures for both water recharge and the use of forests as carbon sinks for the transmission lines, pipeline and the power plant.

18. THE EISE MUST INCLUDE AN ANALYSIS OF NOISE.

An analysis of the noise produced during both construction and operation of the fossil fuel alternative and other alternatives should be undertaken, including a complete analysis of the impact to any individual with hearing problems who may reside along or near hearing distance from the power plant and truck routes that will service the plant.

Again, thank you for the opportunity to comment on this scoping process for the BIS and please place us on your official notification list so that we may remain informed as this process advances.

Sincerely,



Robert Ukeiley
Counsel for Sierra Club
and Kentucky Environmental Foundation

November 20, 2006

To: Stephanie A. Strength
USDA Rural Utilities Service

Re: EKPC Proposed Smith Station 278 MW Circulating Fluidized Bed Generating Unit
Projects

Ms. Strength:

I attended the public meeting for the proposed EKPC coal fired power plant in Trapp, Ky and would like to offer the following comments. I am a nurse and I read the newspaper every day.

1. I collected many papers from this meeting but never have come upon any information with the particulars about this plant. Was this information not offered to the public? How are we to comment without it?
2. From discussions with EKPC staff at the meeting, it does not appear that EKPC has considered other options besides burning coal. Other options would likely be cost saving for customers as they would not have to bear the cost of building a new power plant. Energy efficiency and conservation is one option. A second option is to purchase energy from renewables, such as wind or solar, from out of state companies that sell renewables. Both of these options would be cost saving when compared to building a new power plant. These are our tax dollars at work, let's use them wisely!
3. With the current concerns about global warming appearing daily in the media, it is wrongheaded for the federal government to be financing coal fired power plants, which produce massive amounts of CO2 emissions (one of the main global warming gases). This is the 21st century, not the 19th century. Progressive, non-carbon producing technologies are here today. Can we support these technologies financially and encourage EKPC to use them.
4. Health concerns: This region is already borderline on air quality for particulate matter. More coal fired power plants will increase particulate matter rather than decrease these measures. Particulate matter increases the occurrence of asthma, MI's, pulmonary diseases, stroke, in the affected population. I am in the affected population. We must be concerned for our children's health and future, and show this concern by not increasing the number of plants burning.

Thank you for accepting these comments. Please keep me apprised of the progress of this issue.

Patty Draus, padraus@hotmail.com
608 Allen Court
Lexington, Ky 40505

Strength, Stephanie - Washington, DC

From: RAYMOND BARRY [RAY.BARRY@prodigy.net]
Sent: Sunday, November 19, 2006 9:29 PM
To: mailto:stephanie_strength@wdc.usda.gov
Subject: EK Smith Power Generation Facility

To: Stephanie A. Strength

USDA, Rural Utilities Service, Engineering & Environmental Staff

1400 Independence Ave. SW

Mail Stop 1571, Room 2244

Washington, DC 20250-1570

Re: East Kentucky Power Co-op, Inc.

Proposed Smith Station 278-MW Circulating Fluidized Bed Generating Unit
Projects

Dear Ms. Strength:

I believe an EIS should include the study of several key issues:

1. Whether a concerted effort in conservation and efficiency could avoid building the proposed facility at lower cost. Other utilities have found this to be the case.
2. How will the water withdrawn from the Kentucky River impact the water supply for the city of Lexington in time of a drought of record. And what effect will the effluent have on biota of the river.
3. Is the proposed technology really the best available pollution control technology, especially in light of the emerging problem with CO2 emissions.

Please keep me on the mailing list as the project develops.

Thank you.

Ray Barry
3415 Snaffle Rd
Lexington, KY 40513

11/30/2006

10-19-06 Residents discuss impact of new power plant WINCHESTER SUN

by Mike Wynn

Living across from a power plant at J.K. Smith Station at Trapp keeps Pam Winebrenner's eyes open about East Kentucky Power Cooperative's plans to expand. "I think it's a good idea really as far as the economy," she said. "I was just curious about the smoke stacks and the power lines."

Winebrenner was one of about 50 residents who attended a meeting held by East Kentucky Power and the federal Rural Utilities Service Wednesday night at Trapp Elementary School.

The goal of the meeting was to gather information from residents that will assist the RUS in completing an environmental impact statement on EKPC's proposal to build a 278-megawatt generating unit at the plant.

The RUS, which lends money to electric cooperatives for building new facilities, solicited comment on the project's biological, cultural, aesthetic and historical impact as well as the impact on private property. Officials from the RUS compile the information into a single report to be presented at a later date.

"We're helping (the RUS) gather comments, and we're sharing information about the plant," said EKPC spokesman Kevin Osbourn.

The agency also was collecting information on the possibility of a second unit at Smith Station, but cooperative officials said that completing an air permit and environmental impact statement on two units will "prevent a tremendous amount of paperwork should a second unit become necessary in the future."

For more than a year and a half, East Kentucky Power has been having meetings with Trapp residents and public officials to address concerns over the plant's construction.

Some have expressed distress over increased construction traffic on Irvine Road when the project begins, along with the environmental and aesthetic impact of the plant and transmission lines once completed.

Berea resident George Oberst echoed those concerns last night when he registered comments with the RUS over a particular matter.

"(It's) really bad for you, especially if you are a kid. It can actually stunt your limb growth," said the father of three. "I think they would do way better to work on conservation."

Cooperative officials have been defending the plant as one of the cleanest coal-generating units in the nation - one that is critical to voltage support and will provide jobs and boost the economy of Clark County.

"We live in these communities and we meet and exceed all the regulations to protect the public health and welfare," Osbourn said.

East Kentucky Power has filed an air permit application with the Kentucky Division of Air Quality and has obtained a certificate of need from the Kentucky Public Service Commission. The plant is expected to be completed in the summer of 2010.

Meanwhile, residents in the area attempt to stay informed.

"They explain to the public step-by-step what is going on," said Winebrenner. "You just keep an eye on everything."

Strength, Stephanie - Washington, DC

From: Brad Condley [brad.condley@ekpc.coop]
Sent: Friday, October 20, 2006 9:12 AM
To: Strength, Stephanie - Washington, DC
Subject: FW: Scoping Meeting

Hi Stephanie,

Thank you again for all your help and guidance throughout this process. Attached are Joe's comments. So far his are the only ones I have gotten. Mine are below:

- 1) I talked to four or five people who asked why we didn't stress conservation. I suggested they relay their suggestions to you through the form or the internet.
- 2) Also had a woman ask how many children I was willing to kill with the new plant.
- 3) We had two late comers (8:05 to 8:35) come and stress solar water heaters.
- 4) One man, Mr. Vickery, was concerned about metals emissions especially mercury.
- 5) There were two questions about the onsite landfill.
- 6) There were several comments from three different union representatives in support of EKPC and the project.

I stressed to all commenters that they should forward their comments to you and gave out the comment forms.

I will check with Allison and make sure she is getting the attendees list together for you.

Brad

> -----Original Message-----

> From: Joe Settles
> Sent: Thursday, October 19, 2006 2:08 PM
> To: Brad Condley
> Subject: RE: Scoping Meeting

>

> Brad,

> I would characterize the comments I received last night as follows:

>

> 1- One person said they did not like the format of the meeting. They preferred a presentation.

> 2 - One person stated they believed conservation practices would remove the need for the facility.

> 3 - I fielded one question regarding the alternative analysis in the EIS. I was asked if conservation would be documented as an alternative in the EIS.

>

> I told all of the people I spoke with to forward any comments, questions, or concerns related to the proposal to RUS.

>

> Joe

>

> -----



Comments/Questions

U. S. Department of Agriculture, Rural Development,
Utilities Programs (Rural Utilities Service)
Scoping Meeting

Smith Station 278-MW Circulating Fluidized Bed
Generating Unit Project
Trapp Elementary School, Trapp, KY
October 18, 2006

I am very concerned about air and water pollution from coal fired power plants. The coal from strip mines and mountain tops removed and should be into creeks and streams if not cheap or clean. Older power plants emit millions of tons of harmful poisons into our air and water.

Until you demonstrated how you plant on reducing overall pollution and help reduce the destruction of mountains and streams due to coal mining I will strongly oppose any addition coal fired power plants.

Optional: Name: Cleo Collins

Address: Louisville, Ky

If you would like to take this form with you, please mail by Nov. 20, 2006 to:

Stephanie A. Strength
USDA, Rural Utilities Service,
Engineering & Environmental Staff
1400 Independence Ave. SW
Mail Stop 1571, Room 2244
Washington, DC 20250-1570

202-720-0468 or stephanie.strength@wdc.usda.gov

For further information please visit: <http://www.usda.gov/rus/water/ees/eis.htm>



Comments/Questions

U. S. Department of Agriculture, Rural Development,
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Trapp Elementary School, Trapp, KY
October 18, 2006

1st - total emissions released in the US, specially ky must be reduced. If more polluting electric generating plants are closed in lieu of cleaner plants, better than 90% reduction of pollutants, then I would agree with the new facilities. If no closing of older dirtier plants I would be strongly against the new facilities.

2nd - Much more emphasis needs to be made promoting conservation. Incentives would save enormous amounts of electricity and reduce the need for dirty, polluting coal burning plants.

Optional: Name:

David Collins

Address:

Fleming-Mason County

3rd - Alternative "green" energy sources must be supported and promoted aggressively. your present efforts are not nearly enough.

If you would like to take this form with you, please mail by Nov. 20, 2006 to:

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USDA, Rural Utilities Service,
Engineering & Environmental Staff
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Mail Stop 1571, Room 2244
Washington, DC 20250-1570

202-720-0468 or stephanie.strength@wdc.usda.gov

For further information please visit: <http://www.usda.gov/rus/water/ees/eis.htm>

4th I would be willing to pay more for electricity if your plants would guarantee the coal use. I wish I met your mining top removal techniques and other destructive mining which is illegal if the laws were enforced.



Comments/Questions

U. S. Department of Agriculture, Rural Development,
Utilities Programs (Rural Utilities Service)
Scoping Meeting

Smith Station 278-MW Circulating Fluidized Bed
Generating Unit Project
Trapp Elementary School, Trapp, KY
October 18, 2006

10-25-06

WE SHOULD THINK MORE ABOUT SAVING
OUR EARTH FROM POLLUTION. THIS PROJECT
SHOULD BE MORE INTERESTED IN
ENVIRONMENTAL WAYS TO PRODUCE
ELECTRICITY SUCH AS WIND POWER, SOLAR
POWER. IF WE DON'T, WE WILL NOT
NEED ELECTRICITY BECAUSE EARTH WILL BE TO
Optional: Name: Bobbie W. Smith POLLUTED TO LIVE ON.

Address: 7 RAINTREE PLACE

If you would like to take this form with you, please mail by Nov. 20, 2006 to:

Stephanie A. Strength
USDA, Rural Utilities Service,
Engineering & Environmental Staff
1400 Independence Ave. SW
Mail Stop 1571, Room 2244
Washington, DC 20250-1570

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Comments/Questions

U. S. Department of Agriculture, Rural Development,
Utilities Programs (Rural Utilities Service)
Scoping Meeting

Smith Station 278-MW Circulating Fluidized Bed
Generating Unit Project
Trapp Elementary School, Trapp, KY
October 18, 2006

*I am against the coal burning plants
at Smith Station. I would like to see
them and the United States as a whole embrace
renewable energy such as wind power, and
also begin to conserve energy.*

Optional: Name: *Les Preston*

Address: *1050 Ferry Rd.
Winchester, KY. 40391*

If you would like to take this form with you, please mail by Nov. 20, 2006 to:

Stephanie A. Strength
USDA, Rural Utilities Service,
Engineering & Environmental Staff
1400 Independence Ave. SW
Mail Stop 1571, Room 2244
Washington, DC 20250-1570

202-720-0468 or stephanie.strength@wdc.usda.gov

For further information please visit: <http://www.usda.gov/rus/water/ees/eis.htm>

Strength, Stephanie - Washington, DC

From: Curtis Jones [arlobrindle@yahoo.com]
Sent: Monday, October 23, 2006 9:03 AM
To: Strength, Stephanie - Washington, DC
Subject: written comment regarding proposed EKPC power plant at J. K. Smith Plant site in Clark County, Kentucky

October 23, 2006

Dear Ms. Strength:

Elected officials at local, state, and federal levels of government and EKPC representatives and their public relations firm have responded to many of the concerns voiced by the citizenry concerning the proposed power plant. One concern that I continue to have is that the transportation infrastructure currently in place will not sufficiently support construction of the power plant without consequences for citizens using Route 89, a two-lane highway that carries local commuters, children on school buses, and farmers on slow-moving farm equipment.

With the addition of hundreds of daily construction workers and large trucks moving construction-related materials to and from the power plant site, the highway is clearly a concern. I believe EKPC has noted that if construction is delayed until issues with the highway are resolved, a shortage of electricity and higher energy costs will result.

How should citizens weigh higher energy costs/energy shortages against a higher vehicular accident risk on Route 89?

Sincerely,
Lisa Collins
145 River Bend Lane
Winchester, KY 40391

PROBLEMS TO ASK ABOUT:

EAST KENTUCKY POWER COOPERATIVE (EKPC) IS PROPOSING TWO HUGE NEW COAL BURNING POWER PLANTS

Technically described as circulating fluidized bed (CFBs) boiler units totaling 556 megawatts.

COST: About \$1 BILLION dollars

1. LOCAL AIR POLLUTION:



Violates Fed Govt - plant emissions

Madison County and Fayette county both violated the federal health based air quality standard for fine particulate matter in 2005. Coal fired power plants are one of the biggest contributors to fine particulate matter.

Kentucky already has some of the highest per capita deaths from power plant pollution in the nation.

Fine particulate matter causes a variety of health problems including decreased lung development in children 10 to 18, heart attacks, lung cancer and premature mortality aka death.

2. MOUNTAIN TOP REMOVAL

EKPC proposed coal reserves?

CFB boilers require more coal per unit of energy produced than two other available technologies, IGCC or high temperature (ultra-super critical) pulverized coal boilers. AEP is moving forward with IGCC units nearby in Ohio and West Virginia. WHY ISN'T EAST KENTUCKY POWER USING the MODERN TECHNOLOGY THAT REDUCES THE AMOUNT OF COAL BURNED?

3. HIGHWAY SAFETY AND MAINTENANCE



Coal (any truck not transport?)

Increased traffic from coal trucks will impact the safety and maintenance costs of local roads.

Coal trucks in Kentucky are allowed to haul up to 126,000 lbs while every other commercial truck in the state may only haul up to 80,000 lbs. The increased coal truck traffic will be a safety hazard for local traffic and school busses. Also the increase in coal truck traffic will increase local road maintenance costs.

4. TRANSMISSION LINES TAKING PEOPLE'S LAND BY EMINENT DOMAIN

New coal burning power plants need additional transmission lines for the electricity they send out. The alternatives, efficiency and renewables decrease the need for transmission lines that often are built by taking people's land by eminent domain.

(note transmission)

5. TRANSIENT POPULATION OF CONSTRUCTION WORKERS:

What will be the impact of hundreds of transient construction workers on this region? Who will pay for the additional needs for multi-lingual education and multi-lingual healthcare needs in the area?. What will be the impact on property taxes to serve an increased transient population of construction workers and their families, and the increased infrastructure needs due to increased transient population and traffic?

6. WHY NOT BETTER ALTERNATIVE SOLUTIONS?

Efficiency:

The cheapest kilowatt of energy is the one that is never generated. Efficiency is particularly easy to achieve in Kentucky because we are so inefficient. Kentucky's average per capita electric consumption is around 1000 kilowatt-hours (kwh) per month and the national average is around 600 kwh. Just bringing Kentucky up to the national average would cut needed generation by 40%.

Good example, Berea Coffee And Tea just switched all its light bulbs to CFLs. It saves approximately 4,800 Kwh of electricity, and \$240 per year by using efficient lighting.

Why isn't East Kentucky Power spending more money on these types of efficiency programs? *-EKPC does not have any programs*

EKPC could easily reduce 556 MW of demand at less cost with efficiency rather than gambling \$1 billion building this plant. And installing efficiency equipment creates good jobs.

Renewables:

There is over 2000 Megawatts of utility scale wind farms existing or proposed in Kentucky's neighboring states, Illinois, Indiana, Ohio, Tennessee and West Virginia. EKPC could purchase hundreds of megawatts of wind power from the surrounding states. Windpower always has free fuel, and no pollution.

Study after study has shown that a utility can have up to 20% of its electricity from a predictable intermittent source such as wind without any difficulties.

Solar hot water is highly cost effective for rural utilities such as the ones EKPC services. This is especially true now with the 30% federal tax credit.

Renewable energy creates more jobs per amount of energy than fossil fuels and these tend to be good paying jobs.

7. GLOBAL WARMING

BURNING COAL CREATES A LOT OF GLOBAL WARMING POLLUTION. WHY NOT THE ALTERNATIVES?

CFB units put out more greenhouse gases than more modern IGCC or ultra-supercritical pulverized coal boilers or even old fashion pulverized coal boilers because they have high emissions of nitrous oxide (yes, laughing gas) which is a much more potent greenhouse gas than carbon dioxide.

USDA, Rural Utilities Service

EXECUTIVE OVERVIEW

The East Kentucky Power Cooperative (EKPC) has proposed to build a \$500 Million Dollar +++ power generation plant in Trapp, Kentucky. Within the past 30 days, State Representative Don Pasley stated that EKPC is going to build a second plant and that the total construction phase was estimated to be approximately 6 – 7 years. Please see Attachment # 1, a document used for presentations that describes the anticipated problems, by category. The problems still exist today. Please note: Notwithstanding all of the problems and whispers of funding...there is NO plan nor intent to upgrade Irvine Rd. before construction of the plant.

During the first part of 2005, EKPC conducted a community meeting. During that meeting, community concerns were identified and tabulated by a process permitting everyone present to “vote” on their major concerns. There were 42 votes indicating Air Quality was a concern; and there were 50 votes indicating Traffic/Roads/Other Environmental Concerns. There were approximately 50 people attending the meeting. Later the EKPC Community Advisory Group was formed. I was elected a Co Chairman. And, I resigned in July 2005.

The “air quality” issue has been mostly accepted by the community since EKPC proved that they are using state of the art technology in building a coal fired plant. Also, the people recognize that there isn’t anything that they can do about the problem, anyway. The traffic/roads/other environmental concerns have never been resolved but privately people are scared for their safety.

The main approximate 10 mile long road leading to the plant is an old country road called Irvine Road. Over the years, the road has been improved in places. A person can drive along the road and experience a “funneling” effect, i.e., the lanes of the road vary from approximately 10’ wide to 8.5’ wide reflecting the haphazard repair of the road. In most places there is no shoulder.

In many places especially where the lanes are 8.5 – 9 feet or less, an attempt has been made to widen the road by a foot or less by simply placing a few inches of asphalt and compressing. The asphalt has now cracked, and when driven on poses a significant “whipping” action, especially by large trucks/trailers.

Again, in many, many places, at the edge of the paved road is a hillside, a drop off directly into ravines, or a metal guard rail. And, in the case of 2 concrete bridges, each 20’ wide (total) with concrete railings, there is simply no way to avoid major collision problems. According to a plaque on the bridges, they were constructed in 1930 and rated for 15 tons.

USDA, Rural Utilities Service

Page 2

In most places, there are no shoulders for emergency or any type of parking...simply a narrow road. There is no safe place to go. Please see Attachment # 2 that illustrates a very, very small part of the problem. And, that picture shows some of the better road.

There is one curve so badly constructed that a tractor/trailer semi pulling a trailer must cross over at least 3 feet into the on coming lane simply to negotiate the truck/trailer around the curve.

On one side of the curve, against the south bound lane is a steep hillside. The north bound side of the curve is an 8.5' lane directly against a guard rail. And, there is a white inhabited house about 75' from the edge of the road that would (will) be easily hit by trucks/cars knocked off the road.

Additionally, there are two concrete bridges, i.e., one is 50' long; the other bridge is 150' long. Each bridge is 20' wide...concrete to concrete. Trucks are 10' 3" wide. There is no shoulder. Both bridges have embedded brass plaques which read: Kentucky Division of Highways 1930 Rated 15 tons. Trucks now carry 40 ++ tons.

Approximately 2 miles south of Winchester there are at least 3 culverts that appear to have been constructed during the time of the bridges. Concrete coloring and deterioration suggest the age.

However, because the road is an old farm road and the culverts near town, I suspect the culverts are closer to 150 years old and will collapse under constant use by heavy trucks if left unimproved.

Winchester became a town in 1793, about 213 years ago. That old farm road was used at that time by farmers to bring their produce to town...as the farmers do today. According to an engineer from the Kentucky Transportation Cabinet, the road has never even been surveyed.

Also, a recently completed 4 lane highway called "The North By pass" dead ends at Irvine Road, that same old two lane country road without even a tri light signal at the intersection. Yet, literally thousands of trucks/cars will be trying to access the main road leading to the plant, i.e., Irvine Road.

Over the last 4 years, there have been reported over 55 accidents and several deaths along that stretch of roadway leading from Winchester to the entrance to the power plant. I personally know of 9 unreported accidents, 6 of them occurred at the junction of the North By Pass and Route 89. And, it would be a guess to simply provide a number for unreported accidents, but it would be very high.

USDA, Rural Delivery Service
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An additional issue that must be considered involves the railroad. EKPC intends to haul in by train as much materials, supplies and coal as it reasonably can. There are two railroad bridges within 3 miles of the power plant. Also, there are many others.

And, when...please note I said "when", not "if" one of those railroad bridges collapse all of the materials previously hauled by rail will now also be trucked along Irvine Road...hundreds of additional trucks a day! Those bridges are easily in excess of 100 years old, and possibly much older since the town of Winchester had train access approximately 150 years ago. Please note that one of those bridges is about 125' high; the other bridge is an easy 400' high. And, those deteriorating bridges do "sway" when the trains cross.

Currently, there are at least two train bridges in serious state of disrepair. Rivets are missing from the metal frames that represent the infrastructure/frame for the bridge, concrete is crumbling from the foundations supporting the infrastructure and the blocks of wood that provide cushioning for the entire bridge have been rotting and chipping away since original construction. Pictures were taken in 2005.

Moving and deep water action from the seasonal swift moving creek has washed away large portions of the soil around the actual foundation for the bridges, and continues to do so with each rain season. When one of those bridges collapse the materials previously hauled by trains will now be hauled by truck along an old, unimproved country road.

Attachment # 1 is a copy of oral and visual presentation material titled "Trapp Plant Transportation Challenges." Please note the following words and phrases are listed in several places on different pages/slides: Lane and shoulder width, Curves and hills, Current and future traffic volumes, Bridge loads, Impacts to people and businesses, Impacts to natural environments, etc., etc., etc. Also, please bear in mind that those "Trapp Plant Transportation Challenges" are still alive and well.

On June 12, 2006, I prepared an 8 page "Open Letter to the People of Clark County. A courtesy copy was given to EKPC. And, within about 3 weeks, the EKPC held a meeting. During that meeting, comparative traffic accident statistics were discussed comparing traffic accident rates from two other local highways to the traffic accident and death rate on Irvine Road. And, there was no mention of a virtually over night projected increase of 1200 - 1400 % in traffic on an old, unimproved country road. HELLO !

The message in news paper print specifically stated "Route 89 is as safe as any other Kentucky road." Yeah, right ! Please take another look at Attachment # 1.

USDA, Rural Delivery Service

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Obviously, the local newspaper, The Winchester Sun, had been invited to attend the meeting. The newspaper article indicated that this information was being released because of "recent concerns" expressed over the safety of Route 89....and, those concerns were not identified...HELLO, again !

Attachment # 3 illustrates the "political" state of mind of a senior county official immediately after an accident involving a truck hauling potash for the EKPC. This official states "...truck hauling fly ash not at fault." He was merely attempting to ameliorate the situation and cause no harm to the on going efforts to build the plant. There are many other instances where Irvine Road has been declared "safe" by a public official. And, those are other reasons why the USDA must conduct it's own investigation. The USDA must be proactive!!!

During the late summer 2006, Kentucky State Representative Don Pasley and Senator R.J. Palmer reported to the people of Clark County that approximately "\$28 Million in Road Improvements Revealed in Recent Transportation Study." Fifteen (15) Million of that was to upgrade Irvine Rd. That was great news until questions are asked and answered: There is no plan to upgrade the road before the plant starts construction in the summer of 2007. That plan is a \$15Million dollar carrot on a six year stick!

On October 16, 2006, Representative Pasley informed me that EKPC was NOW going to construct not one but two power plants and that construction would continue for approximately 6 – 7 years. I specifically asked Mr. Pasley "Will Route 89 be upgraded before the start of construction?" Mr. Pasley said "NO."

Irvine Road is an old country road. The lanes are 8.5' – 9' wide with hillsides against the lanes; steep drop offs to ravines on one side of the road, guard rails or hillsides on the other side of the road. There are few shoulders.

According to EKPC's own estimates there will be thousands of truck/trailer/semis traveling the road. And, EKPC has a tendency to underestimate unless it is to their benefit. The current vehicle count is approximately 125 vehicles a day. When construction of the plant starts, almost over night, the vehicle count will increase to approximately 1200 – 1400 a day. There will be 900 employees. The construction period is now estimated to be 6 – 7 years.

Those big trucks are 8.5 feet wide measuring the rear tires outside to outside; and 10 feet 3-6 inches + wide... mirror to mirror. Custom stacks are wider. No one, yet, has been able to explain how a truck measuring over 10 feet 3" wide, carrying a 40 +++ ton load can safely travel and pass other trucks on a lane that is 8.5 – 9 feet wide with crumbling roadway edges and on concrete bridges rated for 15 ton! And, shoulders are few and far between. Interstate highways have 12' lanes, with shoulders,

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Against those measurements and estimated number of vehicles, please consider approximately 1200 – 1400 trucks, cars, etc. traveling back and forth, each day on an old unimproved country road:

...school busses traveling the road at least 2 times a day...picking up and dropping off children. School busses are approximately 10' wide...mirror to mirror.
...postal deliveries on both sides of the road...stopping in a traffic lane at mail boxes along both sides of the road, daily
...farm tractors traveling the road hauling hay or farm implements, daily
...news paper deliveries on both sides of the road...stopping in a traffic lane at mail boxes, daily (2 different papers)
...trash pick up on a weekly basis (the trucks stop in a traffic lane for pick up)
...residents stopping in traffic lanes preparing to make a turn (right or left) into their driveways.
...trucks/trailers on snow, ice, heavy rain and thru thick fog (50" yearly rainfall)
...asphalt lanes not properly paved. No crown...water accumulates...hydroplaning.
...emergency vehicles attempting to respond to an emergency but will NOT be able to reasonably do so. Remember, traffic will be going in both directions, lanes are narrow and there are few shoulders. Vehicles can't pull to the side of the road to allow emergency vehicles to pass. Vehicles will simply stop in the lanes. And, emergency vehicles can't drive on the opposite of the road because on coming vehicles have no place to go. They don't have roadway shoulders, either.
...increased patrolling by the local police will not work because of the heavy traffic.
...the speed limit can be reduced, but not enforced BUT the lanes are still narrow,
...there are ONLY 6 deputies, county wide, that provide law enforcement services in the entire county. Irvine Road is about 99% in the sheriff's jurisdiction. Currently, the Sheriff's Office is not staffed 24/7/365. They don't have the people. And, motor cycles and helicopters are not feasible. They don't have the money for that, either.

Even if police were to park along side the road and spot a "murder suspect" or even a traffic violator, the chances are simply excellent that the suspect would elude capture because the police cannot pass traffic because of the congestion in both directions. And, the shoulders are few and far between.

I can provide additional verifiable information regarding deliberate efforts by EKPC, our local and state elected and a few community leaders to sway public opinion regarding the need to upgrade Irvine Road. Even the local newspaper will not print anything, even the truth, if it interferes with the effort of getting jobs, enhancing the local tax base and building a power plant. And, yet there is nothing that would be accomplished by pointing the finger of blame.

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Yet, on October 18, 2006, I did hear the CEO, EKPC, Mr. Roy Palk speak before an audience of local, state political and community leaders of the need to “upgrade an old country road.”

My ONLY objective is to get the road up graded so that the people can get jobs and EKPC can build their plant without killing and injuring hundreds of people.

As previously mentioned, there is an understandable “job and revenue” mentality among community members. No one wants to do ANYTHING to delay or prevent someone else from getting a job. Kentucky is a poor state. And, poor people have poor ways. EKPC wants to get the plant up and running as soon as possible. They don’t want delays. The State of Kentucky does not want to pay for the upgrade of a road. The community at large is simply scared to death and believes that there isn’t anything that they can do. Therein lies a major part of the dilemma.

Please see Attachment # 4 for a representative sample, TODAY, of community concerns regarding trucks along Irvine Road. Please read each word...volumes are communicated by others. Please extrapolate those thoughts to thousands of trucks measuring 10’ 3” + wide traveling a road 8.5 – 9’ wide for the next 6/7 years.

The aforementioned condensed information is provided to illustrate the absolute and unnecessary complexity involved in saving lives, preventing injuries and economic loss. Why must we wait for a truly tragic on going series of accidents to occur before something is done about the problems.

EKPC must not be permitted to build a power generation plant in Trapp, Kentucky until the main road leading to the entrance of their plant is upgraded.

And, it is also requested that this information be provided to any other federal agency involved with approval or over site authority of EKPC efforts to build that plant.

Additionally, I have approximately 4 pounds of materials measuring 4” high that I will share. The information includes letters to the Governor of Kentucky, Kentucky Transportation Cabinet personnel, local and state political leaders, news papers, etc. For ease of reading, I did not include that material in this Overview. The information is available upon request.

Lastly, I reluctantly provide some personal information so that the reader may see that I am not a “loose cannon.” I speak from a platform of education, training and especially experience.

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I retired after 27 years with the Los Angeles Police Department (LAPD) and returned to my home state. Very early in my career, I investigated over 1200 traffic accidents. I also investigated many accidents on the freeways (interstate highways) for 1.5 years with the designation of "Freeway Traffic Car."

The last 5 years with the LAPD, I was a Detective Commanding Officer with a staff of 75 detectives servicing a 350,000 population base and investigating 22,000 major crimes a year. Approximately 400 homicides were also investigated under my command.

Prior to becoming a detective commander, I was the only person for 2.5 years preparing security, including traffic, for the City of Los Angeles for the 1984 Olympics. For 5 years, I was the number 2 man in planning all Olympic security for the City, including traffic. Additionally, I was the Chairman, Training Sub Committee preparing training for over 40 local, state and federal agencies, including traffic. I was the Coordinator, Olympic Security Coordination Center coordinating the activities, including traffic, of over 40 local, state and federal agencies. My responsibility also included over sight authority of exterior security measures, including traffic, of both Olympic Villages at USC and UCLA. There is more but sufficient to conclude that I have the expertise to form an accurate opinion.

The aforementioned information is ONLY presented to enable the reader to truly believe that I am not without credibility when I share with you the following statement: NEVER, NEVER, NEVER have I been witness to an evolving situation that clearly reveals an impending on going disaster in the making. And, it is preventable! Why must we wait for something tragic to happen before corrective measures are taken?

For me, this is not a political issue. This is not an issue of Democrats vs Republicans. It is not an issue of personalities. It is an issue involving the safety of many people of our community. Many, many lives are at stake!

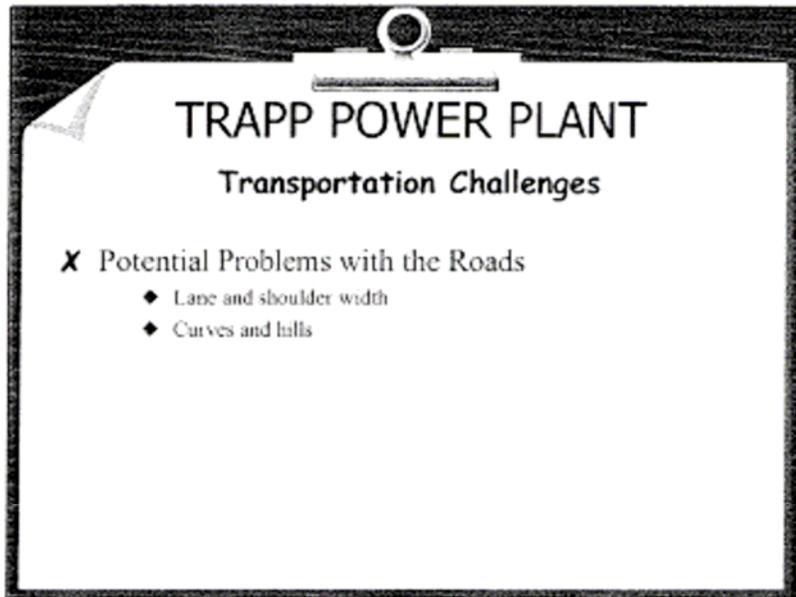
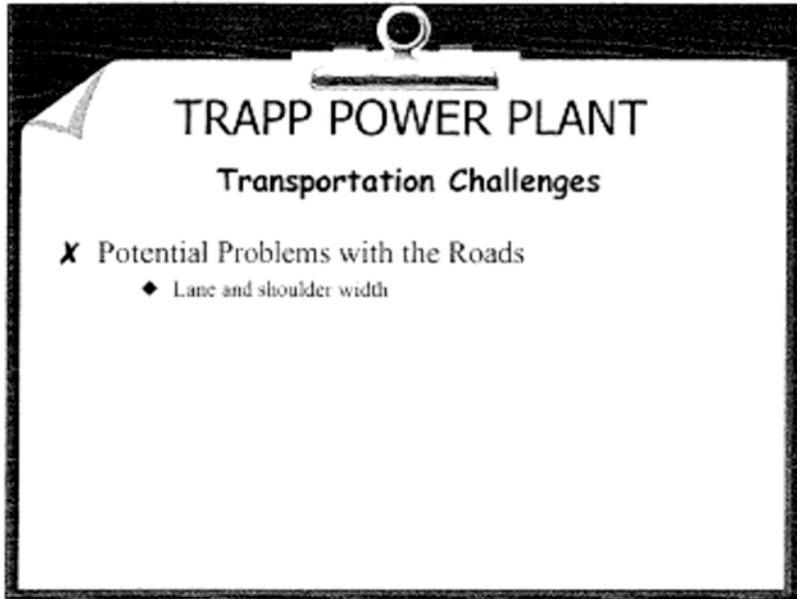
My life has been spent helping others...and that is my ONLY objective in preparing this material and other information over the past 1.75 years. Should you require any advice or assistance, I will be pleased to help.

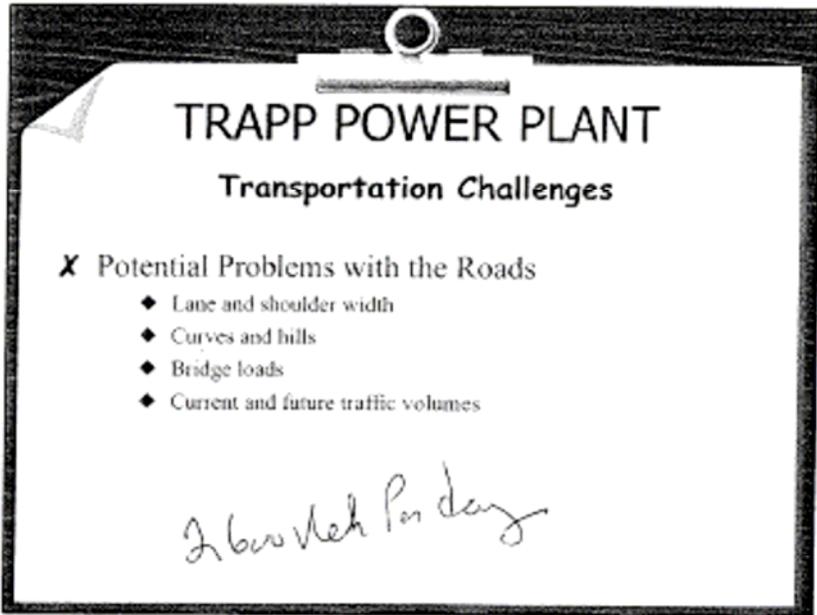
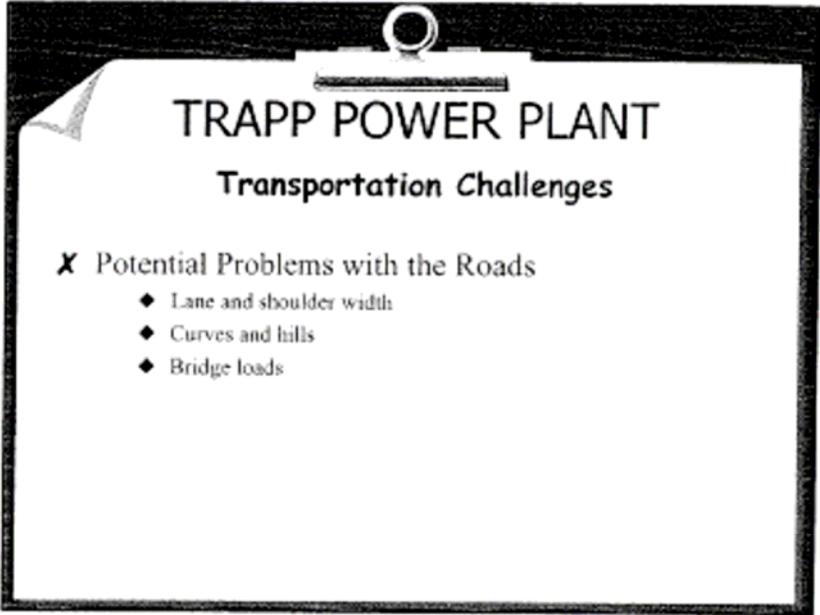
Respectfully submitted

Nick Bakay
Winchester, Ky.



Attachment # 1





TRAPP POWER PLANT
Transportation Challenges

X Potential Problems with the Roads

- ◆ Lane and shoulder width
- ◆ Curves and hills
- ◆ Bridge loads
- ◆ Current and future traffic volumes
- ◆ Impacts to people and businesses

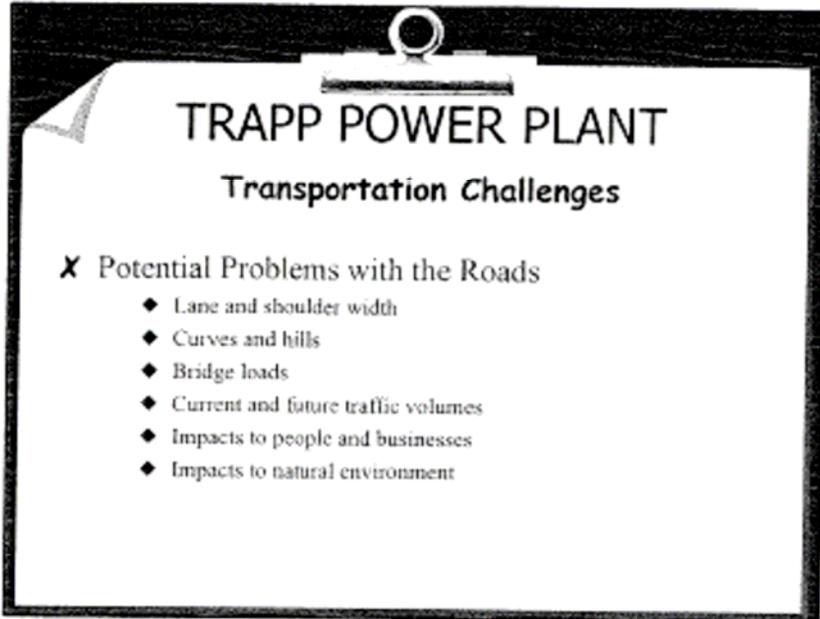
*See
Traffic
Count*

TRAPP POWER PLANT
Transportation Challenges

X Potential Problems with the Roads

- ◆ Lane and shoulder width
- ◆ Curves and hills
- ◆ Bridge loads
- ◆ Current and future traffic volumes
- ◆ Impacts to people and businesses
 - Residential and business relocation
 - Noise
 - Air quality
 - Historic structures

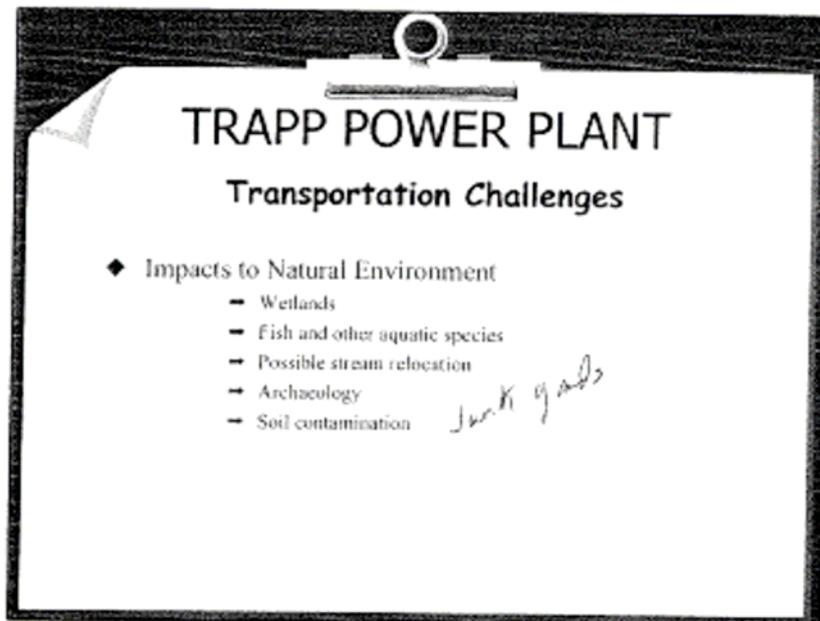
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6 or 8y*



TRAPP POWER PLANT
Transportation Challenges

X Potential Problems with the Roads

- ◆ Lane and shoulder width
- ◆ Curves and hills
- ◆ Bridge loads
- ◆ Current and future traffic volumes
- ◆ Impacts to people and businesses
- ◆ Impacts to natural environment

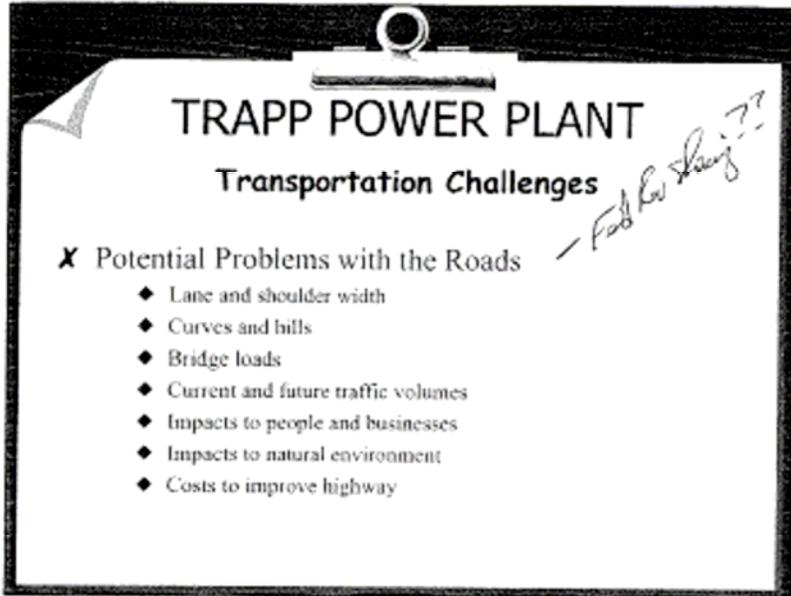


TRAPP POWER PLANT
Transportation Challenges

◆ **Impacts to Natural Environment**

- Wetlands
- Fish and other aquatic species
- Possible stream relocation
- Archaeology
- Soil contamination

Junk yards

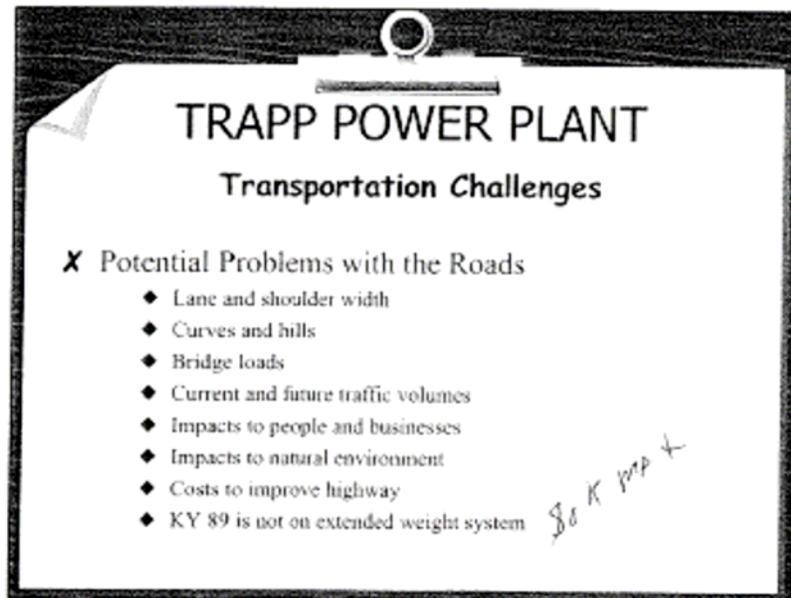


TRAPP POWER PLANT
Transportation Challenges

- Fall for sharing??

X Potential Problems with the Roads

- ◆ Lane and shoulder width
- ◆ Curves and hills
- ◆ Bridge loads
- ◆ Current and future traffic volumes
- ◆ Impacts to people and businesses
- ◆ Impacts to natural environment
- ◆ Costs to improve highway



TRAPP POWER PLANT
Transportation Challenges

X Potential Problems with the Roads

- ◆ Lane and shoulder width
- ◆ Curves and hills
- ◆ Bridge loads
- ◆ Current and future traffic volumes
- ◆ Impacts to people and businesses
- ◆ Impacts to natural environment
- ◆ Costs to improve highway
- ◆ KY 89 is not on extended weight system

So K map x

Truck overturns on Road Wednesday

Increased traffic enforcement needed

Attachment # 2

Story and photos by
Sun Staff Writer Tim Weldon



TOP PHOTO: Leonard S. Thomas Jr. drove a truck, top photo, hauling fly ash on the Irvine Road Wednesday afternoon. Less than five minutes after the photograph was taken, Thomas's truck crashed at a bridge over Howard's Creek. Clark County Judge/Executive John Myers says he is concerned about truck drivers speeding and driving recklessly on the Irvine Road, and is asking for a meeting of law enforcement agencies, state lawmakers and representatives from East Kentucky Power Cooperative and Carpenter Trucking to discuss the situation.

ABOVE: The overturned dump truck sits at the bottom of a hill after crashing through the wall of a bridge over Howard's Creek. The truck spilled tons of fly ash, a non-hazardous byproduct of burning coal. Clean-up crews set up a special fence next to the creek to prevent any of the ash from getting into the water. The truck's driver was not injured in the crash.

Saturday-Sunday July 9-10, 2005

A. Ashworth #3

Weather outlook
tonight's low 63
Sunday's high 91

THE SUN

Clark County, Kentucky's source for news

www.winchestersun.com



Seniors play return to softball

14 pages, 5

Dump truck, vehicle collide in Washington; 2 injured

Myers says truck hauling fly ash not at fault

By MIKE WYNN
Staff Writer
Two women were transported to Clark Regional Medical Center Friday after a collision with a 2-ton dump truck sent their car spinning nearly 180 degrees across the center lane on East Washington Street.
The driver of the car, Mary E. Early, 19, and a passenger, Julia Barry, 21, both of 2346 Colby

Road, each sustained injuries. The truck driver did not report any injuries. CRMC would not release the two women's conditions today due to HIPAA (Health Insurance Portability & Accountability Act) regulations. Winchester police said the driver of the car pulled out in front of the truck — which was on route with a load of fly ash to East Kentucky Power Cooper-

ative's J.K. Smith Station — at the Washington/ Franklin Avenue intersection around 12:40 p.m.
The truck, owned by Carpenter Trucking Co., Annville, was traveling eastbound when the car turned across the lane, police said. The collision caused the car to spin around and strike another.

See WRECK, A3



(Sun photo) A car driven by Mary E. Early, 2346 Colby Road, was smashed Friday p.m. on East Washington Street after a collision with a 12-ton dump truck hauling fly ash to the J.K. Smith Station. Early, 19, and a passenger Barry, 21, were both transported to Clark Regional Medical Center for li

Attachment # 9

Trucks making travel dangerous

To The Sun:

I have serious concerns about the potential of an accident on Highway 89. I have to use this route to go to work/home daily.

I dread meeting the big dump trucks during my drive home. (Coming from the Trapp area.) Has anyone other than myself noticed how fast these trucks are going?

On a recent Friday I "met" seven trucks on my short route, and three out of seven were across the yellow line, all seemed to be going at a high rate of speed and they are almost always right on the bumper of anyone unfortunate enough to be ahead of them. These drivers could never stop in time if the need arose ... someone's life is at risk here daily! Please, please ... If you drive one of these trucks, heed your own advice: "Stay back 500 feet!"

And, for Pete's sake, SLOW DOWN! Your life, and mine may depend on it!

Thanks,
Donna Hughes
E-mail submission

Large trucks need monitoring

To The Sun:

In regards to the letter that appeared in the May 31 Sun about the dump trucks on KY 89 (Irvine Road), I would like to say a big thank you.

I've had the same problems numerous times. When I have called the sheriff's dispatcher to ask for more sheriff's presence, they ask for the name on the truck and/or license number.

This is impossible when you're trying to dodge the big trucks that are about to run you off the road.

Please get some law enforcement out there to monitor these big trucks that ride the center line.

Fritz Jacobs
E-mail submission

Nick Bakay
355 Rector Lane
Winchester, Kentucky, 40391
LAPD11188@Yahoo.com

Nov 11, 2006

Ms. Stephanie A. Strength
USDA, Rural Utilities Service
1400 Independence Ave. S/W
Mail Stop 1571, Room 2244
Washington, D.C. 20250-1570

Dear Ms. Strength

It was indeed a pleasure meeting you during your recent trip to Trapp, Ky. And, a special thanks for giving me the opportunity to provide information and comments that should be beneficial in your analysis of the East Kentucky Power Cooperative (EKPC) request to build a power generation plant in our community.

I am providing my comments to you...pleading for your help! This is not an over statement to get your attention. This is a FACT!

It is respectfully recommended in the strongest language possible that EKPC NOT be given any form of approval or support to construct a power plant until issues of safety for human life are addressed and corrected by the State of Kentucky.

At the outset, I want to apprise you of a very important personal issue. I am not opposed to the construction of the plant notwithstanding the fact that I own one of about 3 farms that overlook the entire existing and proposed plant.

Ms. Strength, the people of our community / state NEED those jobs. We may even need the electricity in the future. However, there are major issues pertaining to life and death along the main 10 mile unimproved stretch of an old country road called Washington St./Route 89 / Irvine Road leading to the plant herein after simply referred to as Irvine Road.

Before I share FACTS regarding that old country road, I ask that you please keep this ONE thought in mind as you progress reading from issue to issue.

After the terrorism attack upon our country at the Twin Towers in New York, a committee was formed to investigate the circumstances surrounding that event. No ma'am, I am not comparing that despicable incident with construction of a power generation plant. But I am comparing the mentality of some local, state, community and political leaders when it comes to plainly seeing a disaster in the making contrasted to envisioning large future employment, property tax and business revenues as soon as they can get them!!!

Ms. Stephanie A. Strength
Page 2

The 9/11 Commission Report and the Executive Overview states "Across the government, there were failures of imagination, policy, capabilities, and management.....The most important failure was one of imagination..."

The "imagination thingy" is alive and well in this part of Kentucky including Frankfort, our capitol. Of course, we don't have that problem in Washington! (g) And, for the last 1.5 years, I have done everything in my power to communicate FACTUAL concerns. And, I have not been successful. An overview of those concerns with a few attachments will be provided in your Executive Overview.

Notwithstanding what you may have been told there is NO plan to update that old country road before the proposed summer 2007 start of construction.

Lastly, it is strongly recommended that you and your staff return to the Winchester, Kentucky area. Please bring your own experts, tape measures, cameras and conduct your own independent investigation. You CANNOT reliably depend on community nor EKPC input simply because people want those jobs ASAP...and no delays. EKPC wants the plant constructed...no delays...the city, county and state want the tax revenues...no delays. The wonderful people in Kentucky simply cannot see the potential for a disaster. And, they deserve better! Why must we wait for that disaster?

Again, after reading, please ignore the information that I provided to you. You and your staff must return to Kentucky and conduct your own investigation...ride in a big truck, school bus, a SUV, a pick up truck on Irvine Rd. Talk to the drivers. See for your self. Form your opinions and recommendations, then and only then.

People, here, can't see beyond a job opportunity and enhancements to the local tax base, quickly! And, EKPC can't see beyond getting the plant constructed without further delays. My life has been spent helping other people and that is my ONLY concern!

Should you require any advice or assistance, I will be pleased to help.

And, I am pleading for your help for our people! You must save us from ourselves. And if, in fact it is true, the first obligation of our Government is to protect the people, then there should be few, if any problems, in helping us.

Thank you and respectfully submitted.

Nick Bakay
Winchester, Ky.



Strength, Stephanie - Washington, DC

From: Brad Condley [brad.condley@ekpc.coop]
Sent: Tuesday, October 31, 2006 9:21 AM
To: Strength, Stephanie - Washington, DC
Subject: FW: Scoping Meeting

> Subject: FW: Scoping Meeting
>
> Good morning Stephanie,
>
> Here are comments from Larry Morris.
>
> Is there anything I can be doing to assist you. I've also included some info on Ramsey's Draft.
>
> About the Wilderness
> In the 1980's, Congress designated the Ramsey's Draft Wilderness to preserve a deeply wooded valley whose upper reaches contain one of the last tracts of virgin timber in the State of Virginia. Up the right prong of the Ramsey's Draft, along a small hollow, stand stately hemlocks that have never seen the bite of the lumberman's axe. A number of these trees started as sprouts just as Columbus was discovering the Americas in 1492. I had the opportunity to count the rings on one sawed hemlock that had fallen across the trail. The tree was over 450 years old.
> There aren't many places left along the east coast of North America where you can experience what the Appalachians were like before the hand of man passed over the mountains. This is one of those special places. It's worth seeing at least once in your lifetime.
> Don't wait too long. The wooly adelgid is continuing its march south, and the quiet giants of Ramsey's Draft will fall, as will all the other hemlocks in the Mid- Atlantic region. Hemlock mortality from this imported pest is 100%. The few tiny stands of virgin hemlock in Shenandoah National Park, some 35 air miles to the east, are about 80% gone in 1995. It's only a matter of time before the giant trees of Ramsey's Draft are discovered. See the virgin timber while you can. It won't be around for your grandchildren.
> Fortunately, the area offers much more than the virgin trees. The entire Ramsey's Draft valley is quite beautiful, and the mountain ridges that ring the valley are secluded and wild. The handful of views from Shenandoah Mountain, which forms the western edge of this Wilderness, reveal ridge after ridge of mountains marching off to the horizon. What better location to get a sense of "being in the mountains".
> The Ramsey Draft stream-bed was altered significantly during the great 1985 floods, when the remnants of hurricane Juan dumped 7-inches of rain on the area. What had been a small, meandering stream through a deeply wooded valley became a raging torrent - ripping up trees and washing away numerous sections of the railroad grade that followed in a relatively straight line up the five-mile long valley. Today, the stream is open, with gravel and boulders forming its banks. It's not like it used to be, but it's still a beautiful stream.
> The woods up the valley are deep, dark, and beautiful, with many large trees interspersed among smaller sprouts. While it is likely that these lower reaches were logged, it's hard to tell. The woods have a special feeling in this valley, and you should experience it.
>
>
> -----Original Message-----
> From: Larry Morris
> Sent: Tuesday, October 31, 2006 8:44 AM
> To: Brad Condley
> Subject: RE: Scoping Meeting
>
> Questions RUS Scoping Meeting
>
> 1) What admission controls are EKPC going to use to capture CO ?
>
> 2) Why doesn't EKPC wait for any new technology for CO admission before building new generation plants?

> 3) Can CO admission controls be added on to the backend of a CFB in the future?

> 4) What is the lime stone used for in the CFB?

> 5) Why can't you put limestone in a regular PC Boiler to help capture SO2?

> 6) What is the difference in the types of coal you can burn in the CFB verses the PC Boiler?

> 7) How tall is the stack?

> 8) How tall is the boiler?

> 9) Where will you put the flash?

> 10) How long will it take to build the new Unit?

> 11) Why doesn't EKPC look at different ways to generate electric with out burning coal?

> -----Original Message-----

> From: Brad Condley

> Sent: Thursday, October 19, 2006 9:19 AM

> To: Allison Lewis; Craig Johnson; Larry Morris; Bob Hughes; Mike Binkley; Stacy Barker; Earl Ferguson; Meredith Boyd; Jim Shipp; Kevin Osbourn; Nick Comer; Gary Crawford; Joe Settles; Louis Petrey; Sarah Condley; Jeff Hohman; Roberta Skinner

> Cc: Roy Falk; Randy Dials

> Subject: Scoping Meeting

> I would like to thank you for your participation in the Scoping Meeting last night. The representatives from the USDA felt we represented EKPC very well and provided a great deal of information to the attendees in a positive manner. I especially appreciate your professionalism and willingness to take part in the meeting.

> Please send me any comments or questions you received by Friday afternoon so I can forward them to Ms. Strength.

> Thank you,

> Brad Condley

Strength, Stephanie - Washington, DC

From: cksmith@pngusa.net
Sent: Thursday, November 09, 2006 1:51 PM
To: Strength, Stephanie - Washington, DC
Cc: RAY BARRY@prodigy.net
Subject: Smith station 278-MW Project, Trapp, KY

Attachments: Smith Station Comments wps



Smith Station
Comments.wps (32..

Attached are comments on the above, prepared on behalf of myself and the Cumberland Chapter of the Sierra Club.

Thank you for your consideration,

Malcolm P Smith

Comments Regarding Smith Station 278-MW Circulating Fluidized
Bed Generating Unit Project of East Kentucky Power
Cooperative(hereinafter EKPC)

1. Does the anticipated population growth in the Kentucky counties served by EKPC justify the increased emissions that will adversely effect the region's environment?

Currently EKPC supplies the system's electricity demands through three coal fired stations -Spurlock near Maysville on the Ohio River, Cooper near Somerset in the Southern part of the state, and Dale near Winchester on the Southeastern edge of the Bluegrass region. (See EKPC 's 10 page booklet "The Power Of Human Connections")

Another EKPC handout which describes this project as an "investment in the environment, the economy, and the people of Kentucky" states that the unit will burn up to 1.2 million tons of coal each year.

"Nationwide, power plants account for two thirds of all sulfur dioxide, 22 per cent of all nitrogen oxides, nearly 40 percent of carbon dioxide and a third of all mercury emissions. Coal plants also release some sixty varieties of what the EPA terms " hazardous air pollutants" including known toxins such as lead ,chromium arsenic and mercury...the states with the highest per capita mortality rate from power plant pollution-West Virginia, Kentucky, and Tennessee- are all ringed by dirty coal plants." p.122-123 Goodell , Jeff, "Big Coal" Houghton Mifflin Company(2006)

Kentucky is proud of its agricultural heritage and the area around Lexington is known as" America's finest grassland". Clark, Thomas D. "Agrarian Kentucky" University Press of Kentucky(1977) Unfortunately the state's environment has suffered with the movement away from an agricultural economy. The Kentucky author-Barbara Kingsolver points this out in her October 29,2006 article "Choose Your Poison "on the op-ed page of the New York Times. Further pollution simply for the sake of cheap electricity cannot be justified here.. The available alternatives of gas, water, wind, nuclear and solar energy have not been pursued by EKPC. They simply chose the energy source they know best without properly presenting a cost analysis of alternative energy sources. Other utilities such as Florida Power & Light have invested in wind

power. According to the September 29, 2006 Value Line Investment Report, page 695, FPL owns 4,016 megawatts of wind generation and plans another 750 mw by the end of next year. On the last page of its booklet "The Power Of Human Connections" EKPC states that: "Unlike businesses based only on the profit motive, we are driven by something different: cooperation for the good of those whom we serve." If indeed EKPC wants to act for the good of all Kentuckians it will find alternative sources of its future energy needs and not add to the already high mortality rates caused by coal burning power plants.

2. Has EKPC employed the best available technology in its design of this coal burning unit?

In the handout referred to above which approaches this project as "an investment in the environment" EKPC states that "It will operate with a clean-coal technology known as the Circulating Fluidized Bed Process, which is arguably the most reliable, affordable-yet proven clean coal technology available on the market".

In chapter 9 of "Big Coal" by another option is discussed "...that not only is more efficient but also allows for the possibility of someday capturing and sequestering the co2 from coal plants....It goes by the unfortunately complicated name of integrated gasification combined cycle, or IGCC. Instead of burning the coal in a big steel box like conventional plants do, IGCC plants use heat and pressure to cook off the impurities in coal and convert it into a synthetic gas; the gas is then captured and burned in a turbine. The advantages of IGCC plants are many. They are 10 per cent more efficient than conventional plants, consume 40 percent less water, produce half as much ash and solid waste, and are nearly as clean burning as natural gas plants. But more important, it is far easier and cheaper to capture co2 from coal at an IGCC plant than at a conventional coal plant."

Goodell points out on page 214 of his book that IGCC plants have been built in Indiana, Florida, the Netherlands and Spain. If coal has to be the energy source here then IGCC is the preferred technology to protect the earth's climate. The success of coal gasification in a chemical production application in Kingsport Tennessee has been recently described in the March 2004 issue of "Power" magazine.

A widespread agreement has arisen as to the danger of global warming. This is demonstrated by the September 2004 issue of National Geographic. The editor wrote in his introduction to 74 pages devoted to the subject that: "These three stories cover subjects that are too important to ignore. From Antarctica to Alaska to Bangladesh, a global warming trend is altering habitats, with devastating ecological and economic effects. "Thus, the need for the very best technology to lower co2 emissions is critical.

3. Will this coal fired unit adversely affect the region's water quality?

Coal plants produce an enormous amount of solid waste-fly ash, bottom ash, and scrubber sludge-all laced with heavy metals. This solid waste is usually placed in impoundment ponds from where it can leach into the aquifer. (p.123 of "Big Coal")

The coal burning process requires great amounts of water which here will be drawn from the Kentucky River. From the EKPC plant site the river flows West about 40 miles before turning North through Frankfort and on over 60 miles more to its confluence with the Ohio. Although EKPC states that its use of the river will be limited by certain state regulations during dry periods, the river's natural flow will undoubtedly be changed by this plant's water requirements until and unless the state enforces such emergency measures.

The water used by the plant which is returned to the river will contain certain impurities that will adversely affect aquatic life along the length of the river below the plant and even further downstream in the Ohio River. Although no measurement of this risk seems presently available, it is certain that this coal burning plant will not damage the region's water quality.

4. Has EKPC put in place a program to lower power use by its customers so as to decrease its needs for additional generation?

Other utilities such as Alliant Energy, which serves nearly one million customers in Wisconsin, Iowa, Minnesota, and Illinois, have energy efficiency programs to lower power usage. That utility also is investing in anaerobic digesters and switch grass to help lessen its reliance on fossil fuels. (See page 6 of Alliant's 2005

annual report). Here in Kentucky other utilities also encourage lower power use during peak periods of use by signing up customers for conservation purposes. EKPC has not demonstrated a commitment to energy conservation to the extent that certain investor owned utilities have. This should be a prime consideration before approval of such an expensive project .

Conclusions

1. Coal is not the preferred energy source in Kentucky.
- 2 .The best available technology is not being used in this project.
3. Water quality in the region will be adversely affected by this project.
4. EKPC has not made a significant effort to reduce energy demand in the its service area through conservation programs and incentives.

Submitted by Malcolm Smith 393 Thomas Rd. Paris,
Ky. 40361

As a member and on behalf of the
Cumberland Chapter of the Sierra Club

Strength, Stephanie - Washington, DC

From: Geoff Young [gyoung4@isp.com]
Sent: Sunday, November 19, 2006 6:09 PM
To: Strength, Stephanie - Washington, DC
Subject: Written comments on Smith Station power plants EKPC Kentucky

November 19, 2006

Via email

To: Stephanie A. Strength

USDA, Rural Utilities Service, Engineering & Environmental Staff

1400 Independence Ave. SW

Mail Stop 1571, Room 2244

Washington, DC 20250-1570

Re: East Kentucky Power Co-op, Inc.

Proposed Smith Station 278-MW Circulating Fluidized Bed Generating Unit
Projects

Dear Ms. Strength:

I attended the public scoping meeting in Trapp, KY, on October 18, 2006, and was given a copy of a report titled, "Revised Alternatives Evaluation and Site Selection Study for the Proposed J.K. Smith Circulating Fluidized Bed Generating Units, Clark County, Kentucky," dated September 2006, by Stanley Consultants, Inc. Most of my comments relate to Section 4 of that report, Capacity Alternatives, and the implications for the financial viability of the two proposed power plants. For a summary of my qualifications to comment on this issue, please see Attachment A to this letter, a resume which describes my relevant professional experience.

Subsection 4.1, Load Management, describes the marketing programs that East Kentucky Power Co-op (EKPC) and its member distribution co-ops have instituted in an effort to control customers' loads and improve energy efficiency. The section lists six marketing programs. I wish to note that the Electric Thermal Storage Incentive Program is one of the six that are listed. Table 4-1 summarizes the estimated impacts on EKPC's total energy consumption in MWh, the winter peak load in MW, and the summer peak load in MW. The table indicates a reduction in energy use in 2005 of 5,426 MWh, and a reduction of 70 MW in winter peak demand.

To get an idea of the size of these marketing programs compared to EKPC's total energy and power generation, one can divide these numbers by the system data for 2005 found in Tables 3-4 and 3-3, respectively. Dividing 5,426 MWh by the total of 12,506,284 MWh projected for 2005 in Table 3-4 yields a reduction of 0.04% of total system energy generation. Dividing 70 MW by the total of 2,133 MW projected for 2005 in Table 3-3 yields a winter peak reduction of 3.3%.

EKPC is one of the utilities participating in an informal Utilities Working Group (UWG) that I initiated during 2006, along with other environmentalists from the Sierra Club and other organizations, to work on programs to encourage more energy efficiency and cogeneration in Kentucky. One of the initiatives of the UWG has been to ask each electric and natural gas utility to provide data on their existing demand-side management (DSM) programs and total energy and power

generation for the year 2005. EKPC provided the requested data to the UWG in September 2006 in the form of an Excel spreadsheet. This summary was more detailed than the summary published in the Site Selection Study and broke EKPC's marketing programs into 17 separate elements instead of six. The total impacts for 2005, as reported by EKPC in the UWG survey, were an energy reduction of approximately zero (actually an increase in energy consumption of 179 MWh), and a peak demand reduction of approximately 60 MW. These totals include the impacts of two Electric Thermal Storage (ETS) Incentive Programs, one of which replaces propane and the other of which involves electric furnaces. The estimated energy impact of the two ETS programs was a large increase in consumption, which essentially cancelled out the energy savings from the other 15 marketing programs. The estimated impact of the ETS furnace program on peak demand was a decrease of 26 MW, which comprises close to half of the total peak demand impact of 60 MW. This summary also listed the total expenditures on the 17 marketing programs - \$1.9 million - which corresponds to 0.2% of EKPC's total revenue of \$807 million.

I cannot explain why the summary in the Site Selection Study differs from the summary provided by EKPC to the UWG. The main conclusion I wish to draw from this discussion, however, is the same regardless of which data summary is used. That conclusion is that the energy savings resulting from EKPC's existing and planned future marketing programs are miniscule. Either estimate of the 2005 energy savings, 5,426 MWh or negative 179 MWh, is negligible - far less than a tenth of one percent - compared to EKPC's total energy generation in that year.

In contrast, other utilities from around the country have achieved significant energy savings that have helped them defer the need to build new power plants. A 1995 report by Oak Ridge National Lab (ORNL) listed the 25 utilities that invested the most in DSM programs as a percentage of their total revenues. These utilities invested an average of 5.5% of their 1993 revenues into DSM programs, and the resulting annual energy savings were 3.4% of the total number of GWh generated. (Note that the annual energy savings are partly a function of the savings attributed to customers who participated in previous years, so the longer an energy efficiency program has been in operation, the higher the expected annual energy savings would be.) The incremental (i.e., same-year) energy savings from the same 25 utilities was 0.9% of the total number of GWh. Source: "Utility DSM Programs from 1989 through 1998: Continuation or Cross Roads?" by Stan Hadley and Eric Hirst, ORNL/CON-405.

Although reports such as this clearly indicate that it is possible for energy efficiency programs to make a significant impact on total energy use, the Executive Summary of the Site Selection Study concludes that "While load management and energy conservation programs are important, they do not substantially alter the need for new generation." (page ii) This conclusion must be challenged. The Site Selection Study cites a forecasted growth rate in energy generation of 3.1% per year from 2002 through 2022 (page 3-1). If we assume that this projected rate of growth is accurate and that EKPC could achieve incremental energy savings via DSM programs equal to the average of the 25 top utilities listed in the ORNL report, this growth rate could be reduced by 0.9% to 2.1% per year. The utilities most dedicated to saving energy achieved incremental energy savings of 1.4% in 1993. If EKPC and its member co-ops could achieve and maintain that level of performance, its energy growth rate could be reduced to 1.7% per year. This factor alone would significantly delay the need for new power plants.

According to the recently-released "National Action Plan for Energy Efficiency," a joint project led by Duke Energy and the US EPA, the Pacific Northwest has met 40% of its growth over the past two decades through energy efficiency programs (page 1-5), and California's energy efficiency goals, adopted in 2004 by the state's public utilities commission, are to use energy efficiency to displace more than half of future electricity load growth and avoid the need to build three 500-MW

power plants (page 1-6).

It should be noted that the field of energy efficiency has made steady advances between 1995 and today. Technologies and design methods have continually improved, which means that energy savings are available at lower cost than ever before. It should also be noted that utilities have never achieved anything close to the energy savings that are technically potentially available. The American Council for an Energy-Efficient Economy (ACEEE), for example, recently reported that 24% of the country's electricity could be saved at an average cost of 2.4 cents per kWh, which is significantly lower than the cost of electricity in Kentucky.

In conclusion, the energy efficiency analysis contained in the Site Selection Study for the two proposed power plants is grossly flawed and inadequate. It radically understates the potential impacts that energy efficiency programs could have, and omits or discounts an entire range of options for new energy efficiency programs.

In addition, the subsection on Solar Power, section 4.2.7, neglected to mention passive solar design of homes and commercial buildings, "cool daylighting" design approaches, transpired air collectors that can preheat ventilation air for industrial buildings at low cost because they do not require any transparent cover plates, and solar water heating systems for domestic and commercial hot water or swimming pools.

The subsections on cogeneration (4.2.9) and distributed generation (4.3) were also grossly inadequate, and significantly underestimate the potential contribution these technologies could make to meeting EKPC's projected future energy needs. The cogeneration section, for example, omitted the idea of revising the tariffs for qualifying facilities (QFs) so as to encourage additional industrial, commercial and institutional customers to install cogeneration systems. The short section on distributed generation (DG) omitted all mention of the economic benefits that accrue to the utility when customers install such systems at or near the point of use. Over 200 such benefits were described in the groundbreaking book, "Small Is Profitable," by Amory Lovins et al. I have repeatedly brought this analysis to the attention of EKPC over the past several years, but there has been no indication that they have invested the time needed to understand and utilize the principles and approaches described therein. If the book's analysis is even close to accurate, then EKPC should be willing to pay customers significantly more than the retail price of electricity in order to obtain the myriad economic benefits that DG provides to the system. At the very least, EKPC should be enthusiastic about greatly expanding the scope of technologies that were made eligible for net metering under Kentucky's 2005 net metering law.

In addition to severely understating the potential impacts of new energy efficiency, cogeneration and distributed generation resources, the Site Selection Study also understates the financial risks of investing in coal-fired power plants during a period when the world's attention to global warming is intense and only likely to become more intense over time. There is a major financial risk involved in investing in a plant that will burn primarily coal over its expected lifetime of approximately half a century. To assume that carbon taxes or a cap-and-trade regime for CO2 will not be implemented, greatly affecting the economics of the entire project, is positively reckless. I do not know if RUS is concerned about the possibility of losing its investment because coal-fired power plants have been made uncompetitive as a result of carbon taxes and the rapid proliferation of cheaper, less-polluting alternatives (which include efficiency and cogeneration), but it should be concerned about it. If I were investing my own money in the year 2007, there is no way I would invest it in a coal-burning facility.

Please keep me informed of your decision in regard to the financing of these two proposed power plants. I can be reached via email at gyoung4@isp.com <mailto:gyoung4@isp.com>, by phone at 859-278-4966, or

for Approval of an Alternative Method of Regulation of Its Rates and Service.

- Case No. 98-474, Application of Kentucky Utilities Company for Approval of an Alternative Method of Regulation of Its Rates and Service.

- Case No. 2000-459, The Joint Application of the Louisville Gas and Electric Company and Kentucky Utilities Company for the Review, Modification and Continuation of DSM Programs and Cost Recovery Mechanisms.

- Case No. 2001-053, the Application of East Kentucky Power Cooperative, Inc. for a Certificate of Public Convenience and Necessity, and a Certificate of Environmental Compatibility, for the Construction of a 250 MW Coal-Fired Generating Unit (With a Circulating Fluid Bed Boiler) at the Hugh L. Spurlock Power Station and Related Transmission Facilities, Located in Mason County, Kentucky, to be Constructed Only in the Event that the Kentucky Pioneer Energy Power Purchase Agreement is Terminated.

- Administrative Case No. 387, A Review of the Adequacy of Kentucky's Generation Capacity and Transmission System.

- Case No. 2005-00142, Joint Application of Louisville Gas and Electric Company and Kentucky Utilities Company for a Certificate of Public Convenience and Necessity for the Construction of Transmission Facilities in Jefferson, Bullitt, Meade, and Hardin Counties, Kentucky.

I was the lead participant and representative for KDOE in the following integrated resource planning cases before the Commission:

- Kentucky Power Company (dba AEP), Cases No. 99-437 and 2002-00377.

- Big Rivers Electric Corporation, Cases No. 99-429 and 2002-00428.

- East Kentucky Power Cooperative, Inc., Cases No. 2000-044 and 2003-00051.

- Louisville Gas and Electric Company and Kentucky Utilities Company, Cases No. 99-430 and 2002-00367.

- The Union Light, Heat and Power Company, Case No. 99-449.

I prepared testimony for the Division to submit in Administrative Case No. 341, An Investigation Into the Feasibility of Implementing Demand-Side Management Cost Recovery and Incentive Mechanisms.

I resigned from State Government in the fall of 2004 to start working as a private consultant on issues related to energy efficiency, renewable energy, energy policy, and utility regulation and rate structures. During 2005 and 2006, I helped the Cumberland (i.e., Kentucky) Chapter of the Sierra Club develop a statewide energy policy, served as an expert witness in two cases involving the siting of electric utility power lines, and provided comments to the Sierra Club's national energy policy that was finalized and published in the fall of 2006.

I also testified orally at public hearings and submitted written comments in Administrative Case No. 2005-00090, An Assessment of Kentucky's Electrical Generation, Transmission, and Distribution Needs; and in Administrative Case No. 2006-00045, Consideration of the Requirements of the Federal Energy Policy Act of 2005 Regarding Time-Based Metering, Demand Response and Interconnection Service.



Comments/Questions

U. S. Department of Agriculture, Rural Development,
Utilities Programs (Rural Utilities Service)
Scoping Meeting

Smith Station 278-MW Circulating Fluidized Bed
Generating Unit Project
Trapp Elementary School, Trapp, KY
October 18, 2006

Optional: Name: Robert Ukeiley

Address: rukeiley@rc.org

who in US FWS is involved.

If you would like to take this form with you, please mail by Nov. 20, 2006 to:
Stephanie A. Strength
USDA, Rural Utilities Service,
Engineering & Environmental Staff
1400 Independence Ave. SW
Mail Stop 1571, Room 2244
Washington, DC 20250-1570
202-720-0468 or stephanie.strength@wdc.usda.gov
For further information please visit: <http://www.usda.gov/rus/water/ees/eis.htm>

Your comments have been received.

-----Original Message-----

From: aubrey e. baldwin [mailto:aubrey@airadvocates.net]

Sent: Mon 11/20/2006 2:12 PM

To: Strength, Stephanie - Washington, DC

Cc: 'Robert Ukeiley'

Subject: Scoping Comments on SEIS for EKPC Smith Station

Ms. Strength,

Sierra Club and the Kentucky Environmental Foundation offer the attached comments on the scoping process for the NEPA process for a new circulating fluidized bed unit at East Kentucky Power Cooperative's Smith Station. I would appreciate a confirmation email letting me know that you received this document.

Thank you,

Aubrey Baldwin

<<scoping comments.pdf>>

Aubrey Baldwin

Law Office of Robert Ukeiley

433 Chestnut Street

Berea, KY 40403

Tel: (859) 986-5402

Fax: (859) 986-1299

Hi Stephanie,

Thank you again for all your help and guidance throughout this process. Attached are Joe's comments. So far his are the only ones I have gotten. Mine are below:

- 1) I talked to four or five people who asked why we didn't stress conservation. I suggested they relay their suggestions to you through the form or the internet.
- 2) Also had a women ask how many children I was willing to kill with the new plant.
- 3) We had two late comers (8:05 to 8:35) come and stress solar water heaters.
- 4) One man, Mr. Vickery, was concerned about metals emissions especially mercury.
- 5) There were two questions about the onsite landfill.
- 6) There were several comments from three different union representatives in support of EKPC and the project.

I stressed to all commenter that they should forward their comments to you and gave out the comment forms.

I will check with Allison and make sure she is getting the attendees list together for you.

Brad

> -----Original Message-----

> From: Joe Settles

> Sent: Thursday, October 19, 2006 2:08 PM

> To: Brad Condley

> Subject: RE: Scoping Meeting

>

> Brad,

> I would characterize the comments I received last night as follows:

>

> 1- One person said they did not like the format of the meeting. They preferred a presentation.

> 2 - One person stated they believed conservation practices would remove the need for the facility.

> 3 - I fielded one question regarding the alternative analysis in the EIS. I was asked if conservation would be documented as an alternative in the EIS.

>

> I told all of the people I spoke with to forward any comments, questions, or concerns related to the proposal to RUS.

>

> Joe

>

> -----

-----Original Message-----

From: Little.James@epamail.epa.gov
[mailto:Little.James@epamail.epa.gov]
Sent: Thursday, October 12, 2006 4:25 PM
To: Strength, Stephanie - Washington, DC
Subject: RE: East Kentucky Power Cooperative Project

I will not be attending the scoping meeting. I will, however, be involved in the air permitting of the two proposed CFB units. I am also involved in the air permitting of the proposed five additional combustion turbines at the J.K. Smith site.

Jim Little

"Strength,
Stephanie -
Washington, DC"
<Stephanie.Stren
gth@wdc.usda.gov
>

To
James Little/R4/USEPA/US@EPA
cc

Subject

10/12/2006 04:06
PM

RE: East Kentucky Power
Cooperative Project

Wonderful. Will you be able to attend the agency meeting?

Sincerely,

Stephanie A. Strength
Environmental Protection Specialist/RD
1400 Independence Ave. SW Room # 2244
Washington, DC 20250-1571

(202) 720-0468

-----Original Message-----

From: Little.James@epamail.epa.gov
[mailto:Little.James@epamail.epa.gov]
Sent: Thursday, October 12, 2006 3:43 PM
To: Strength, Stephanie - Washington, DC
Subject: RE: East Kentucky Power Cooperative Project

Thanks. An interesting connection. Even though I was heavily involved in the air permitting of the Kentucky Pioneer Energy project, I did not even think about the site location in relation to the EKPC project. (The link worked well when I tried it again after receiving your message.)

Jim

"Strength,
Stephanie -
Washington, DC"
<Stephanie.Stren
gth@wdc.usda.gov
>

James Little/R4/USEPA/US@EPA

To
cc

10/12/2006 03:32
PM

RE: East Kentucky Power
Cooperative Project

Subject

Of course I do not mind, please review the following abbreviated response and let me know if you need further information. The 2002 Final EIS for Kentucky Pioneer Energy IGCC assessed the same site (the existing Smith Site) as the proposed and was never constructed. A Supplemental EIS is planned for the proposed project. The proposed location has been previously cleared and prepared for previous generation projects. Additionally, EIS' and numerous EA's have been conducted for the proposed location. The Kentucky Pioneer IGCC is the most recent of the studies and includes reference information to the previously conducted studies (EIS, EA).

I just checked the link and it worked for me (click on each section of interest and the section opens). Please let me know if you are still having difficulty opening the document.

Sincerely,

Stephanie A. Strength
Environmental Protection Specialist/RD
1400 Independence Ave. SW Room # 2244
Washington, DC 20250-1571

(202) 720-0468

-----Original Message-----

From: Little.James@epamail.epa.gov
[mailto:Little.James@epamail.epa.gov]

Sent: Thursday, October 12, 2006 3:16 PM
To: Strength, Stephanie - Washington, DC
Subject: RE: East Kentucky Power Cooperative Project

If you don't mind my asking, why does the EKPC CFB project Web site have a link to the 2002 final EIS for the Kentucky Pioneer Energy IGCC project (a link that wouldn't open)?

Jim Little - EPA Region 4
(404) 562-9118

"Strength,
Stephanie -
Washington, DC"
<Stephanie.Stren
gth@wdc.usda.gov
>

James Little/R4/USEPA/US@EPA

To
cc

10/12/2006 03:05
PM

RE: East Kentucky Power
Cooperative Project

Subject

Mr. Little:

Thank you for contacting me regarding the web site error. The issue has been resolved and the link is now functioning properly.

Please let me know if you need further information.

Sincerely,

Stephanie A. Strength
Environmental Protection Specialist/RD
1400 Independence Ave. SW Room # 2244
Washington, DC 20250-1571

(202) 720-0468

-----Original Message-----

From: Little.James@epamail.epa.gov
[mailto:Little.James@epamail.epa.gov]

Sent: Thursday, October 12, 2006 1:57 PM
To: Strength, Stephanie - Washington, DC
Subject: East Kentucky Power Cooperative Project

Ms. Strength -

RUS published a notice in the 10/6/06 Federal Register about the proposed East Kentucky Power Cooperative circulating fluidized bed boiler project in Clark County, Kentucky. A Web site address is listed

for access to the Alternatives Evaluation and Site Selection Study for the project. I do not find the project posted on the Web site. When do you expect the project to be posted? (By the way, I am not in the EPA Region 4 NEPA group. I am in the Air Permits Section.)

James W. (Jim) Little
U.S. Environmental Protection Agency, Region 4
Air, Pesticides, and Toxics Management Division
61 Forsyth St., SW
Atlanta, GA 30303-8960
Phone: (404) 562-9118
Fax: (404) 562-9019
E-mail: little.james@epa.gov

Brad,

The website is now up and running. Please see Mr. Little's correction to his division information below

.

-----Original Message-----

From: Little.James@epamail.epa.gov
[mailto:Little.James@epamail.epa.gov]

Sent: Thursday, October 12, 2006 1:57 PM
To: Strength, Stephanie - Washington, DC
Subject: East Kentucky Power Cooperative Project

Ms. Strength -

RUS published a notice in the 10/6/06 Federal Register about the proposed East Kentucky Power Cooperative circulating fluidized bed boiler project in Clark County, Kentucky. A Web site address is listed for access to the Alternatives Evaluation and Site Selection Study for the project. I do not find the project posted on the Web site. When do

you expect the project to be posted? (By the way, I am not in the EPA Region 4 NEPA group. I am in the Air Permits Section.)

James W. (Jim) Little
U.S. Environmental Protection Agency, Region 4
Air, Pesticides, and Toxics Management Division
61 Forsyth St., SW
Atlanta, GA 30303-8960
Phone: (404) 562-9118
Fax: (404) 562-9019
E-mail: little.james@epa.gov

Summary of Comments

Conservation

# of Comments	Comment	Issue	SEIS Relevance
5	Why doesn't EKPC stress conservation?	Conservation	
4	. Could conservation efforts offset the need for this project?		
1	Conservation is a better solution.		
1	EKPC has not made enough efforts to promote conservation		
1	EKPC should promote conservation.		
1	The United States should conserve energy.		

Air Pollution

# of Comments	Comment	Issue	SEIS relevance
2	Health issues attributed to air pollution from power plants	Health	
2	Particulate matter from coal combustion has serious health effects.		

1	Air toxics should be addressed in the SEIS.	Air Toxics	
---	---	------------	--

1	Fugitive dust should be addressed in the SEIS.	Fugitive dust	
---	--	---------------	--

1	Concerned about air pollution from coal burning power plants.	General	
---	---	---------	--

1	Air pollution should be addressed in the SEIS		
---	---	--	--

Alternative Energy

# of Comments	Comment	Issue	SEIS Relevance
2	EKPC should use solar and wind.	Alternatives	
1	Why doesn't EKPC investigate energy sources other than coal?		
1	Coal is not the preferred energy choice for Kentucky		
1	EKPC should promote alternatives to coal.		
1	EKPC should in		

1	RUS should investigate all alternatives in generation and storage.	Technology	
---	--	------------	--

1	Non-carbon technologies are available.		
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Carbon and Global Warming

# of Comments	Comment	Issue	SEIS Relevance
1	Capture controls for carbon.	Controls	
1	Can carbon controls be added later?		
1	EKPC should wait for new capture technology.	Technology	
1	CFB puts out CO2.		
1	It is wrong for RUS to fund coal use.	Funding	
1	Emerging problem of CO2 emissions.	General	
1	Carbon issues should be addressed in SEIS.		

Traffic

# of Comments	Comment	Issue	SEIS Relevance
1	Distressed over increased construction traffic.	General	
1	EIS should address traffic impacts.		
1	Transportation infrastructure will not support added traffic.		
1	Coal trucks will impact road maintenance and safety.	Safety	
2	Irvine Road is a major safety concern.		

Water Quality

# of Comments	Comment	Issue	SEIS Relevance
2	River flow will be altered by project.	Use	
2	Water quality issues should be in SEIS.	General	
1	Impurities from plant will adversely affect aquatic life.	Pollution	
1	How will water withdrawals affect river biota?	Wildlife	

Aesthetics

# of Comments	Comment	Issue	SEIS Relevance
1	How tall will the stacks be?	Visual Impacts	
1	How tall will the boiler be?		
1	Some distressed over aesthetic impacts.		
1	Viewshed impacts on historic properties.		

Demand Side Management (DSM)

# of Comments	Comment	Issue	SEIS Relevance
1	EKPC has not done enough to reduce demand through incentives.	General	
1	The Site Selection study understates value of DSM		
1	Cheapest kilowatt is the one never generated.		
1	Why isn't EKPC spending more on efficiency?		

Risk

# of Comments	Comment	Issue	SEIS Relevance
2	There is financial risk in coal generation.	Economic	
1	There is risk in predicting the carbon market.		
1	EKPC is a credit risk.	Financial Stability	

Best Available Control Technology (BACT)

# of Comments	Comment	Issue	SEIS Relevance
2	BACT is not being used in this project	Technology	
1	Is CFB really BACT?		

Coal Mining

# of Comments	Comment	Issue	SEIS Relevance
1	Why doesn't EKPC use technology that uses less coal?	General	
1	Coal mining practices are destructive.		
1	Mining impacts should be included in EIS.		

Unions

# of Comments	Comment	Issue	SEIS Relevance
3	Project will be good for the area.	General	

Cultural Resources

# of Comments	Comment	Issue	SEIS Relevance
1	Request to become consulting party.	General	
1	Cultural Resources should be addressed in SEIS.		

Electro-Magnetic Fields (EMFs)

# of Comments	Comment	Issue	SEIS Relevance
2	EMFs effects on property owners near transmission facilities.	Health	

Environmental

# of Comments	Comment	Issue	SEIS Relevance
1	Environmental impact of plant.	General	
1	Effect of plant on endangered species.	Endangered Species	

Integrated Gasification Combined Cycle (IGCC)

# of Comments	Comment	Issue	SEIS Relevance
2	Is IGCC more appropriate?	Technology	

Limestone

# of Comments	Comment	Issue	SEIS Relevance
1	What is limestone used for in CFB?	General	
1	Why can't limestone be used in pulverized coal?		

Mercury

# of Comments	Comment	Issue	SEIS Relevance
1	Concerned about mercury emissions.	Emissions	
1	Mercury deposition impacts should be in SEIS.	General	

Need

# of Comment	Comment	Issue	SEIS Relevance
2	Has the need for the project been demonstrated?	Need	

Noise

# of Comment	Comment	Issue	SEIS Relevance
2	Noise impacts should be included in SEIS or EIS.	Noise	

Wetlands

# of Comment	Comment	Issue	SEIS Relevance
1	RUS must perform analysis of wetland destruction.	General	
1	Wetlands should be addressed in SEIS.		

Social and Economic Impacts

# of Comment	Comment	Issue	SEIS Relevance
1	RUS must perform analysis of wetland destruction.	General	
1	Wetlands should be addressed in SEIS.		

Endangered Species

# of Comment	Comment	Issue	SEIS Relevance
1	Impacts on endangered species should be in SEIS	General	

Environmental Impact Statement (EIS)

# of Comment	Comment	Issue	SEIS Relevance
1	Should be and EIS instead of a SEIS.	General	

Environmental Justice

# of Comment	Comment	Issue	SEIS Relevance
1	Environmental justice concerns should be addressed in SEIS.	General	

Hazardous Waste

# of Comment	Comment	Issue	SEIS Relevance
1	Hazardous waste concerns should be addressed in SEIS.	General	

Information

# of Comment	Comment	Issue	SEIS Relevance
1	Information was not made public.	Information	

Load Forecast

# of Comment	Comment	Issue	SEIS Relevance
1	The load forecast is unreliable.	General	

Prevention of Significant Deterioration (PSD) Permitting

# of Comment	Comment	Issue	SEIS Relevance
1	PSD should be addressed in the SEIS.	General	

Railroad

# of Comment	Comment	Issue	SEIS Relevance
1	Railroad system in area is inadequate.	Transportation	

Replacement

# of Comment	Comment	Issue	SEIS Relevance
1	The project should replace older plants.	General	

Scoping Meeting

# of Comment	Comment	Issue	SEIS Relevance
1	A new scoping meeting should be held.	General	

US Fish and Wildlife

# of Comment	Comment	Issue	SEIS Relevance
1	Who is here from Fish and Wildlife Service?	General	

US Forest Service, Daniel Boone National Forest (DBNF)

# of Comment	Comment	Issue	SEIS Relevance
1	The project will not impact DBNF.	General	

Website

# of Comment	Comment	Issue	SEIS Relevance
1	The RUS website was in error.	General	

APPENDIX J:

Trapp Community Action Committee



EAST KENTUCKY POWER COOPERATIVE

POWERPLANS

NEWS & UPDATES ABOUT THE J. K. SMITH UNIT • ISSUE 1

The proposed unit would provide enough electricity to supply power for the homes in 19 cities the size of Winchester.

Communication is key

Welcome to *Power Plans*—a periodic newsletter being produced by East Kentucky Power Cooperative to provide updates about the status of the J.K. Smith Unit being proposed in Trapp. This newsletter will be distributed to residents of the Trapp community, elected officials in Clark County, East Kentucky employees and our board members.

My name is Craig Johnson. I'm the plant manager assigned with the responsibility of getting the unit online and keeping the community informed at every step and milestone.

The Smith Unit will be a state-of-the-art clean coal facility similar to the Gilbert Unit at our Spudlock Station in Maysville. That unit already has been recognized as the cleanest coal-fired power unit in Kentucky, and also one of the cleanest in the nation.

East Kentucky wants to be a good neighbor. As a result, we're reaching out to the community to involve and engage people in a discussion about the unit and to address any concerns.

Elsewhere in this newsletter, you'll read more information about the community advisory group and its role. But let me say now that I personally appreciate every member of that committee for giving their time, talent and energy in an advisory role so that we can continue that good neighbor policy.

Thanks for your interest and support. I look forward to working on this important project with the community for the long-term interest of our member cooperatives and their customers.

— Craig Johnson

Trapp advisory group organized

A group of interested citizens has volunteered to work with East Kentucky Power on issues related to the J.K. Smith Power Unit being proposed in Clark County.

The advisory panel was organized to serve as a communications conduit to bring any issues or concerns from the community to East Kentucky's attention and, conversely, to bring any information from EKPC on permitting, licensing, etc. to the attention of community leaders.

(continued on back page)

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Community advisory group co-chair
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This issue:

Craig Johnson Letter

Trapp advisory group organized

Transportation challenges

Trapp advisory group organized from page 1

Nick Bakay and Larry Raney have been selected by the group to serve as committee co-chairs. They will serve a two-year term as liaisons between the community and East Kentucky. Kevin Cantrell will serve as the group's communication chairman.

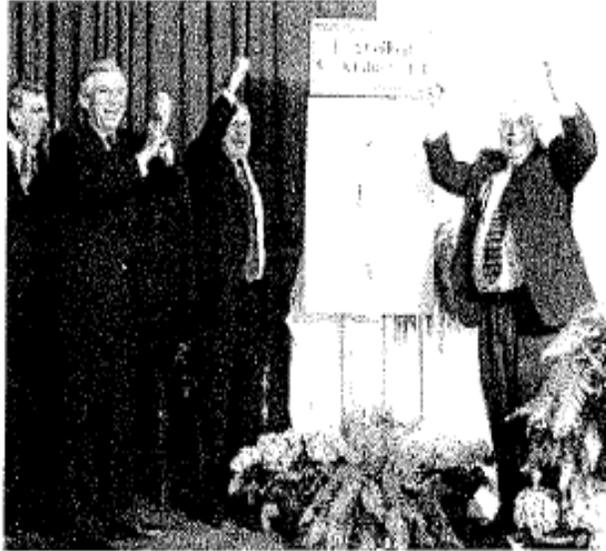
During its first meeting in January, the group identified 21 issues that members would like to know more about—led by air quality. To that end, Bob Hughes from East Kentucky Power had a discussion about air quality and the permitting process during the group's second meeting in February.

At the March meeting, state legislators Senator R.J. Palmer and Representative Don Pasley attended, along with Daryl Greer of the Kentucky Transportation Cabinet. They discussed the challenges the unit poses to the transportation department and the research they will be doing to improve road conditions in Trapp.

At future meetings, the group will hear about job training requirements, transmission lines and the construction process. Also, a field trip will take group members to Maysville to visit the Gilbert Unit, which came online in March and is identical to the one proposed for Trapp.

Ash

EKPC is again hauling ash through Clark County. Work started on April 25. Trucks will follow a route from KY 627 to the Winchester bypass along Interstate 64. The trucks will exit onto 627 toward town, and travel along Main Street, turning onto KY 89 toward Trapp. The work will take place between 7am and 7pm and is scheduled to last about three months. Although nighttime hauling was considered, safety concerns were raised about



Ned Gilbert flipped the switch dedicating the unit bearing his name in Maysville, April 12, 2005. This is an identical check and paper set to the one being proposed for Trapp.

backing the trucks toward the ash pond in the dark, so that option had to be abandoned.

Transportation Challenges in Trapp

Sam Beverage, State Highway Engineer; Amos Hubbard, Chief District Engineer; and Daryl Greer, Transportation Engineering Branch Manager all attended this month's community advisory meeting in Trapp. Greer announced that the Transportation Cabinet is researching the KY 89, KY 974, KY 82 and the Mountain Parkway due to the impact Smith Unit 1 could have on the highway system. Potential problems with the current roads include: lane and shoulder widths, curves and hills, bridge loads, traffic volume and the impacts on the community.

Summary of meeting minutes

The community advisory group met at Trapp Elementary on March 28, 2005. The group facilitator, Phil Osborne, led the group in appointing co-chairs of the committee. Nick Bakay and Larry Raney were elected and Kevin Cantrell was elected communications chair. The group decided these positions would be two year terms.

Guest speakers at the meeting included State Representative Don Pasley, State Senator R.J. Palmer and Daryl Greer from the Kentucky Transportation Cabinet. They discussed their plans to review the road conditions in Trapp and help to pass legislation to improve transportation.

The group elected to invite The Winchester Sun to its next meeting, which is scheduled for Monday, May 9, 2005 at 6:30 p.m. at the J.K. Smith Unit site.



EAST KENTUCKY POWER COOPERATIVE

POWER PLANS

NEWS & UPDATES ABOUT THE J. K. SMITH UNIT • ISSUE 3

In selecting proposed corridors, EKPC seeks to find a route that delivers the power effectively, while minimizing the impact upon communities and the environment and costs to members.

Transmission Updates

EKPC's board has approved two Smith outlet transmission lines, along with related substations and transmission facilities. One line is a double-circuit 345-kilovolt line stretching 18 miles from the plant to a point near Sideview along the Montgomery/Clark County line. The second is a single-circuit 345-kV line stretching 46 miles from Smith to a point in the general vicinity of Stanford in Lincoln County. New substations will be constructed at termination points. Although the approximate starting and end points of the lines are known, the proposed locations of the substations and lines have not been determined.

In selecting proposed corridors, EKPC seeks to find a route that delivers the power effectively, while minimizing the impact upon communities and the environment and costs to members.

Once the 1/2-mile study corridor has been identified, EKPC will contact property owners based on information on file with the county PVA offices. Property owners will then receive a packet of information about the project and will be invited to an open house in the local area. In addition, the open houses will be advertised in local newspapers.

At the open houses, EKPC will gather input from the community, property owners and people living within the study corridor. Engineers, right-of-way agents, biologists and other EKPC

personnel will work with residents to identify their property and its orientation to the study corridor and to address any questions they might have. EKPC will then use the information to finalize a centerline for a 150-foot wide easement for the transmission lines.

After the proposed centerline is identified, EKPC will apply to the Kentucky Public Service Commission for a Certificate of Public Convenience and Necessity, which is necessary to construct the lines.

Notices will then be sent to affected property owners along with information about the Public Service Commission process.

For transmission lines, EKPC negotiates the right to locate a transmission line easement on the property. Landowners are compensated

continued next page

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This issue:

EKPC Power Plans

*Community Advisory
Committee Adopts Mission
Statement*

Smith Plant Tour Dates

Transmission Updates (continued)

with a one-time payment and retain ownership of the land; however, in most cases, the property owner continues using the property in the same manner as before.

EKPC Power Plans

Dale Henley, of East Kentucky Power, recently updated the Community Advisory Committee on the status of a pending lawsuit filed by the EPA against the Cooperative. Henley, who serves as General Counsel for EKPC, reported that the lawsuit is scheduled to go to trial next spring, though no specific date has yet been confirmed. According to Henley, the case will be tried by the Federal District Court Judge in Lexington with no jury present. In order to grasp a full understanding of the lawsuit and its proceedings, Henley provided the Community Advisory Committee with a background of the case.

EKPC is one of several companies targeted with three EKPC generation units out of a national total of 166 units falling under investigation by the EPA. The EPA claims these older units were improperly upgraded and should fall under new generating unit standards.

EKPC was ordered to release information tracing back 25 years, including 500,000–750,000 individual documents for review. EKPC believed that EPA was going to drop the action, but New York Attorney General Elliot Spitzer said he was going to reinstate the case if EPA didn't file a lawsuit.

When asked about penalties, Henley commented that typically there is a five year statute of limitations, but the law allows for fines up to \$27,000 per day, as well as possibly shutting down non-compliant power plants. He didn't feel that such remedies or penalties would apply or be appropriate in this case under any circumstances. He also

indicated that the government's case was strictly a civil matter and did not involve any criminal charges.

Henley assured members of the committee that EKPC has always generated power following the stringent requirements of federal and state regulators and that the new unit proposed for Smith is not part of this lawsuit. In the last 15 years, EKPC has spent \$250-300 million on environmental compliance.

Nick Bakay Resigns his Position as CAG Co-Chair

At the August 15 meeting, CAG Co-Chair Nick Bakay announced his resignation to the members of the group. Bakay explained to the committee that his decision to step down was solely due to other demands on his time. Although Bakay will no longer serve as Committee Co-Chair, he assured the committee that he will remain an active member. Bakay was commended by the committee for all of his hard work, dedication, and support he has offered since its formation.

Steps to elect a new Co-Chair will be taken by the committee. In the interim, Larry Raney will take over active duties as Chair until a new Co-Chair has been named to serve with him.

CAG Adopts Mission Statement

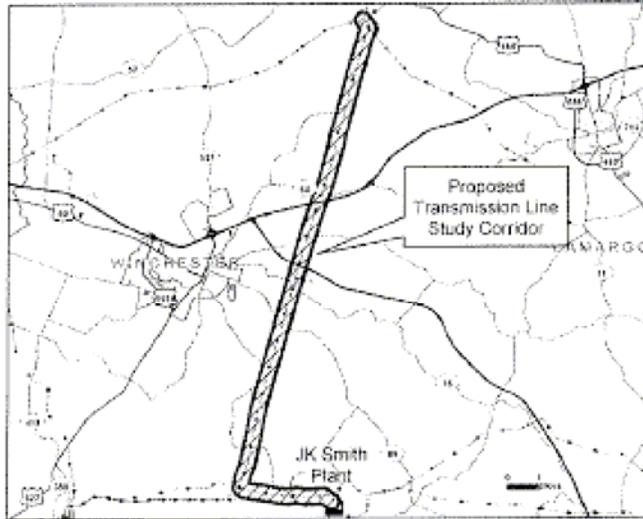
At the August 15 meeting, members of the CAG adopted the following mission statement:

"Our mission is to work with East Kentucky Power Cooperative to enhance the quality of life in Trapp and all of Clark County. By gathering information regarding the impacts the proposed power plant will have on both the environment and the community and by assisting EKPC in understanding and addressing the community's concerns, we will be able to better provide clear lines of communication for all constituents."

Officials Discuss Process for Determining Route

To evaluate possible routes for the transmission line, EKPC used one of the most objective, comprehensive and sophisticated methodologies in existence today: the Georgia Transmission/EPRJ computer model. It considers many factors, including the environment, archaeological sites, existing homes and much more. Land-use data is gathered from a number of sources. Aerial photographs are then analyzed to identify structures and other significant features in the study area. EKPC personnel then collect any information that may have been missed.

After all information is taken into consideration and a preferred route is chosen, EKPC contacts all property owners living within a half-mile of the proposed corridor. The open house serves as way to share and gather information with property owners in order to finalize a centerline.



After a proposed centerline is finalized, all affected property owners are notified. EKPC begins negotiations on payments for the right to run the line across their land or to expand an existing right of way. Payment amounts are based on a market analysis of each impacted property, taking into consideration recent property sales in the area and the impact that the line would have.

EKPC Plans to Rebuild Transmission Line

Construction on the Smith-Sideview transmission project is planned to begin in Spring 2006 and be completed by Spring 2007. This project will involve rebuilding 17 miles of existing 69-kilovolt transmission line to a double-circuit 345/69-kV line, with plans to upgrade the line in the future. In addition, less than one mile of new 345-kV transmission line will be constructed to bypass existing distribution substations and to connect the new substation. Here is the approximate timetable:

Corridor mapping/surveying	Fall 2005 – Spring 2006
Proposed Centerline established	By January 1, 2006
Right-of-way negotiations	Fall/Winter 2005 – Fall 2006
Design activity	Fall/Winter 2005 – Spring 2006
Structure stakeout	Spring/Summer 2006
Construction	Spring 2006 – Spring 2007

Mark Your

Calendar

The next Community Advisory Group meeting will be held on Monday, January 23 at 6:30 p.m. at the J.K. Smith Station.



EAST KENTUCKY POWER COOPERATIVE

POWER PLANS

NEWS & UPDATES ABOUT THE J.K. SMITH UNIT • ISSUE 5

Transportation officials identified approximately \$28 million in possible road improvements, including a plan to upgrade several sections of the Clark County road with wider lanes and reduced curves.

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Transmission Updates

Mary Jane Warner updated the committee on the progress of the transmission line projects. Construction on the Smith-North Clark (formerly known as Smith-Sideview) transmission project calls for the existing 69-kilovolt line going toward Montgomery County to be upgraded to a 345-kilovolt line. The current line easement will be increased from 100 to 150 feet. A new substation will be located in northern Clark County, near Montgomery and Bourbon counties. Construction is scheduled to begin early this summer, and continue until summer 2007.

A second transmission line will extend from Smith Station toward a new substation that is planned in Garrard County. EKPC currently is working to identify a site for that substation. Once the site is determined, EKPC will propose a route for the transmission line.

Project Schedule

Construction on Smith Unit #1 is now scheduled to begin in January 2007 with commercial operation scheduled for September 2009.

Ash

EKPC has made no plans to haul ash from Dale Station to Smith Station this year. Instead, the ash will be delivered to an industrial site located near Winchester, where the ash will be used as fill material. Fly ash can be mixed with CFB bed ash in

a process that causes it to set up like concrete. Currently EKPC is working with the University of Kentucky on possible uses for the ash.

Gilbert Units Receive Recognition



Gilbert Unit 3, located at EKPC's Spurlock Station in Maysville, Ky., is ranked among America's cleanest coal-generating units. *Power Engineering Magazine* awarded the Gilbert Unit second place for "Coal-Fired Power Plant of the Year." Both Gilbert and the proposed Smith units generate electricity using a clean-coal technology known as the circulating fluidized bed process.

This issue:

*Transmission Updates
Gilbert Receives Recognition
\$28 Million Road Improvements
Bridge Reconstruction*

\$28 Million in Road Improvements Revealed in Recent Transportation Study

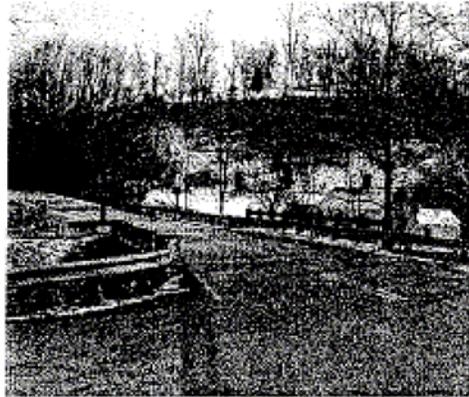
After local residents expressed concerns over heavy truck traffic and commuter safety, the Kentucky Transportation Cabinet responded to the committee with results from an ongoing transportation study to upgrade Irvine Road (Ky. 89).

Stewart Goodpaster and James Ballinger, branch managers at the Kentucky Transportation Cabinet's District 7 office, presented the findings to EKPC's Trapp Community Advisory Group on Monday, January 25. Transportation officials identified approximately \$28 million in possible road improvements, including a plan to upgrade several sections of the Clark County road with wider lanes and reduced curves.

As East Kentucky Power Cooperative begins preparing for construction of its proposed new clean-coal power plant at J.K. Smith Station in Trapp, increasing safety and transportation capacity on Irvine Road has become a higher priority. Daily truck traffic during the construction phase is expected to increase, and once the plant begins operating, about 30 trucks hauling coal will travel Ky. 89 daily due to the plant's fuel requirements. Additionally, 30 limestone-hauling trucks are expected on the road each day.

Those numbers prompted some concerns from residents and officials, who believe improving Irvine Road is critical to accommodate the expected traffic increase without compromising the safety of commuters. Available funds and a timetable for completion of the projects identified by transportation officials remain uncertain, and most of the improvements are not expected to occur before construction begins on Smith Unit 1 in early 2007.

The \$28 million road-improvement plan is broken into eight individual projects located between Winchester and the Clark-Esull County border. Although funding has yet to be budgeted for these projects, State Sen. R.J. Palmer and State Rep. Don Pasley are working with lawmakers to obtain funding, while surrounding counties have agreed to place other projects on hold to help improve Ky. 89.



This bridge on Ky. 89 at Dry Fork Creek and Upper Howard Creek at Ruckerville is scheduled to be replaced as part of a 0.6-mile widening project, according to state Transportation officials who attended the January CAG meeting. The project is expected to be completed by winter 2006, they said.

Bridge Reconstruction Set for Completion by Winter 2006

One proposal has received authorization for funding—a 0.6-mile project to reconstruct the bridge over Dry Fork and Upper Howard Creek at Ruckerville. Approximately one mile of roadway will be widened to include 12-foot lanes, and an additional six feet of paved shoulder on each side. Additionally, two extra feet of unpaved shoulder will flank the road, with plans to also reduce the curve and slope in the bridge's approaches. Bids for contracts will be opened this spring or summer, with a projected construction completion by winter 2006. No plans for traffic signals have been determined.

Mark Your Calendar

The next Community Advisory Group meeting will be held on Monday, April 24 at 6:30 p.m. at the J.K. Smith Station.



EAST KENTUCKY POWER COOPERATIVE

POWER PLANS

NEWS & UPDATES ABOUT THE J. K. SMITH UNIT • ISSUE 6 Spring 2006

"We applaud the tremendous work of Judge John Myers, Rep. Don Pasley and Sen. R.J. Palmer and other community leaders in securing this much needed funding."

*— Roy M. Palk,
President and CEO,
East Kentucky Power*

Mark Your Calendar
The next meeting will be
Monday, July 17 at 6:30 p.m.

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Irvine Road Slated for Multi-Million Dollar Improvements

Kentucky officials announced in April that the state has earmarked more than \$15 million for major road improvements to Ky. 89.

That means roughly half of the proposed \$28 million in improvements for Ky. 89 are in the state budget as East Kentucky Power moves forward with plans to construct a new 278-megawatt power plant at J.K. Smith Station in Trapp.

The other half of proposed improvements is contained in the state's six-year road plan.

At the April meeting of the Trapp Community Advisory Group, Clark County Judge-Executive John Myers said that the \$28 million of improvements would be done regardless of EKPC's plans for Smith Station.

CAG Co-Chairmen Larry Raney and Kevin Cantrell praised Judge Myers, state Rep. Don Pasley and state Sen. R.J. Palmer for their hard work in securing the funds. EKPC officials also congratulated community leaders.

"We applaud the tremendous work of Judge John Myers, Rep. Don Pasley and Sen. R.J. Palmer and other community leaders in securing this much-needed funding," said EKPC President and CEO Roy M. Palk. "We also would like to thank Gov. Ernie Fletcher for recognizing the need and value of these improvements."

Magistrate Pam Blackburn said state officials indicated bids that will be taken soon for work to replace the bridge and improve Ky. 89 near the intersection with Ruckerville Road.

Committee member Nick Bakay expressed concern about accidents that could occur as a result of the high traffic levels each day as workers and materials go to and from Smith Station.

Plant Manager Craig Johnson pointed out that EKPC never has said that the needed road improvements would be made prior to the plant opening. He added that if Smith #1 is not online in 2010, EKPC's member cooperatives and the 500,000 homes and businesses they serve could be exposed to reliability issues, as well as the high cost of purchased power, he said.

Even if all the needed state funds were available today, Transportation Cabinet officials have said that it would take years before road construction could be completed due to needed lead times to complete environmental studies and acquire rights-of-way.

This issue:

*Irvine Road Slated for Multi-Million Dollar Improvements
Power Plant Update
Workforce and Materials Deliveries
Transmission Update*

Johnson said that EKPC plans to take the following steps to reduce the traffic impact on Ky 89.

- EKPC will work with law enforcement officials to develop targeted enforcement areas
- Additional signage is planned to identify the plant location and alert drivers to be cautious.
- All major construction contractors will be required to make safety issues on the road a key part of their initial safety orientation
- The construction work force schedule will be staggered to reduce traffic
- Equipment and material suppliers will be offered the option of transporting materials by rail.
- There are no plans for trucks to haul ash on Ky 89 to Smith Station. When this was done in 2005, the ash was used as fill for CT sites, Johnson said.

CAG Member Larry Harmon asked about the amount of truck traffic once Smith #1 is completed.

Johnson said current projections are that 70 percent of the coal to power the unit could be delivered by rail and the rest would be delivered by truck. But those projections could change, he said, depending upon market conditions.

Johnson said EKPC is required by the state to operate in least-cost manner. Some coal from mines in the region actually would be more expensive if delivered by rail, Johnson said.

Nevertheless, EKPC is investing in a \$20 million train coal-handling facility for the plant. Johnson pointed out that coal is delivered to EKPC's Dale and Cooper stations exclusively by truck.

"The jobs that will be created by this plant could give us a greater capability to add deputies, increase fire protection or improve services for Trapp citizens because of the additional revenue the county will receive from payroll and property taxes," Judge Myers said.

Workforce and Materials Deliveries

During work on the Gilbert Unit, an identical unit to the one planned for Trapp, construction workforce peaked at 700 workers, or about 630 worker vehicles.

The peak in the workforce is expected to occur about two years after construction of Smith #1 begins and last for approximately six months.

In addition, Johnson told members of the CAG that he expects 7,700 truck deliveries during the three-year construction period. About three-quarters of those deliveries would occur during the first year and a half.

Truck deliveries of materials/supplies will average about 10 trucks per day, with a maximum of approximately 30 trucks per day, not including two 48-hour "mass concrete pours."

During each of these two events, 300 trucks will deliver concrete to pour foundations. Johnson said it is critical that once each "mass pour" begins, deliveries continue uninterrupted so that the concrete cures properly.

Judge Myers said EKPC and local officials will work together to notify the public and coordinate traffic flow during these two events.

EKPC is considering establishing a batch concrete plant on site at the plant, which would cut down on deliveries.

Transmission Update

Smith to North Clark— This project would rebuild an existing line from Smith Station to northern Clark County. Plans call for construction to begin this summer and to be completed by next summer.

Smith to West Garrard—EKPC plans to conduct public open houses on this project this summer. The line will run southwest from Smith to a new substation to be constructed in Garrard County. The CAG will be given a preview of this proposed route.

Power Plant Update

Johnson said that East Kentucky Power has filed an application with the state Public Service Commission for a certificate of need for Smith Unit #1 and five combustion turbines.

He said that EKPC plans to file an application in June for an air permit from the Kentucky Division

POWER PLANS

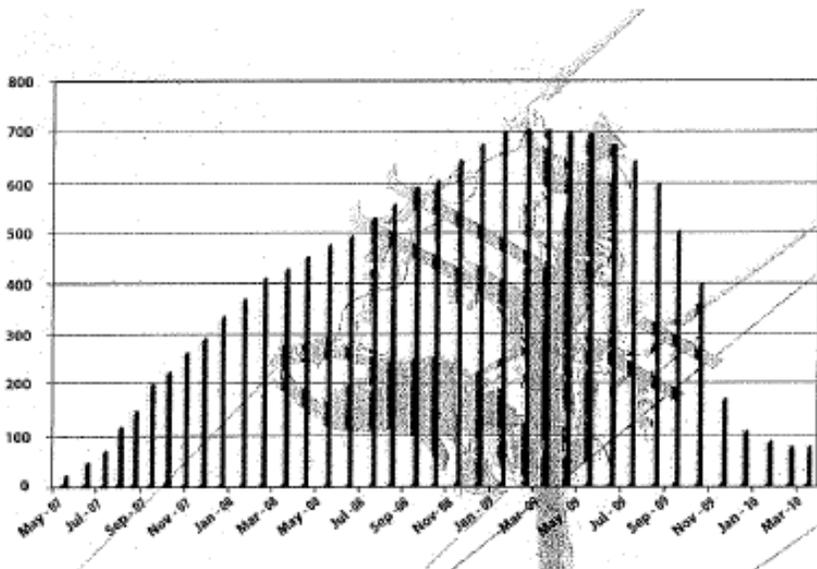
of Air Quality. If the application is approved, the current projection is that construction on Smith Unit #1 could begin around spring to summer 2007.

Five additional combustion turbines, which typically run only on the hottest and coldest days of the year, will be added to the seven CT units now at the site. Those five new turbines are now projected to be completed in 2008, Johnson said. Smith Unit #1 is currently projected to come on-line from late fall 2009 to spring 2010.

"The air permit application will include provisions for a second baseload unit," Johnson said. "But there are no plans currently to build a second unit. By doing the work to permit the second unit now, EKPC will avoid having to duplicate a great deal of work to obtain regulatory approvals years down the road if the second unit becomes necessary."

EKPC is required by the Federal Aviation Administration to install strobe lights on power plant stacks at Smith Station. During the day, the strobes must flash white lights. But at night, the lights can flash white or red. The CAG expressed a preference for red lights.

- **Summer 2006**
Air permit filed with state for Smith Unit #1
- **Spring-Summer 2007**
Final approvals received to begin construction of Smith Unit #1
- **Spring-Summer 2007**
Major construction begins Smith Unit #1
- **May 2008**
CT Unit #12 goes on-line
- **June 2008**
CT Unit #11 goes on-line
- **July 2008**
CT Unit #10 goes on-line
- **September 2008**
CT Unit #9 goes on-line
- **October 2008**
CT Unit #8 goes on-line
- **Summer 2009**
Construction workforce on Smith Unit #1 peaks at 700 workers
- **Late Fall 2009- Spring 2010**
Smith Unit #1 goes on-line



J Smith Unit 1
Committee Advisory Group
Trapp Elementary
February 21, 2005-6:30pm

EKP: Craig Johnson, Bob Hughes and Larry Morris

PO: Phil Osborne and Sara Bremer

CAG: Billy Edwards, Garry Taylor, Kevin Cantrell, Brad Conley, Eddie Jackson, Kevin Houston, Tom Akers, Cathy Akers, Libby Raney, Larry Raney, Bob Hampton, Pamela Blackburn, Ogie L. Hamilton, Roy Hamilton, Jo Ellen Reed, Jason C. Oesterling, Martina Hensley and Nick Bakay.

- I. Craig Johnson-Introduction
 - a. What has happened in Clark over the past three weeks?
 - i. White Xs on the ground are used as panel points to develop a map of Trapp based on elevation.
 - ii. The Public Service Commission Certificate of Need was filed on January 31. This will take about 6 to 12 months.
 - iii. Engineering- looking at ways to improve noise and lighting
 - b. Gilbert Unit-Maysville, KY: Is currently running a 100 percent. The plant will go public on March 1, 2005.
 - c. Introductions-The group went around the room and introduced themselves individually.
 - i. Meetings-Craig informed the group that they are free to meet on their own whenever they feel necessary. They don't always have to have EKP or Preston-Osborne present at their meetings.
- II. Phil Osborne
 - a. Handouts: Minutes of last meeting, meeting agenda, glossary of important terms and a mock up newsletter.
 - b. Wrap up of last meeting
 - i. After "dot voting" on what issues were most important to Trapp, it was clear that air quality control and environmental issues.
 - ii. Introduced Bob Hughes
- III. Bob Hughes- EKP Environmental specialist. Talked about two main issues.
 - a. Environmental Reports
 - i. Environmental Impact Statement-public impact statements
 1. Original Plant (1980)
 2. Kentucky Pioneer Energy produced a report for the site in its proposal.
 - ii. Spoke briefly on archeological studies on the land
 - iii. "Scoping" Meetings – are public meetings to discuss general environmental concerns. These will take place over time.
 - iv. Questions from CAG
 1. How do you know how much emissions will be let off?
 - a. They are determined based on the monitors of the Maysville plant.
 2. Do you monitor emissions?

- a. Yes. Federal regulations require continuous monitoring. EPA gives the plant 60 days to be up to par and running at 100 percent and adhering to all emissions regulations. All monitoring is done by the plant (self-monitoring system), however all problems and infractions are always reported.
 - 3. Where will the plant rank among other plants across the state?
 - a. When Smith Unit 1 opens it will be the cleanest plant in the state. EPA continues to raise the bar on emissions controls and with each new plant that is built the quality of emissions control is set higher.
 - 4. What happens when the emissions coming from the stacks are bad?
 - a. When the stacks are bad there are fines that are paid. The problems must be fix, if not, the plant will be forced to close. Any changes made to the plant must receive a separate permit.
- b. Air Quality Control- Hughes went over a number of handouts giving numbers and information on what is coming from the stacks and what those materials do to the environment and to the health of the community. These handouts will be mailed out to the group prior to the next meeting.
 - i. Emission ID
 - ii. Prevention Significant Deterioration (PSD)- This is a computer that models the plant and tests air quality control to detect emissions predictions.
 - iii. Permit
 - 1. What are we looking for in a permit?
 - a. Control Technology
 - i. Looking to see if we demonstrate the Best Available Control Technology
 - b. Air Quality Control
 - i. Looks at the area within 200 kilometers of the plant.
 - ii. Must demonstrate there will be no air quality impact. If it shows that the plant will change the quality we will not receive the permit.
 - iv. Questions
 - 1. What is a class one area?
 - a. Areas that EPA has protected. In Kentucky there is Mammoth Cave and the Great Smoky Mountains.
 - 2. What about acid rain?
 - a. Many people point fingers at coal fire power plants. But the truth of the matter is that it is more related to local emissions such as cars. New regulations have lowered power plant nitrous oxide emissions.
 - 3. How often do you update the plants?

- a. They are always adding controls to make the plants the most energy efficient as possible.
- 4. Is this a replacement plant?
 - a. No, this will not replace the DALE plant. It will remain open as long as possible with EKP updating it as necessary.
- 5. What about the water?
 - a. EKP will not add any heated water to the Kentucky River. They do not want to impact the river or the Lexington water supply. The plan is to have a 70-80 acre reservoir on site. The only discharge will be from the water treatment plant.
- 6. Do you plan on bringing in water for the reservoir or will it just collect water from rainfall?
 - a. The plan is to pump water from the KY River during high water times and use E. Clark water for potable purposes.
- 7. Can Bob return to more meetings to clarify things?
 - a. Bob will return to speak when the group wants him to. Once the plans are more in place he will come back and talk about any impact concerns the group has.
- 8. What do we see coming out of the stacks?
 - a. 90 percent of what you see coming out of the stacks is water vapor. The rest is primarily sulfur dioxide and nitrous oxide.
- 9. Why did the report say that the air in Clark county is dirty?
 - a. The study had no reason to place Clark on the list. The site that they took the read from was in Fayette County and there was no real reason to put them on it either. However, Clark is a surrounding county and so that is why it was ever on the list and it has since been removed.
- 10. Who will read and decide on the permit?
 - a. EPA and Land Manager (parks)

IV. Conversation and Conclusions – Phil

- a. Next Meeting: Monday, March 28, 2005
 - i. Chairs: The group decided that the first 15-20 minutes of their meeting will be used to elect a chairman and vice chair. All nominations will be sent to Phil over the next few weeks and a ballot will be cast.
 - ii. Road, Rails and Traffic: The 2nd largest concern to the group was roads and rails.
 - 1. Next meeting the group would like to invite Don Pasley and RJ Palmer to attend.
 - 2. The group discussed many concerns that they had about trucks and roads. They mentioned setting regulations on

routes that drivers would be allowed to take as well as times that they would be able to run.

3. A big concern was road conditions and what type of damage the trucks would do to the roads. Some one brought up the idea of making trucks pay a toll. Another comment was mentioned about possibly building a connecting road between Trapp and the Mountain Parkway.
 - iii. Revote on concerns: We will have another vote on top concern so that we can invite other guest speakers to upcoming meetings.
- b. Discussion:
- i. The group would like the chairs to be set up in a circle so that they can see one another during discussions.
 - ii. Some members expressed concern about noise control. Bob let them know that there has been research conducted about noise reads in the area and that he would provide them that information along with the air quality control handout.
 - iii. What is the estimated time frame for the plant?
 1. It will take about 12 months for the proposal to go through
 2. The constructions will take about 36 months
 3. The estimated fire up date will be the spring of 2006

J Smith Unit 1
Committee Advisory Group
Trapp Elementary
March 28, 2005-6:30 pm

EKPC: Craig Johnson, Larry Morris, Hank List and Earl Ferguson
PO: Phil Osborne and Sara Bremer
Legislative Delegation: Sen. RJ Palmer and Rep. Don Pasley
Kentucky Transportation Cabinet: Sam Beverage, Amos Hubbard and Daryl Greer
CAG: Cathy Akers, Tom Akers, Nick Bakay, Pamela Blackburn, Lisa Collins, Brad Condley, Billy Edwards, Bob Hampton, Eddie Jackson, Larry Raney, Libby Raney and Garry Taylor.

1. Phil Osborne-Facilitated co-chair election.
 - a. Nick Bakay and Larry Raney were appointed as committee co-chairs.
 - b. The group voted on making the position a 2 year term.
 - c. Kevin Cantrell will serve as the communications liaison for the committee.
 - d. Concerns:
 - i. The co-chairs must remain open minded and not have a personal agenda.
 - ii. Who will run future meetings?
 1. This will be up to the committee and co-chairs. Phil will be as involved as the committee would like him to be.
 - iii. Magazine from EKP
 1. Unhappy about comments "When the plant is open".
 2. Unhappy about committee members being quoted supporting the plant.
 - iv. Fire Station
 1. Clark County feels that the fire station is costing too much money and wants to close it.
 2. The community advisory group is opposed to closing the station.
2. Craig Johnson
 - a. EKPC is working on a tentative list of construction jobs as well as permanent jobs that Smith Unit will bring to the community.
3. Sam Beverage-State Highway Engineer
 - a. Introduced the other Transportation Cabinet members
 - b. Said that they are here to work with EKPC and the community of Trapp
4. Daryl Greer-Transportation Engineering Branch Manager
 - a. Power point presentation. (Copy was handed out to all who attended and mailed to those who were absent.)
5. Questions about Power Point:
 - a. Who monitors the trucks and their weight?
 - i. Vehicle enforcement will control the area.
 - b. Are there any plans to improve KY 89?
 - i. There are currently no provisions in the 6 year plan to improve KY 89 (According to Palmer and Pasley)
 - c. Does KY 89 fit the legal limitations?

- i. Yes. (According to Greer)
 - d. What is the 6 year plan? See "Road Work Ahead" handout.
 - i. Pasley: The government proposes a six year plan for what road projects can be funded with projected revenues. Currently KY 89 is not in this proposal, therefore it would make it difficult to add it. The 6 year plan is behind in funding and has actually turned into more of a 12 year plan.
 - e. Road traffic numbers?
 - i. Currently, there are approximately 2,600 vehicles that pass through Trapp on KY 89.
 - ii. If you go to the web site listed below, you will find traffic numbers for other roads in the area.
http://transportation.ky.gov/planning/maps/count_maps/maps/clear.pdf
 - f. What about getting federal money to fund the roads?
 - i. With federal funds come federal regulations.
 - g. What is the weight limit on KY 89?
 - i. 82,000 lbs (AAA-rated).
 - h. Will the transportation department come back to a meeting closer to the time that the power plant is built?
 - i. Yes.
- 6. Questions following Power Point:
 - a. In the "long curve" road, how wide would it become if improvements were made?
 - i. The road would become 12 ft. wide with 8-10 ft. shoulders and guard rails.
 - b. Will roads be completed by the time the power plant opens?
 - i. Palmer: The state is working together with EKPC. The government proposes a six year plan for what road projects can be funded with projected revenues. Currently, KY 89 is not included in that plan. However, with the power plant bringing an increase in economic development to the community, it could become a priority.
 - c. Is EKPC still on track to open the plant when expected?
 - i. Johnson: Still plan to kick off construction in '06. Coal deliveries will come 30 percent by truck and 70 percent by rail. If road work is not completed, more will come by rail.
 - d. Is night time delivery a possibility?
 - i. That is out of EKPC control. It is up to the delivery company, although EKP will work on negotiating times that are better for the community to see if cooperation can be obtained.
 - e. Limestone delivery?
 - i. Limestone will come by truck.
 - f. Will EKPC be building a spur in for rail delivery?
 - i. A spur already exists.
 - g. If there are currently 2,600 vehicles traveling KY 89 daily and there will be 800 workers, that will make 89 carry 4,200 vehicles a day. Is the capacity sufficient to handle that volume?
 - i. Yes.

- h. How much of the gas tax goes to fund state roads?
 - i. All of it. The tax itself, though, has been the same since 1986
- i. Can our roads handle the traffic that will come through if they remain in the condition that they're in?
 - j. Studies are currently assessing traffic volume to determine the impact of increased vehicle traffic. Currently, officials believe the roads can handle the volume, but the studies will provide a more definitive answer.
 - k. Assuming the plan to build the plant goes through, what can we do to get more funding? Can we propose as special bill?
 - l. No, we cannot propose a special bill. The road plan must be written in the budget.
 - m. Where do our representatives go from here?
 - n. All that they can do is wait on the highway department.
 - o. If EKPC doesn't burn coal, will they have to have their permit revised?
 - p. Yes, they will have to have the new permit approved to meet all environmental standards for a different fuel.
- 7. Next meeting: Monday, May 9, 2005. East Kentucky Power: 6:30pm
 - q. Newsletter: Will be handed out. Possibly see if Clark Energy will include it with bills.
 - r. Media: *The Winchester Sun* will be invited to attend the next meeting.
 - s. The group would like to have name tags for the next meeting.
 - t. There will be a notepad placed in Kevin Cantrell's store so that the community can express any questions or concerns.
- 8. Craig Johnson:
 - u. The next 2 months:
 - v. After completing transmission process, we will have an open house.
 - w. Air Permit.
 - x. Hauling Ash:
 - y. EKPC will begin hauling ash in the next 2-4 weeks.
 - z. EKPC is working with Carpenter Trucking.
 - aa. The trucks will follow a route from Highway 627, to the Winchester bypass, and east along Interstate 64. The trucks will take the exit onto 627 toward town, and travel briefly along Main Street before turning onto Kentucky 89 toward Trapp.
 - ab. EKPC is putting together a press release to notify the public about the resumption of ash hauling. Drivers are instructed to take extra precautions, obey speed limits and protect public safety.

J Smith Unit 1
Committee Advisory Group
East Kentucky Power Cooperative
May 9, 2005-6:30pm
Meeting No. 4

East Kentucky Power: Craig Johnson, Larry Morris, Brad Condley and Kevin Osbourn
Preston-Osborne: Phil Osboene and Sara Bremer

Winchester Sun: Mike Wynn

Guest: Judge/Executive John Meyers

Location: Smith Power Station Environmental Building

CAG: Eddie Jackson, Cathy Akers, Tom Akers, Lisa Collins, Ogie Hamilton, Nick Bakay,
Patricia Blackburn, Kevin Cantrell, Larry Raney, Libby Raney, Joyce Bakay, Jim Bakay, Billy
Edwards and Larry Botto

1. Plant Updates: Craig Johnson-J.K. Smith Plant Manager
 - a. Air permit: should be submitted to the State within the next couple of months.
 - b. The Design Outline for the unit will be finalized in the next few months
 - c. EKPC has completed the background ambient monitoring required for the air permit
Transmission plans will be in progress in the upcoming months.
 - d. Environmental Impact Statement: EKPC is working with Rural Utility Service.
 - e. Jobs: Have been in contact with local community college.
 - f. Reservoir study: Will be completed in the next few weeks.
 - g. Questions:
 - i. Have you heard any feedback from the Department of Transportation?
 1. Craig: No, but the judge will talk about that later in the meeting.
2. Fire Department: Judge-Executive John Meyers
 - a. Committee:
 - i. Judge Meyers thanked Nick Bakay and the advisory group for inviting him to attend the meeting. He said that Magistrate Pamela Blackburn has been representing county government on the Advisory Group and has been doing an excellent job.
 - b. Fire department:
 - i. Pamela Blackburn has been working hard to keep the fire station open in Trapp.
 - ii. Budget cuts: Judge Meyers said he has had to cut \$250,000 from the budget, but that cuts that have been made to the fire department have been minimal. They have cut things such as the amount of cleaning supplies that they receive. If more money is needed, the next step will be to look at reducing jobs, but not necessarily from the fire department.

- iii Staff changes: There are currently no plans for staff changes in the fire department.
 - iv Tax revenue: By East Kentucky opening the plant, new jobs will be created in the community, creating more tax revenue for the county. Judge Meyers encouraged the group to support East Kentucky in this project for the good of the community.
 - v Grant: Judge Meyers said that he is aggressively pursuing a grant that would enable the county to add or 3 more fire fighters to the station. The grant would pay for the fire fighters 100 percent the first year and decrease funds over the following years. By the time the community would be responsible for their wages, the plant would be built, increasing tax revenue and allowing them to pay for the new employees.
- c Defibrillators: Nick Bakay expressed his concerns for the fire department to have defibrillators. He mentioned the cost being minimal.
- 3 Gilbert Unit: The Gilbert Unit was dedicated on April 12, 2005. Co-Chairs Nick Bakay and Larry Raney both attended
- a. Bakay's thoughts on the plant:
 - i. He was disappointed that he could see the stacks from 15 miles away and was concerned about the white vapor he saw upon driving into the plant entrance.
 - ii. Craig Johnson said the vapor Mr. Bakay saw was water vapor rising from Spudlock Station's cooling towers.
 - iii. Mr. Bakay mentioned that at the last meeting someone said building Smith #1 was not a done deal.
 - iv. Mr. Bakay requested an emissions study be performed by an independent contractor, not East Kentucky Power. He suggested that if things are not up to standard that EKPC might have to go back and change the plans.
 - b. Craig Johnson:
 - i. EKPC is building a state-of-the art facility that will meet all state regulations and standards. When this plant is built, it will be one of the cleanest plants in the state and in the entire nation
 - ii. Questions:
 - 1. Group member to Bakay: What will an independent contractor tell you that the state won't?
 - a. Judge Myers: There is no gray area when it comes to the state government and these regulations. If the plant doesn't meet them, it will not open
 - 2. Bakay to group and EKPC: Can you trust the government?
 - a. Craig Johnson: EKPC currently uses an outside contractor to go over emissions reports. This study is monitored by the state. If the standards are not met, East Kentucky will have to correct the problem. As with all existing units, EKPC will meet—and in many cases perform better than—the emission levels set by state and federal regulators. Heavy fines would be

- levied if EKPC did not meet the required caps on emissions.
- b. Larry Morris: If things are not meeting the government's standards in the air permit, they do not allow the units to run at all.
- 3. Bakay to EKPC: Is there a possibility that an outside contractor will find something that EKPC can't?
 - a. Craig Johnson: At the meeting in on January 28, 2005, Bob Hughes presented lists to the group showing the emission standards.
 - b. Brad Conley: EKPC monitors what is going out and what is coming in. We, Craig and I, are personally civilly and criminally liable for the emission numbers.
 - c. Craig Johnson: Someone from air modeling will come and talk to the group so that the group can ask questions about the regulatory process that ensures compliance with health and safety standards.
- iii. Lisa Collins: Brought a copy of the Herald-Leader from January 2004 regarding a lawsuit filed by EPA against East Kentucky Power. The case is before U.S. District Court in Lexington and will be discussed at a later meeting.
- 4. Transportation: Judge Meyers made the following comments:
 - a. Sub-committee: Nick Bakay would like to form a sub-committee to address road conditions on Ky. 89.
 - b. Unscheduled projects list: Judge Meyers announced that he met with the Transportation Department to discuss unscheduled road projects. (Those not on the six-year state road plan.) He said the meeting with county officials from the Bluegrass Area Development District lasted five hours. Essentially, the state has found \$1.5 billion to spend on unscheduled projects over the next several years. Officials are working to prioritize needs.
 - i. Convinced Madison and Woodford counties to place their projects lower on the list so that Clark County could move its project for Ky 89 to the top. The other counties agreed to do this because of the revenue that the new Smith Unit will bring not only to Trapp but surrounding counties as well.
 - ii. There have been complaints about unsafe traffic on 89. A Vehicle Enforcement officer submitted a request for overtime officers to be placed on Ky. 89 for upgraded enforcement. Sheriff Ray Caudill has also agreed to increase enforcement on 89.
 - 1. Judge Meyers said records show that trucks are obeying the speed limit more than citizens are.
 - 2. If you see a problem, he told group members to please report it to Pamela Blackburn.
 - iii. Future projects: It is important that we prioritize our desired road projects.
 - 1. The county considers KY 89 the #1 priority for road improvements.

2. State Senator R.J. Palmer and Representative Don Pasley are working hard with Frankfurt and will continue to keep the county and advisory group updated.
 3. There are no funds right now. We have to be realistic in our plans.
- c. Railway bridges:
- i. Co-chairman Bakay: Expressed concerns about rail bridges. He said that there are bolts sticking out of the concrete and they are unsafe.
 - ii. Judge Meyers: He has tried to contact CSX but they have not been by to inspect the bridges. He said that CSX has been uncooperative with city and state government in the past.
 - iii. Craig Johnson: Has contacted CSX about the main line. CSX told Johnson that they would do an inspection. He said that he will send a letter to CSX requesting that the bridges be inspected to ensure that their condition is sound and safe prior to any material being moved to or from Smith Station.
 - iv. One CAG member suggested that they contract RJ Corman, who does railway repair work, to do the inspection.
 1. The member was told that Corman's company contracts to do repair work for CSX, and that it does not have to power to go over their heads to do contract work.
 - v. Phil Osborne suggested that Nick Bakay take photographs of the bridge for the next meeting and that a representative of CSX will be contacted to examine the photos.
5. Judge Meyers: The judge thanked the group for the invitation to the meeting and encouraged the group to keep an open mind and to keep the community involved.
 - a. He sees the proposed unit as a good thing for the community.
 - b. He commended EKPC and said that they will be a financial savior and good neighbor to the community as they have been for many years.
 6. Transmission lines: A study will be completed in the next month or so. Until the study is finished, we will not know where the proposed transmission line corridors will be.
 - a. Once the study is completed, an ad will be placed in the newspaper and an open house will take place where citizens who might be impacted by a proposed line will be able to ask questions and provide input.
 - b. Group member question: Is it going to be planned before we are notified?
 - i. The corridor is only a proposed strip of land in which a line might be built; nothing will be finalized prior to the open house.
 - c. Eminent domain- One CAG member asked if EKPC could use this right to build a line against the wishes of landowners. Kevin Osbourn of EKPC said that in most cases, EKPC is able to negotiate successfully with landowners and provide them with compensation. But in some cases, EKPC does go to court using eminent domain in order to complete a line. EKPC does everything possible to build projects at the lowest cost, while accommodating reasonable requests and minimizing the impact of transmission line projects upon communities.
 7. Nick Bakay requested an independent test of air quality.

- a. EKPC currently uses an independent contractor to do air emissions testing. The testing results from Gilbert will affect the design of the Smith unit.
8. Mission Statement: Billy Edwards addressed the mission of the committee. The committee exists to serve the community of Trapp, not to fulfill personal agendas of group members.
9. Nick Bakay wanted to go on the record and state that he is not opposed to the plant and that his only concern is that the emissions are within acceptable, safe levels.
 - a. Johnson once again reminded the group that the emissions testing is done by an independent contractor, not EKPC and is reviewed by the State
10. Jobs and job descriptions:
 - a. Johnson walked the committee through job requirements of typical positions that will be created by Smith #1.
 - b. Larry Morris pointed out that some jobs will require more than entry level experience.
 - c. Jobs will be posted on the East Kentucky Web site.
 - d. Tri Roberts and Jo Ellen Reed of LCC offered to help with training with Smith employees.
11. Tour of Gilbert Unit
 - a. The group decided that it would be best to tour the new E.A. Gilbert Unit before touring Smith Station
 - b. Libby Raney toured the Gilbert unit during the dedication in April and had positive things to say about the experience.
 - c. The tour was tentatively scheduled for June 16, 2005. Committee members will meet at East Kentucky's headquarters at 8:00 am. The group will tour the plant and have lunch with East Kentucky to discuss the results of the air emissions testing conducted on Gilbert. The group should arrive back in Trapp by mid-afternoon.
12. Plant lighting: A group member asked if there is any way to reduce the lighting without compromising safety standards. Larry Botto thanked EKPC for coming out to his house to observe the lights from the plant, and said that EKPC has reduced the amount of lighting visible from his farm.
13. Other Business:
 - a. Mission Statement: The group received a draft to review.
 - b. Impact on property values: This was put on hold until the next meeting. The group will have a guest speaker to talk about this issue.

Community Advisory Committee
Meeting Minutes
Monday, July 18, 2005
J.K Smith Station Meeting Room

- 1 Welcome and introduction of speaker Mary Jane Warner of EKPC
- 2 Mary Jane Warner, EKPC, addressed the issue of transmission. The information she shared with the group related to location was very preliminary. Plans could change as more information is gathered.
 - a. EKPC's board has approved two Smith outlet transmission lines, along with related substations and transmission facilities. One line is a double-circuit 345-kilovolt line stretching 18 miles from the plant to a point near Sideview along the Montgomery/Clark County line. The second is a single-circuit 345-kV line stretching 48 miles from Smith to a point in the general vicinity of Stanford in Lincoln County. New substations will be constructed at termination points.
 - b. Although the approximate starting and end points of the lines are known, the proposed locations of the substations and lines have not been determined.
 - c. EKPC is working with a consultant who is using detailed land-use data and aerial photographs to develop proposed ½-mile study corridors in which these lines could be built.
 - d. In selecting proposed corridors, EKPC seeks to find a route that delivers the power effectively, while minimizing the impact upon communities and the environment and costs to members.
 - e. The input of affected property owners is of primary concern. EKPC hosts open houses to share and gather information, and we strive to keep property owners and others fully informed about projects.
 - f. Once the ½-mile study corridor has been identified, EKPC will contact property owners based on information on file with the county PVA office. Property owners will receive a packet of information about the project and will be invited to an open house in the local area. In addition, the open houses will be advertised in local newspapers.
 - g. For the Sideview project, the open house currently is projected to take place in late 2005; for the line to Stanford, a series of open houses are anticipated to begin in early 2006.
 - h. At the open houses, EKPC will gather input from the community, property owners and people living within the study corridor. Engineers, right-of-way agents, biologists and other EKPC personnel will work with residents to identify their property and its orientation to the study corridor, to gather their feedback, and to address any questions they might have.
 - i. EKPC will use the information gathered at the open houses to finalize a centerline for a 150-foot wide easement for the transmission lines.
 - j. After the proposed centerline is identified, EKPC will apply to the Kentucky Public Service Commission for a Certificate of Public Convenience and Necessity, which is necessary to construct the lines. Notices are sent to affected property owners along with information about the Public Service Commission process.

- k. Citizens can ask for a local hearing. A second, more formal, hearing would be held in Frankfort.
- l. For transmission lines, EKPC negotiates the right to locate a transmission line easement on the property. Landowners are compensated with a one-time payment and retain ownership of the land.
- m. In most cases, the property owner continues using the property in the same manner as before.
- n. The negotiations will be for 150-foot easements. EKPC needs that width to construct and maintain the line and to control vegetation underneath and on either side in order to protect the line from damage caused by falling trees and tree limbs.
- o. For substations, EKPC negotiates the purchase of land for the facility.
- p. If an agreement cannot be worked out, EKPC can use eminent domain, but only as a last resort. EKPC works to avoid doing this.
- q. To the extent possible, EKPC works with property owners to locate pole structures on their property.
- r. Trees and vegetation that could interfere with the transmission lines will be removed. The easement will be maintained to prevent vegetation that could interfere with transmission lines.
- s. Questions from CAG
 - i. WHAT WILL LINES LOOK LIKE? The lines will be designed as two-pole structures with a connecting cross arm. They will be made of weathered steel that looks much like wood.
 - ii. CAN THE POLES RUN ALONGSIDE EXISTING POLES? The poles can run close to existing poles (called co-location) depending on the voltage and synchronization of the lines. If feasible and reasonable, design engineers prefer to run lines along existing routes in order to minimize impact upon communities.
 - iii. WHAT ARE THE HEALTH ISSUES IF ANY? The open houses will address this topic in detail and will provide literature for anyone interested. Extensive independent research on electro-magnetic fields has been inconclusive in identifying a connection to health impacts.
 - iv. WILL THE PLANT HAVE THE CAPACITY TO SUPPORT OTHER DESTINATIONS IN THE FUTURE? Combustion Turbines 8,9,10,11,12 (peaking units that only run on selected days of high demand) and Smith Unit 1 (a baseload unit that runs round-the-clock) can be handled by these lines.
 - v. WILL THERE BE MORE CAPACITY OR NEW LINES? If additional capacity is added beyond what is currently planned, more transmission would be needed.
 - vi. DO YOU (MJW) PROJECT NEW LINES? That depends on the need for additional peaking and baseload power. There are currently no new lines planned. HANK LIST: Smith could be considered for another unit in the future but nothing is planned at this point. CRAIG: EKPC's power needs are based on the demand from its 16 not-for-profit member cooperatives. EKPC could need another baseload unit at some point in the future. EKPC's power needs are

currently growing at approximately 100 megawatts per year—about 50 MW peak power and 50 MW baseload.

- vii. WHAT IS THE STATUS OF THE TRANSMISSION IN HARDIN COUNTY? This is another utility's line.
- viii. AREN'T THERE BETTER WAYS OF DELIVERING ENERGY? Currently, the only reliable way is through a wire.
- ix. CAN LINES BE BUILT UNDERGROUND? While burying transmission lines is pleasing to the eye and protects them from ice and weather, the costs of burying lines is prohibitive. Thermal issues require expensive cooling facilities. It can cost as much as 10 times more to construct underground transmission lines than overhead lines. Line repairs and maintenance also are extremely difficult and time consuming. HANK LIST: A system in Florida, where conditions are much more favorable for underground transmission, considered underground lines but abandoned the idea after realizing it would cost a great deal more.
- x. WHAT WILL THE COMMUNITY BE ALARMED ABOUT? Every community says 'Why me? Put it somewhere else.' But most people consider electricity a necessity and transmission lines are necessary to deliver electricity. Those lines must go somewhere. EKPC works with property owners and the community to minimize the impact while also meeting members' power needs.
- xi. WHEN DO YOU ANTICIPATE MAPS BEING AVAILABLE? EKPC will be working to determine a proposed study corridor right up until open houses are held. A map of the study corridor will be included with invitations to property owners. In addition, these maps will be published in newspaper advertisements about the open houses.
- xii. WHO IS DOING THE ENVIRONMENTAL ASSESSMENT? Note: Warner described the process EKPC typically uses for an environmental assessment, including field work by company biologists and the possibility of hiring a consultant to compile data and write the report. Further information learned after this meeting indicates that this transmission project will be included in revisions to an environmental impact statement written by the Rural Utilities Service. The EIS is significantly more in-depth than an EA.
- xiii. WHEN WILL THEY START? Probably with the shorter 18-mile line to Sideview, but official schedules will be available at open house.
- xiv. HOW MUCH ACREAGE WILL BE ACQUIRED FOR THE SUBSTATION AT SIDEVIEW? 10-15 acres depending on how the ground lays. EKPC will try very hard to find a willing seller.
- xv. WHEN WILL AERIAL PHOTOGRAPHY BE PERFORMED? It is possible that they will not do aerial photography until the leaves fall off the trees. Preliminary information has been obtained for the Sideview line. It could be 2006 for the Stanford line. EKPC has given the green light so now it is up to Photoscience.

3. Introductions of new faces and their roles:

- a. Hank List: EKPC. He is involved with community outreach throughout the duration of the project and will be communicating with several counties. He will assist with public relations of the project. He attended a meeting of Bluegrass Tomorrow with Roy Palk, CEO of EKPC, in Fayette County to discuss the formation of a committee looking at the regional traffic issues. KY 89 is the biggest issue of the transportation process and should be a top priority.
 - b. Larry and Kitty Harmon: Property owners in area.
 - c. Dan Garber: Works with the local PVA and was there to assist with computer presentation from Karen Bushart, also of the Clark County PVA.
 - d. Nick Comer: Communications coordinator for EKPC. He offered his assistance with any question and will take calls from CAG. His direct line is 745-9450 or main line at extension 450.
4. Karen Bushart of the Clark County PVA addressed the issue of the impact on property values.
- i. There is a 4.5-5% increase and has been consistent in the market for 5 years. (Fayette County is 5-6%) The market is determined by tracking sales.
 - ii. Historically, 5 acres of undeveloped land will bring \$25,000 anywhere in Clark County.
 - iii. Karen can't predict the increase, but projects that it will increase and maybe even spike with the construction of the plant.
 - 1. Nick Bakay showed Internet research saying that in every instance there was a decline in property values.
 - iv. Karen showed examples of the Ford community, but made clear that she was not comparing Ford to Trapp. In Ford, property has been climbing consistently. Based on Ford, her best guess is that it will do the same in Trapp. EXAMPLE OF FORD PROPERTY: 1.6 miles from plant sold for \$100,000 in November of 1995 and \$135,000 in 2005 with a steady increase of 4% a year for 10 years.
 - v. Information on the Clark County PVA can be found online at www.clarkpva.com or email Karen at kgarner.bushart@pva.com
5. Dale Henley, EKPC gave update on EPA lawsuit:
- a. Background: Lawsuit was filed by the EPA on January 28, 2004 against EKPC. The federal District Court in Lexington has set the trial for spring of 2006. It will be tried by a judge with no jury present (as are most cases of this type). EPA has targeted 156 generating units nationwide for similar enforcement actions, claiming that work performed on older units should have gone through new source permitting requirements. EKPC has three units now subject to EPA enforcement action, including Spurlock Unit 2, and Dale Station Units 3 and 4.
 - b. Prior to the lawsuit being filed, EKPC provided EPA with information covering that last 25 years. This included up to 750,000 individual documents and over 300 bank boxes.
 - c. EKPC may take the case to trial if a settlement agreement cannot be reached. Henley assured that EKPC has always met, or performed better than, EPA.

permitting requirements. In the last 15 years, EKPC has spent \$250 million-\$300 million on environmental compliance.

- d. Questions from CAG:
 - i. HAVE THERE BEEN ANY CRIMINAL ALLEGATIONS? No, all have been civil allegations.
 - ii. HAS THERE A NOTICE OF AIR QUALITY VIOLATIONS AT SMITH STATION? There have been no violations. The plant that EKPC plans to build at Smith Station will join identical EKPC units as the cleanest in the state of Kentucky and rank among the cleanest in the nation.
 - iii. WHAT ARE THE AIR QUALITY REQUIREMENTS? All of the stack emissions are measured at the stack. There are no requirements for remote monitoring stations. If there are persistent complaints the state can monitor but there has to be substantial information.
 - iv. WHAT ARE THE CONSEQUENCES IF FOUND GUILTY? The penalty can be as much as \$27,000 per day. There is no determination by any court as to a 'set' penalty. The only case that was ruled in favor of the government was in Ohio. Possible penalties include: environmental controls, and negotiated settlement is a big possibility.
 - v. EKPC believes that it fully complied with the provisions of the Clean Air Act and required regulations while doing the work on the units cited in the lawsuit. EKPC believes that when all the evidence is presented in this case, the facts will bear out that EKPC complied with the law and acted in good faith.
6. Craig Johnson, EKPC, gave project updates:
 - a. Reviewed the study of freshwater reservoirs. Two areas are Bull Run (original area was for Ash disposal) and Cotton Creek (original site proposed in the eighties). The cost of Bull Run is \$4 million cheaper to construct because there is not as much material required to construct the dam.
 - b. Phase 1 constructs: 86 acres of water surface that will last 120 days of low-flow condition on the Kentucky River.
 - c. Options for Red River Road:
 - i. Relocate → \$5 million project
 - ii. The road leading to the J K Smith Station would allow access to Red River (approx \$1 million project) via Baesler Lane
 - d. Questions from CAG:
 - i. WHERE WILL THE ASH POND BE? There will be no ash pond but a dry land fill instead.
 - ii. WHAT ARE THE BENEFITS? The possibilities could be a benefit because there will be a controlled release for drought relief.
 - iii. WILL THE RESERVOIR BE OPEN FOR RECREATION? No.
 - iv. WILL RAINWATER FLOW INTO RESERVOIR? Yes, rainwater will flow naturally into the reservoir. There is a watershed area.
 - e. Comments from CAG:

- i. Nick Bakay developed a recommended letter for Roy Palk to send to US Senators that will accompany photos that show wear & tear of the railroads. The letter will be reviewed by members of CAG and voted on next meeting.
 - ii. Bakay shared that he attended the Kentucky Transportation Cabinet open house and spoke with an engineer about KY 89. Bakay suggested to the engineer that road lanes should be extended to at minimum 9 ft. Bakay then passed around a sheet with possible solutions for KY 89 including converting it into a four-lane highway.
 - iii. Bakay passed around a proposed letter to be sent to Gov. Ernie Fletcher from the CAG. Members were asked to review the letter and it will be voted on at next meeting.
 - iv. Bakay shared an article that may be of interest to the CAG. "America's Dirtiest Power Plants Plugged into Bush Administration," reported in May of 2004 can be found at:
<http://www.environmentalintegrity.org/pubs/AmericasDirtiest.pdf>
 or contact Craig Johnson for a copy.
- f. The Members decided to hold the next meeting on August 15th at Smith Station to begin at 6:30am
 - g. Members closed the meeting.

Community Advisory Group Committee
Meeting Minutes
Monday, August 15, 2005
J.K Smith Station Meeting Room

1. Nick Bakay opened the meeting and recognized those who were new to the committee: Robert Ferguson, a Trapp property owner; and Rob and Nancy Baesler, property owners
2. Bakay introduced Craig Johnson, who gave the following project updates:
 - a. EKPC will construct a reservoir for Smith Unit #1, which will be used for cooling purposes and during times of drought to produce electricity.
 - b. Johnson reviewed the two options for the reservoir location: Bull Run, which will be significantly cheaper, and Cotton Creek. Due to public safety concerns, the reservoir at Bull Run will not be open for recreational use, but will be a benefit to the Baeslers for issues such as flood control. The reservoir dam will be 80 feet tall and will include approximately 80 acres of water surface.
 - c. The construction for Bull Run would be nearly \$4 million cheaper than the Cotton Creek location. If Smith Unit #1 is approved by the Kentucky Public Service Commission, construction on the reservoir would likely begin in late 2006 or early 2007, Johnson said.
 - d. Johnson also discussed plans for the portion of Red River Road that would be flooded by the new reservoir on Bull Run. One option is connecting the Smith Power Station main entrance road into Red River Road. The other option being studied is relocating Red River Road out of the flooded zone.
 - e. Routing access through Smith Power Station would be approximately \$3 million cheaper than relocating Red River Road. It is yet to be determined whether the access road will be owned by the EKPC or Clark County.
 - f. Questions from CAG: (Answered by Craig Johnson)
 - i. WILL THE ACCESS ROAD BE OWNED BY THE PLANT OR BY THE COUNTY? As of now, nothing is definite; however, if the road is owned by EKPC, there will be unrestricted access and EKPC will maintain the road.
 - ii. IF THE RESERVOIR IS USED FOR COOLING, WILL DISCHARGE BE TESTED FOR CONTAMINANTS LIKE MERCURY? The reservoir will store water that has been pulled directly from the Kentucky River and rainwater, so there isn't any need to test for contaminants.
 - iii. WILL BULL RUN CREEK HAVE WATER AT ALL TIMES? Yes. When the reservoir is built, there will be constant water flow. EKPC will control discharge from the reservoir, so issues like flooding will be controlled.
 - iv. WILL THERE BE PUBLIC ACCESS TO THE RESERVOIR? No. There are liability issues and public safety considerations that prohibit public access.
 - v. CAN THE RESERVOIR BE USED TO COOL NUCLEAR REACTORS? No. Smith Station will have units that rank as the cleanest coal burning units in the nation. There is no intention to use nuclear reactors.

- vi. WILL THERE BE SECURITY ON DUTY? The plant will have security guards who will patrol the reservoir grounds. This area will be restricted and there will be signs posted. EKPC is looking into the possibility of sponsoring limited deer hunts, working with the Division of Fish and Wildlife. (That may be an issue the committee wants to address in the future because there were comments both for and against that idea.)
 - vii. WILL THERE BE GUIDES TO ACCOMPANY HUNTERS? If hunting is permitted, there is a possibility guides may be required, but those details, along with many others, have not been finalized.
 - viii. WHO MAKES THE FINAL DECISION ON WHETHER THE GROUNDS WILL BECOME A STATE WILDLIFE MANAGEMENT AREA? Craig, as plant manager, has the most influence and assured the CAG that if they didn't support making Smith Station a state Wildlife Management Area, then EKPC will pass on the idea.
 - ix. HOW LONG DOES IT TAKE TO FILL THE ASH PONDS AT DALE STATION? Each pond at Dale Station takes about 2 years to fill. The ash for Smith Unit #1 will be stored in a landfill (not an ash pond). The Smith unit will create greater amounts of ash than at Dale Station because the unit is much larger and uses more coal.
3. Bakay introduced the discussion of CSX and comments in the absence of Judge Meyers.
- a. The major concern of the CAG is the bridges over which the trains pass. These bridges are 75-100 years old. Several members question the safety of the bridges to carry large tonnages of coal to the plant. If a bridge falls (or fails to meet requirements necessary), CAG members are concerned that more truck traffic will be created on KY 89 to transport material to the plant.
 - b. Bakay passed around the letter he proposed to send to the CEO of EKPC, Roy Palk. The letter requests that an examination of the railroad bridges and their current conditions take place and that action is taken to correct any problems. Bakay commented it had been his experience that railroads are difficult to work with because of a lack of regulation—at the state or federal levels. Bakay passed around pictures of the railroad bridge conditions.
 - c. QUESTIONS AND COMMENTS FROM THE CAG:
 - i. IF A BRIDGE WERE TO COLLAPSE, HOW MANY TRUCKS WOULD BE USING KY 89? (Craig) It's a 70/30 split with approximately 30 trucks/day for coal. If all of the coal came via truck, it would equal about 90 trucks per day. Many of the trucks will likely come from Eastern Kentucky, and would likely come from destinations within a 90 mile radius based on the economics of a truck haul.
 - ii. CAG MOTION:
 - 1. Billy Edwards suggested that the CAG have input in the letter and any other materials passed on with the Committee name attached. He suggested that if the CAG were going to send a letter, perhaps it should be from the CAG rather than Palk. The CAG is asking for Palk's involvement and he suggested it is inappropriate to write the letter as if it were from him and ask him to send it with his name attached.

2. Bakay clarified that the letter is only a "proposed" letter to be used or not used at the discretion of Mr. Palk
 3. Phil Osborne suggested to the CAG that nothing will happen with CSX until a representative comes to a CAG meeting and has a face-to-face meeting with members to learn their concerns. He suggested that Craig and Kevin Osbourn be appointed to get a representative to come to an upcoming meeting or to meet with Judge Myers to address the issue.
 4. Libby Raney suggested that the CAG address issues as a committee instead of putting words in Mr. Palk's mouth. She suggested that the committee discuss and then draft a letter or any material that will be sent by the CAG and then vote on it as a group. She said the CAG should bring an idea/issue to the entire group and not draft any letter without discussion.
 5. Gary Taylor stated that the CAG was not formed to solve problems but rather to assist EKPC in understanding and addressing the community's concerns.
 6. Craig Johnson informed the committee that Mr. Palk and other VPs receive a copy of CAG meeting minutes and assured the committee that if they take a vote of possible resolutions, Mr. Palk, as CEO, will listen and take appropriate action.
 7. Kevin Cantrell offered that the CAG is meant to work with EKPC and to find out what is being done to address their concerns.
 8. Edwards made a motion to inform EKPC of concerns the CAG has, but not in the form of a pre-drafted letter to be "proposed."
 9. Gary Taylor seconded the motion with the revised amendment that all future problems are handled in the same manner.
 10. Billy Edwards accepted the revision and the motion was approved by the committee.
4. Bakay introduced the topic of transmission:
 - a. Nick Comer, of EKPC, assured the committee that more details concerning transmission will be available at the next meeting. Mary Jane Warner will be meeting with consultants and she expects to have more information in September.
 5. Craig discussed the Air Quality report from the Gilbert plant in Maysville:
 - a. The Gilbert plant met all of its permit number requirements on emissions. The baghouse was performing very well with opacity measurements well below permitted limit of 20 percent.
 - b. QUESTION FROM CAG: (answered by Craig)
 - i. WHAT HAPPENS IF AIR QUALITY GOES DOWN? WILL THEY KEEP RELEASING? If an exceedance in the permit limit happens the state would find out and possibly fine EKPC. All of EKPC's coal fired units use state of the art technology. If the unit is out of compliance, it is detected and corrected early.
 - ii. WAS THERE ANYTHING NEGATIVE THAT CAME OUT OF THE GILBERT SAMPLES? No, EKP met all emissions limits.

- iii. ARE SMITH LIMITS LOWERED BECAUSE THIS IS TRAPP, KY VERSUS OTHER AREAS? The EPA regulations are no less stringent than other areas. The Gilbert plant is new and is one of the cleanest plants running today. Smith will—by regulation—be even cleaner.
- iv. WHAT ABOUT IRVINE, KY IN ESTILL CO? That is a totally different company that is not connected with EKPC. It's a merchant plant that will sell power out of state. Craig said the new EKPC plant is completely for customers in Kentucky and will come on line with a 90 percent utilization factor because power need is there for half a million Kentucky homes, farms, businesses and industries.
- v. WILL TRAPP GET LARGER IN THE FUTURE? It is possible that the plant will get larger in the future as demand for power grows.
- vi. WHY ARE CO-OP RATES HIGHER? One reason is that competitors with rural electric co-ops have much lower costs because they serve areas with four to five times the number of customers per mile of line. Also, coal prices are currently up 80 percent, which contributes to higher bills.
- vii. WILL IT BE CHEAPER WHEN THE PLANT IS ON-LINE? This plant will provide the most affordable, reliable power available, but the overall rates will be dependent upon the price of coal, the enormous costs of tightening environmental regulations and much more. Those costs are growing much more expensive.
- viii. WILL THE PLANT BURN TRASH? No, it will run on coal and coal alone.

If any CAG member would like a copy of the Gilbert emissions report, email Craig Johnson at craig.johnson@ekpc.com. Craig will also be bringing copies to the next meeting and will look into having an executive summary written. He will also try and get a representative to attend a CAG meeting and explain the report.

- 6. Craig Johnson discussed the Labor Meeting
 - a. Craig and Jim Shipp attended a meeting with Crafts people (union workers who will be hired to construct the plant). An estimated 700 jobs coming from a 50 mile radius of the plant will be needed for construction. The meeting discussed a possible "Apprenticeship Training Program" in which inexperienced people, such as recent high school graduates, from the area are trained to work on construction of the plant. The building trades are planning a couple of career days in the area to explain the opportunities that may be available.
 - b. Jo Ellen Reed, a CAG member and a representative of the Bluegrass Community and Technical College added that 400+ students are enrolled for the fall semester. BCTC will help with training in any way that it can with direction from EKPC.
 - c. QUESTIONS FROM CAG:
 - i. DOES EKPC HAVE TO USE A LABOR UNION? No. But EKPC thinks unions are good because of the training programs and the quality of workers. They bring young workers that help the industry. There is also the "Helmets to Hardhats" program that will help get veterans into the apprenticeship program.

community's concerns, we will be able to better provide clear lines of communication for all constituents."

- b. Bakay passed around a handout to be used for information purposes only. He also passed around a handout with suggested improvements for KY 89.
- c. Blackburn suggested that Don Pasley attend the next meeting and give updates.
- d. Phil suggested that the CAG not send a letter to the Governor because the legislature—not the governor—allocates money for projects.
- e. Libby Rancy brought to the attention of the committee an earlier motion that was voted on and passed stating that the CAG would no longer pre-draft materials, but rather let EKPC handle issues after the CAG had reported their concerns.
- f. Gary Taylor suggested that personal letters could potentially do more damage than good and that it is imperative that you go through government officials who have the power to get things accomplished.
- g. Blackburn shared that she had talked to a few people who were working on the roadway concerns for KY 89 and that it is necessary to understand that the proposed 6 year plan could change at any second with demand from other priorities, she expressed her opinion that the CAG (and the community) needed to get Don Pasley's full support.
- h. After further discussion from the CAG, the motion was voted on and passed to give all information from the CAG directly to EKPC and entrust them to remedy their issues.
- i. Phil Osborne suggested getting someone from EKPC's lobbying team to speak at the next meeting.
- j. Bakay passed around an information sheet concerning data to support the suggestion that motorists traveling on KY 89 drive with headlights at all time. If you would like a copy of the full fuel report, email Bakay at lapd11188@yahoo.com
- k. Bakay announced that due to time constraints from other endeavors, he would be resigning as co-chair of the committee. A nominating process will be implemented to select his successor.
- l. Bakay adjourned the meeting.

**Smith Community Advisory Group Committee Minutes
October 3, 2005 Meeting
J.K. Smith Station**

Smith Station Plant Manager Craig Johnson opened the meeting at 6:30 p.m. He asked if all members of the CAG had voted or had the opportunity to vote for the co-chair position that was open since the resignation of Nick Bakay. No one indicated that they had not had the opportunity to vote.

I. New business

a. Introduction of new co-chair

Phil Osborne stated that he had counted the votes and Kevin Cantrell would be the new co-chair. The meeting was then turned over to Larry Raney, CAG Co-Chair. Craig offered congratulations to Kevin who was not present at the meeting.

b. Report on CSX rail issues

Larry stated that the first item on the agenda was the report on CSX rail issues to be presented by Judge Myers. Members of the CAG had requested the report due to concerns about the structural integrity of CSX bridges that will be used to haul coal to the plant. Myers stated that after much effort through EKPC, CSX did meet with him approximately 2 months ago. Among the CSX personnel was a structural engineer. It was noted that flooding had caused erosion to one of the bridge piers. It was determined that the piers were 16' deep reinforced concrete structures sitting on bedrock. Each pier is reinforced with about 200 pieces of rebar. CSX tested the concrete and reported that the bridge is as firm as when installed and had no structural defects. The bridge is to have new ties installed in 2007. The report from CSX was that the bridge is sound. The cost to paint the bridge would be approximately \$2 million and was not an option that CSX would pursue at this time. Craig Johnson asked if CSX had provided a written report. Judge Myers said that they didn't but that he would call them back and report back at the next meeting.

c. Report on air quality measures from Gilbert

Lewis Petry of EKPC reported on the Title 5 permit process (copies of emission summary information for Gilbert Unit were passed out). EKPC hired an independent contractor to test for air emissions. A test protocol was submitted to the state for approval. Upon approval of the protocol the independent contractor performed the emission test for the Gilbert Unit. The independent contractor completed the report last week so it was mailed it to the EPA and state regulators. Kentucky officials still have to digest the report, analyze it and see if there are any problems. Petry reported that the independent test results confirm that the Gilbert Unit is the cleanest coal generating unit in Kentucky; EKPC was well under permitted levels for NOx, SO2, beryllium, lead, and other areas. Copies of report were offered to anyone that might want one.

d. Format and events around open houses

Craig Johnson stated that EKPC would open Smith Station to the public on Friday, October 21, from 1:00 p.m. to 6:00 p.m. and Saturday, October 22, from 9:00 a.m. to 2:00 p.m. EKPC will have signs up directing people to the Environmental Building and company officials will take visitors on tours; ads inviting the public will be placed in the Winchester Sun.

II. Old business

a. Transportation issues (Rep. Pasley and Sen. Palmer invited)

Larry said that he had talked to State Rep. Don Pasley and he couldn't make it. He said he was hopeful that this year the state will open up the 6-year road plan since the plan hasn't been opened up since 2002. By end of January, officials hope to have an idea whether or not we can get Kentucky 89 improvements added to it or not.

Judge Myers indicated that the project to replace the bridge at Ruckerville has been delayed because of environmental testing at the site of an underground gasoline storage tank there. This holdup could result in the bridge replacement being delayed for quite some time.

Hank List, EKPC manager of Economic Development said that EKPC had met with Jeff Secon, Executive Director of Blue Grass Area Development District. List reported receiving a good reception; that they were looking at system of roads all through the area (Powell, Estill counties, etc.) and also looking at road improvements from the Blue Grass Parkway to Smith Station; no new road is planned.

b. What is East Kentucky doing?

Phil Osborne said this item was included on the agenda because Jo Ellen Reed suggested it might be appropriate to talk about what East Kentucky is doing on the government relations side, permitting issues, and so on.

Eric Gregory indicated that EKPC is working with interested parties to coordinate communications and priorities. EKPC has been meeting regularly with legislators. Gregory said that Jason Bentley, executive director of the Governor's Office of Energy Policy, is aware of the situation.

c. Transmission Update

Mary Jane Warner, EKPC's Manager of Power Delivery Expansion, discussed the routing process EKPC uses for transmission lines like the ones needed for Smith Station. She displayed maps of study areas, which are wide areas where the lines might be located. She gave an overview of the process of evaluating possible routes for

transmission lines, saying EKPC uses a sophisticated, comprehensive computer model developed by Georgia Transmission and the Electric Power Research Institute. This model takes into account 1) the built environment, such as houses and other structures; 2) the natural environment, including impact on wetlands, forests, endangered species, etc.; and 3) the engineering environment, which includes considerations such as cost, rebuilding or co-locating with existing lines. Ms. Warner said there is a strong bias in the model for co-location of lines next to existing power lines and rebuilding existing lines. Once a study area is determined, aerial photography is performed. These photos are analyzed and compared with other data sources to identify structures and other features that could affect line routing. EKPC personnel also go into the field and view potential routes as much as possible in order to collect information that might have been missed. Information also is collected from local planning and zoning boards, the state Historic Preservation Office, government land-use databases and many other sources. Taking all this information into consideration, a preferred route is developed in which a line could be built. Using information from the county Property Valuation Administrator's office, EKPC contacts all property owners within a half-mile preferred corridor that is centered on the preferred route, and invites them to an open house to provide input and information about the proposed project and how it might impact their properties. All property owners are mailed an invitation along with a detailed packet of information explaining the process, the timetable and many other details about the project.

A CAG member asked if line placement is negotiable at the open house. Ms. Warner said EKPC takes the approach that the line is going to be somewhere in that half-mile wide corridor. EKPC works with property owners to make reasonable accommodations, but must keep in mind the impact that changes might have for other property owners and that not all requests can be met.

A CAG member asked how long EKPC has followed this process. Ms. Warner replied that EKPC has been doing open houses for 12 to 15 years. The Georgia Transmission/EPRJ computer model is relatively new. It is particularly effective on large projects, because of the amount of information that can be reviewed. It is the most comprehensive, objective model for transmission line routing that EKPC is aware of the in the industry.

A CAG member asked what accommodations can be made if a landowner is not able to attend the open house. Ms. Warner said if you get a personal invitation but you can't make it to the open house then you can call EKPC and we will make arrangements to meet with you separately and get information to you. You can come to our office, we can come to your home, and we will make sure you get it one way or another.

Ms. Warner indicated that construction on one of the needed lines from Smith, going from the plant to an area close to the Sideview community, is scheduled to begin in mid-2006. She added that EKPC understands nobody wants a transmission line on their property. However, transmission lines are necessary and the most comprehensive review with the most objective approach we think is the right way to do it and that's why we do it this way. She asked the group if they want to have a November meeting prior to

EKPC's open house with all property owners. The group agreed there should be a November meeting. She asked the group members to please attend both the CAG meeting and the public open house due to the information that would be collected at the open house and due to the amount of information that would be shared with the public at the open house.

Nick Comer, Communications Coordinator at EKPC, added that EKPC really tries to be as accommodating as we can be however; we still want to follow our normal process and collect information through the normal channels.

III. COMMITTEE ACTION ITEMS

- a. **Letter to Governor Fletcher**
- b. **Highway 89 improvement options (and what to do with the list)**

Phil Osborne reminded the group that draft letter has been proposed regarding transportation issues on Highway 89. The committee was asked to take the letter home, read it and come back with a decision as to whether to send the letter or not. Mr. Osborne indicated that he thought based on Judge Myers' and Mr. Gregory's comments earlier, he didn't think it was necessary to send it to the Governor at this time. Judge Myers added that the Governor is very much aware of the situation.

Mr. Rainey asked the group if there was any further discussion on whether or not to send the letter and the group elected not to do so at this time.

A CAG member added that closer to General Assembly's start of its regular session in January that members need to call Rep. Pasley and Sen. R.J. Palmer to remind them about transportation concerns. Judge Myers added that along that line keep in mind there are many counties that are impacted by this. He said that Rep. Harry Moberly is also a key player and calls and letters should not be limited your local representative and state senator because it goes a lot deeper and a lot wider than that.

Next meeting is tentatively scheduled for November 7th at 6:30 p.m.

**Smith Community Advisory Group Committee Minutes
January 23, 2006 Meeting
J.K. Smith Station**

Smith Station Plant Manager Craig Johnson opened the meeting at 6:10 p.m. He welcomed everyone. Since there were several new visitors Johnson introduced himself and what his role is at J.K. Smith/EKPC. Mary Jane Warner, Nick Comer, Hank List, Phil Osborne, and Larry Morris also introduced themselves and explained their roles.

I. New business

a. Project and schedule updates

For the benefit of those who had not attended previous CAG meetings, Johnson described plans for Smith Unit No. 1. Its sister unit, Gilbert Unit 3 at EKPC's Spurlock Station in Maysville, Ky., is ranked among America's cleanest coal-generating units. The Gilbert Unit received a second place award from Power Engineering Magazine for coal-fired power plant of the year. Both generate electricity using a clean-coal technology known as the circulating fluidized bed process. Construction on Smith Unit 1 is scheduled to begin in January 2007. Johnson also reviewed plans for a reservoir on EKPC's property. He said some roads might be relocated, but there will still be access to a cemetery on the site.

b. Overview of regional transportation study and legislative process

Stewart Goodpaster and James Ballinger, branch managers at the Kentucky Transportation Cabinet's District 7 office, gave an update on a transportation study of Ky. 89. They identified approximately \$28 million in possible improvements to the road in Clark County. County Judge-Executive John Myers stressed that these improvements are broken into eight individual projects and funding has not been budgeted for any of those projects, although state Rep. Don Pasley is working with other state lawmakers to obtain funding. A project that has been funded and is expected to be bid for contracts this spring or summer is replacement of the bridge over Dry Fork and widening of approximately one mile of roadway. The widened road would feature 12-foot lanes and 4- to 8-foot shoulders. The new bridge would have 6-foot shoulders. Ballinger said they hope to complete construction in one season. Plans for traffic signals have not yet been determined. In response to questions, Goodpaster and Ballinger said it likely will not be possible to complete the entire \$28 million in projects before construction peaks at Smith Station with about 1,000 workers traveling the road each day. Judge Meyers pointed out that leaders of other counties recognize the importance of these projects and have foregone road projects in their counties so that money can be used to improve Ky. 89. Johnson estimated that 70 percent of Smith Unit 1's coal will be delivered by rail and 30 percent by truck. Approximately 30 trucks of coal and 30 trucks of limestone will be delivered to the station each day once Unit 1 is in operation. Former committee co-chairman Nick Backay praised the work by the Transportation Cabinet, calling plans for the bridge "excellent." He expressed concern about school buses and postal carriers

c. Transmission updates

Mary Jane Warner gave an update on transmission line projects that are planned near Smith Station.

The Smith-Hunt-Sideview line has been renamed Smith-Hunt-North Clark due to a planned substation being renamed. An open house for property owners and the community was held in November. Plans call for existing 69-kilovolt lines to be rebuilt to 345-kilovolt. EKPC will be acquiring 50 feet of easement in addition to the existing 100-foot easement used for the 69-kV lines. A new substation will be constructed in northern Clark County near Montgomery and Bourbon counties. Two consultants—Strand Associates and American Consulting Engineers—have been hired to assist with easement acquisition. EKPC will issue identification badges to the representatives of those companies. Construction is scheduled to begin early this summer and continue until summer 2007.

A second transmission line will extend from Smith Station generally southwest to a new substation to be located near the community of Bryantsville in Lincoln County. EKPC is working to identify a site for that substation, which will affect the routing of the line. In addition, EKPC will be participating in a workshop in late February to collect stakeholder data that will be used to establish scoring to route this and future lines.

II. Other business

a. Reassess main issues of CAG and future direction

Phil Osborne reviewed a list of topics that had been identified as priorities by committee members nearly a year ago. He reviewed steps EKPC has taken to address each of the top issues and he asked the group if the list needs to be updated. It was suggested to maintain an update on construction and Johnson is going to do a manpower load curve, number of trucks daily, etc. Construction on the new coal-fired baseload unit (Smith Unit 1) is scheduled to start January 2007. Construction on new combustion turbines is scheduled to start April 2007 and be done in 2008. The peak of manpower on-site will be 2008 and 2009, Johnson said.

Permits

The Kentucky Public Service Commission (PSC) has been reviewing EKPC's application for Smith Unit 1 for one year and a ruling is expected any time.

An Environmental Impact Statement must be developed for the entire region.

EKPC plans to submit an application for an air permit in March.

Ash Hauling

EKPC is not planning to haul ash from Dale Station to Smith Station this year. Instead, plans call for the ash from Dale Station to be delivered to an industrial site near Winchester where it will be used as fill material. Johnson described how fly ash and CFB bed ash can be mixed to set up like concrete, preventing the ash from washing off-site.

EKPC is working with the University of Kentucky on possible uses for the ash.

b. Next meeting

Next meeting will be Monday, April 24, 2006 at 6:30 p.m.

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Smith Community Advisory Committee Minutes
April 24, 2006 Meeting
J.K. Smith Station

In Attendance

Co-Chairmen: Larry Raney, Kevin Cantrell

Attendees: Nick Bakay, Brad & Sarah Condley, Larry & Kitty Harmon, Pam Blackburn, Greg Griffett, John Vickery, Samich Shalash, Clark County Judge-Executive John Myers

Facilitator: Phil Osborne

EKPC: Craig Johnson, Larry Morris, Hank List, Kevin Osbourn, Nick Comer

Project Update

Station Manager Craig Johnson opened the meeting with a project status report on plans for Smith Unit #1, as well as five additional combustion turbines (CTs) planned at Smith Station. EKPC has submitted an application to the Kentucky Public Service Commission for a Certificate of Public Convenience and Necessity to build the new baseload unit and five peaking combustion turbines. As part of the PSC's review process, EKPC has submitted a great deal of data and answered questions from the commission, Johnson said.

In June, EKPC plans to submit an air-permit application to the state Division of Air Quality for Smith #1 and five new LMS100 combustion turbines. The application is expected to include provisions for a second baseload unit at Smith Station. EKPC has not yet sought any other approvals for the second unit, called Smith #2. Johnson said adding the second unit in the air permit application will prevent EKPC from duplicating a great deal of work if the second unit becomes necessary in the future, but there are no plans currently for a second unit.

Based on EKPC's experience with building Gilbert Unit #3 at Spurlock Station, construction on Smith #1 is expected to last 34 months from ground-breaking with EKPC now anticipating spring/summer 2007 for construction to begin. The unit is expected to be online by Fall 2009 or Spring 2010. Construction on the five additional CTs is expected to last 18 months from ground-breaking. They are expected to be online in 2008.

Workforce/Materials Deliveries

During work on the Gilbert Unit, an identical unit to the one planned for Smith Station, construction workforce peaked at 700 workers, or about 630 worker vehicles, Johnson said. That peak is expected to occur in the 24th month of construction of Smith #1 and last for approximately six months. He noted that workforce schedules will be staggered to reduce traffic congestion in and out of the plant. During Gilbert construction, a crew of about 30 worked overnight each night, he said.

In addition, he expects 7,700 truck deliveries during the 34-month construction period. About three-quarters of those deliveries would occur during the first 18 months. Truck deliveries of materials/supplies will average about 10 trucks per day, with a maximum of approximately 30 trucks per day, not including two 48-hour "mass concrete pours." During each of these two events, 300 trucks will deliver concrete to pour foundations. Johnson said it is critical that once each "mass pour" begins, deliveries

continue uninterrupted and trucks are not left waiting too long so that the concrete cures properly. Judge Myers said EKPC and local officials will work together to notify the public and coordinate traffic flow during these two events.

Johnson said EKPC is considering establishing a batch concrete plant on site at the station. This would cut down on deliveries, although EKPC would still need deliveries of materials such as bulk sand and stone to make concrete.

He noted that contractors will be offered the option of having materials delivered to Smith Station by railroad.

Ky. 89/Traffic concerns

Judge Myers said about \$28 million in projects to improve Ky. 89 have been added to the state government's six-year road plan. More than \$15 million of those projects have been funded in the state budget that was approved that same day by Gov. Ernie Fletcher. Because the projects are in the six-year plan, Judge Myers said, they will be done regardless of EKPC's plans for Smith Station.

Co-chairmen Larry Raney and Kevin Cantrell praised Judge Myers, state Rep. Don Pasley and state Sen. R.J. Palmer for their hard work in securing the funds.

Magistrate Pam Blackburn reported she has spoken to state officials who indicated bids will be taken soon for work to replace the bridge and improve Ky. 89 near the intersection with Ruckerville Road.

Committee member Nick Bakay said he has collected data that indicates a high number of accidents on Ky. 89. He called it one of the most dangerous 10-mile stretches of highway in the state. Bakay expressed concern about accidents that could occur as a result of the high traffic levels each day as workers and materials go to and from Smith Station. He said EKPC should delay plant construction until road improvements are completed.

Johnson pointed out to Bakay that EKPC has supported efforts to see that improvements are made to Ky. 89. But, he said, EKPC never has said it will delay construction until road construction completed. If Smith #1 is not online in 2010, EKPC's members and the 500,000 homes and businesses they serve could be exposed to reliability issues, as well as the high cost of purchased power, he said.

Judge Myers estimated that scheduled improvements to Ky. 89 would take at least four years and possibly much longer, even if work started immediately. Before construction can begin, he said, there is a great deal of preliminary work that must be done, including an environmental study and acquisition of rights-of-way.

EKPC plans to take the following steps to reduce the traffic impact on Ky. 89.

- EKPC will work with law enforcement officials to develop targeted enforcement areas.
- Additional signage is planned to identify the plant location and alert drivers to be cautious.
- All major construction contractors will be required to make safety issues on the road a key part of their initial safety orientation.
- The construction work force will be staggered to reduce traffic.
- Suppliers will be offered the option of transporting materials by rail.
- EKPC is open to additional suggestions and will continue to work with community leaders to see that these improvements are made.

- There are no plans for trucks to haul ash on Ky. 89 to Smith Station. When this was done in 2005, the ash was used as fill for CT sites, Johnson said.

Judge Myers agreed with Bakay's comment that candidates for county sheriff should be concerned about Ky. 89. He noted the sheriff's office is separate from the county fiscal court. He suggested inviting sheriff's candidates to future meetings.

Judge Myers said he has considered a shuttle service to transport construction workers from a central location to Smith Station, thus reducing traffic on Ky. 89, but he does not know of a large parking lot where large numbers of workers could leave their vehicles.

Larry Harmon asked about the amount of truck traffic once Smith #1 is completed. Johnson estimated about 70 percent of the coal to power the unit will be delivered by rail and rest will be delivered by truck, about 30 trucks a day. He pointed out EKPC is required by the Public Service Commission to operate in least-cost manner. Some coal from mines in the local region actually would be more expensive if it was delivered by rail, Johnson said. Nevertheless, EKPC is investing in a \$20 million unit-train coal-handling facility, so Johnson expects a large portion of the coal used at Smith will be delivered via rail. He pointed out that coal is delivered to EKPC's Dale and Cooper stations exclusively by truck.

Responding to requests from Bakay that fire/ambulance services in the Trapp area be upgraded, Judge Meyers noted that EKPC's projects at Smith Station will provide new tax revenue that could pay for additional services. He said he plans to ask for a new fire truck for Trapp.

Fire/ambulance services are operated jointly by Clark County Fiscal Court and Winchester City Commission, he said, so the city commission must approve additional ambulances and staffing. He pointed out that providing new ambulance service is especially expensive because it requires not just the cost of an ambulance but also the salaries of trained workers to staff it.

Transmission Update

Nick Comer updated the group on plans for additional transmission lines to serve Smith Station. Two projects are planned:

Smith-North Clark—EKPC unveiled plans for this project last year. An existing 69-kilovolt (kV) transmission line will be rebuilt to a double-circuit 345-kV/69-kV line. This line is being rebuilt from Smith Station west to Hunt Substation, then north to a new substation being constructed near the junction of Clark, Bourbon and Montgomery counties. EKPC has been acquiring right of way for this project. Plans call for construction to begin this summer and to be completed by next summer. The CAG will be given a preview of this proposed route when it is available before a public open house is held.

Smith-West Garrard—EKPC plans to conduct public open houses on this project this summer. The line will run generally southwest from Smith Station to new substation to be constructed in Garrard County. EKPC recently participated in a workshop to collect information from various Kentucky stakeholders. This data will be incorporated into a routing tool the cooperative uses to develop and assess alternative routes. Once this information has been finalized, EKPC will perform a routing study and conduct open houses for the public to provide feedback.

Stack lights

Johnson told the committee that EKPC is required by the Federal Aviation Administration to install strobe lights on stacks at Smith Station. During the day, the strobes must flash white lights. But at nighttime, the lights can flash either white or red. He asked which the committee would prefer. The group expressed a preference for red lights.

Next meeting

The next meeting will be Monday, July 17 at 6:30 p.m.

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Community Advisory Group Committee
Meeting Minutes
Monday, July 17, 2006
J.K Smith Station Meeting Room

1. Mary Jane Warner, manager of EKPC Power Delivery-Expansion, gave the following updates on two transmission projects from Smith Station
 - a. EKPC received environmental approval on the Smith to North Clark County transmission project. About 17 miles of the 18-mile project involves rebuilding an existing line from 69 kilovolts to 345 kV.
 - b. Out of a total of 101 parcels impacted by the project, EKPC has arrived at agreements with property owners for easements on all but 5 properties.
 - c. Those cases will proceed in Clark Circuit Court to determine the land value for the easements.
 - d. EKPC has begun to remove portions of the old line, and hopes to energize the new line in summer 2007.
 - e. A second transmission line nearly 37 miles long has been proposed from Smith Station to West Garrard County near Lancaster.
 - f. About 27 people attended a meeting held recently in Madison County to gather public input and identify significant issues about the proposed 345-kV line.
 - g. The project generally follows a corridor composed of several existing lines. If that corridor is chosen, EKPC will likely rebuild those lines or build a new line next to them.
 - h. Construction will likely begin next summer and last for two years.
 - i. An open house, which will be advertised in newspapers, is being planned for late August to gather additional public input on the project.
 - j. The CAG will be given a preview of the preferred transmission corridor prior to the open house in August.
 - k. EKPC will apply for state approval of the 345 kV line some time this fall.
 - l. Based on preliminary tests, EKPC is now determining whether the proposed substation site for the West Garrard project has any archeological artifacts. Other locations for the substation are possible if it proves to be a sensitive area.

2. Craig Johnson provided the following updates on the Smith Unit #1:
 - a. The air permit on Smith Unit #1 is expected to be filed with the Kentucky Division of Air Quality in August.
 - b. This unit is going to have to meet more stringent emission limits than the clean coal unit that was permitted in Maysville, with sulfur dioxide emissions projected at 50 percent less.
 - c. Some initial site preparation will begin for Smith Unit #1 this fall to begin clearing out cedar trees, repairing roads and begin excavation under the turbine foundation. The foundation excavations could involve a limited amount of blasting.
 - d. EKPC is still debating whether or not to build a concrete batch plant on site. If EKPC decides to do this, it will reduce concrete truck traffic on Irvine Road by 30 percent.
 - e. EKPC hopes to obtain the Certificate of Need for Smith Unit #1 from the state in the next few weeks.

- f. The old coal pulverizers that were stored at Smith have been cut up and removed.
 - g. EKPC is studying whether or not to build a reservoir costing \$18-\$19 million to protect against a drought.
3. Because past meetings have raised concerns about the Smith project and its impact upon public safety on Ky 89, Co-chair Larry Raney presented a report on safety statistics about the road that were gathered from Kentucky State Police records.
- a. Ky 89 in Clark County is not among the Kentucky State Police's top 25 most dangerous highways in the state.
 - b. Ky 89 had one fatal accident during the period from Jan. 1, 2004 to June 30, 2006.
 - c. During the same period,
 - U.S. 25 (Georgetown Road/Richmond Road) in Fayette County had eight fatal accidents.
 - Ky 11 in Montgomery County had seven fatal accidents.
 - U.S. 60 in Carter County had seven fatal accidents.
 - Ky 15 in Breathitt County had eight fatal accidents.
 - U.S. 127 in Anderson County had four fatal accidents.
 - d. Nearly \$28 million in projects to improve Ky 89 are in the state government's six-year road plan.
 - e. More than \$15 million of those projects have been funded in the state budget that was approved by the governor.
 - f. Raney said the plant would bring more traffic but he felt it could be made into a safe road.
4. Other issues
- a. Craig Johnson said that the sister generating unit for Smith #1, the Gilbert Unit in Maysville, has been meeting and exceeding its emission standards and is "doing very well."
 - b. Oct. 16, 2006 at 6:30 p.m. will be the next meeting of the CAG.

APPENDIX K:
Alternative Evaluation and Site Selection Study

Revised
**Alternatives Evaluation and Site Selection
Study for the Proposed J.K. Smith
Circulating Fluidized Bed Generating
Units, Clark County, Kentucky**



East Kentucky Power Cooperative, Inc.
Winchester, Kentucky

September 2006



Executive Summary

The East Kentucky Power Cooperative, Inc., headquartered in Winchester, Kentucky, is a not-for-profit generation and transmission utility that provides wholesale energy and services to its 16 member cooperatives through power plants, peaking units, hydro power, and more than 2,759 circuit miles of transmission line. EKPC's mission is to generate and transmit energy to its member cooperatives who distribute it to approximately 375,000 retail customers at the lowest practical cost. To meet the growing energy demand of its member cooperatives and their customers, EKPC is proposing to construct and operate two 278 MW circulating fluidized bed boiler (CFB) generating units with the first unit expected to be in service by 2010 and the second unit to follow at a later date based on market conditions.

The EKPC has requested financial assistance from the Rural Utilities Service (RUS), an agency which administers the U.S. Department of Agriculture's Rural Development Utilities Programs, for the construction of the proposed CFB units. Stanley Consultants was hired by the EKPC to prepare the Alternatives Evaluation and Site Selection Study to meet the requirements of the RUS. This document would also support preparation of a future Supplemental Environmental Impact Statement required for the construction and operation of the two 278 MW generating units pursuant to 7 CFR Part 1794, Subpart G (new electric generating facilities of more than 50 MW (nameplate rating) other than fuel cell, combustion turbine, combined cycle or diesel generators).

The EKPC Integrated Resource Plan (2003), Load Forecast Report (2004), and other EKPC data were used to develop and evaluate alternatives for increasing power generation. The Environmental Impact Statement Related to the Proposed J.K. Smith Power Station Units 1 and 2 and Transmission Lines (1980 Rural Electrification Administration) and the EKPC 400 MW Combustion Turbine Project Alternatives Analysis/Siting Study (1991 Black & Veatch) were used to develop evaluation criteria for site alternatives and identification of the preferred site for the proposed two 278 MW CFB units.

Section 1 introduces the EKPC and the proposed action. The format of this document is also provided which follows the RUS outline (12/1/2003 DRAFT) for an Alternatives Evaluation and Site Selection Study for a new generation project.

Section 2 provides a brief history of the EKPC, identifies its member cooperatives and the total number and type of customers. In addition to the existing member cooperatives, the EKPC has a signed agreement with the Warren Rural Electric Cooperative Corporation to join its system in 2008.

Section 3 addresses the purpose and need for the two new 278 MW CFB generating units. EKPC currently owns and operates 1,657 MW of coal-fired capacity and has developed 12.8 MW of landfill gas capability. The existing EKPC purchase contracts in the region include a guaranteed 186,900 MWh/year from the Columbia Basin System of Projects and 36,400 MWh from the Laurel Dam facility. The EKPC Load Forecast Report (2004) is reviewed to identify the load demand forecasts (historic and projected) and factors considered in the economic model are discussed. The EKPC member cooperatives expect to add approximately 330,000 residential customers by 2024.

Section 4 includes a review of the existing and potential capacity alternatives. The impact of load management programs is presented including benefit/cost information. While load management and energy conservation programs are important, they do not substantially alter the need for new generation. Capacity alternatives including renewable energy sources, distributed and fossil fueled generation, repowering and/or uprating of existing facilities and new transmission capacity are discussed. Solar and geothermal power is not considered feasible for the area and/or the technology is not sufficiently developed. Pumped hydro power would be dependent on a partner to be feasible and would require an estimated ten years to develop at considerable risk. Fuel cells are being tested and evaluated by the EKPC Research and Development process and biomass and wind energy are being considered as part of the EKPC Green Power Program. Based on various analyses, EKPC does not plan to retire or repower any of its eight existing pulverized coal-fired units during the 20-year planning horizon (2002-2022). Based on the analysis of capacity alternatives, EKPC selected the proposed two 278 MW CFB units capable of burning coal, tire-derived fuels, petroleum and biomass as the preferred source for new generation.

Section 5 reviews the site selection criteria for the proposed CFB units within the EKPC region. The three phased approach to site selection includes the identification of potential siting areas, identification of candidate sites and site evaluation. The 400 MW combustion turbine study (1991 Black & Veatch) considered 22 potential sites, screened these to six candidate sites and identified one preferred site (CL-4/J.K. Smith, Clark County) and one alternate site (MA-2, Madison County). The 1980 Rural Electrification Administration (REA) study divided the region into four sections, identified five potential candidate sites based on screening criteria and selected site 5-A (J.K. Smith, Clark County) as the preferred site. Furthermore, REA committed to guarantee a loan to the EKPC in 1980 for two proposed 600 MW coal-fired steam electrical generating units at the J.K. Smith site, however, the project was never built. In 2002, the Department of Energy prepared an Environmental Impact Statement for a proposed 540 MW demonstration power station comprised of two synthesis gas-fired combined cycle units to be

located at the J.K. Smith site, however, the partners could not agree on project development cost-sharing and the project was never built.

Section 6 provides a description and location of the proposed and alternative sites for the two 278 MW CFB units. Based on information available from previous studies and the current location of existing combustion turbines on the site, the J.K. Smith Power Station is the preferred location for the two 278 MW CFB units. The John Sherman Cooper site and a 500-acre site near Irvine, Kentucky in Estill County, currently being planned for a 110 MW CFB unit, have been selected as alternative sites.

Section 7 describes the proposed action and component details of the 278 MW CFB units including a proposed site layout. Initial regulatory permitting of the project is underway. If permits can be obtained, construction of the first unit is expected to begin in June 2007. The project would require three years to complete construction and performance testing would be expected in mid-2010.

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Introduction

1.1 General

Member cooperatives developed the East Kentucky Power Cooperative, Inc., (EKPC) as a not-for-profit generation and transmission utility with headquarters in Winchester, Kentucky. EKPC's purpose is to generate energy and transmit it to member cooperatives that distribute it to retail customers at the lowest practical price. Today, EKPC provides wholesale energy and services to 16 distribution cooperatives through power plants, peaking units, hydro power, and more than 2,759 circuit miles of transmission line.

To continue to meet the growing power needs of the member cooperatives, EKPC is proposing the construction and operation of two new 278 MW generating units each consisting of one circulating fluidized bed boiler (CFB), one turbine-generator, one flue gas desulfurization system, one SNCR NO_x control system, one baghouse, one stack, and associated balance of plant (BOP) equipment. The proposed units would be built on a site currently owned by the utility in Clark County, Kentucky. Located on the north side of the Kentucky River west of SR 89 and east of Red River Road, the J.K. Smith Power Station, contains seven units operated by the utility consisting of three 110 MW combustion turbine (CT) units and four 70 MW CT units. The proposed CFB units would use a maximum of 3,000 gallons of water per minute and would be operated approximately 8,000 hours per year.

In addition to the two new CFB units, a separate EKPC proposal would be prepared to construct and operate five new CT units (8-12) that would be installed in line with the existing units. The proposed CFB units would be located to the east of the existing CT units on the site of the originally proposed Units 1 and 2 coal-fired electric 600 MW generating units at the J.K. Smith Power Station. The interconnection of the proposed CFB units with the CTs and the EKPC transmission system would require a new 345 kV switchyard and associated transmission lines be constructed on-site.

A 1981 Environmental Impact Statement (EIS) for proposed Units 1 and 2 at the J.K. Smith Power Plant site was prepared, submitted to and approved by the Rural Utilities Service (RUS). The 600 MW generating units were never constructed and the proposed CFB units addressed in this document would be located at the same site. Early coordination between EKPC and RUS indicates a Supplemental Environmental Impact Statement (SEIS) would be required to address impacts associated with the proposed CFB units. The SEIS will be based on the November 2002 environmental document for the Kentucky Pioneer Project that was never constructed.

Four Environmental Assessments (EAs) were prepared for the existing CT facilities at J.K. Smith Power Plant. The proposed CTs (8-12) and interconnection with the proposed CFB units and EKPC system (i.e., switchyard and associated transmission facilities) would be addressed in a separate EA.

The format of this document follows the RUS outline (12/1/03 DRAFT) for an Alternatives Evaluation and Site Selection Study for a new generation project. The first part of this report addresses the purpose and need for the proposed units, examines existing generation resources, and reviews capacity alternatives. The second part of the report addresses the siting study, scope of analysis, approach, and findings. The project description and preferred site are discussed in some detail.

This document was prepared to support EKPC's request to the RUS for financial assistance for the proposed CFB units and replaces the study submitted in February 2006. This document would also support the preparation of a future SEIS required for the project pursuant to 7 CFR Part 1794, Subpart G (new electric generating facilities of more than 50 MW (nameplate rating) other than fuel cell, combustion turbine, combined cycle or diesel generators).

Profile of Applicant

2.1 History

In 1941, thirteen rural cooperatives organized EKPC with an initial loan from the Rural Electrification Association (REA). EKPC was created to provide its members with an adequate supply of dependable electric power at the lower price consistent with sound business practices. This continues to be the mission of the cooperative today.

After its inception, planning and work on the EKPC system was voluntarily suspended during World War II. However, at the end of the war work was resumed with an ever-increasing demand for electricity in rural areas.

In 1949, four additional transmission cooperatives joined the system. These were joined by two more transmission cooperatives in 1951. Also in 1951, after years of litigation, EKPC was granted permission to construct a generation and transmission system.

The first unit of EKPC's initial generating facility, the William C. Dale Station, was completed in 1954. Three more generating units were added, with the fourth completed in 1960, making it at the time the nation's largest plant financed through REA with a total capacity of 172 MW.

To meet the growing needs of its system, EKPC added the John Sherman Cooper facility with a total capacity of 341 MW during the sixties, and the Hugh L. Spurlock Power Station in the late seventies with a total capacity of 850 MW.

In March 2005, EKPC began operating one of the nation's cleanest coal generating units. This unit, the E.A. Gilbert Unit, is located at the Spurlock Power Station. It features a clean coal technology, a CFB that has very low emissions and gives the unit the ability to burn alternative fuels such as tire-derived fuels and biomass. The two proposed CFB units at J.K. Smith would be

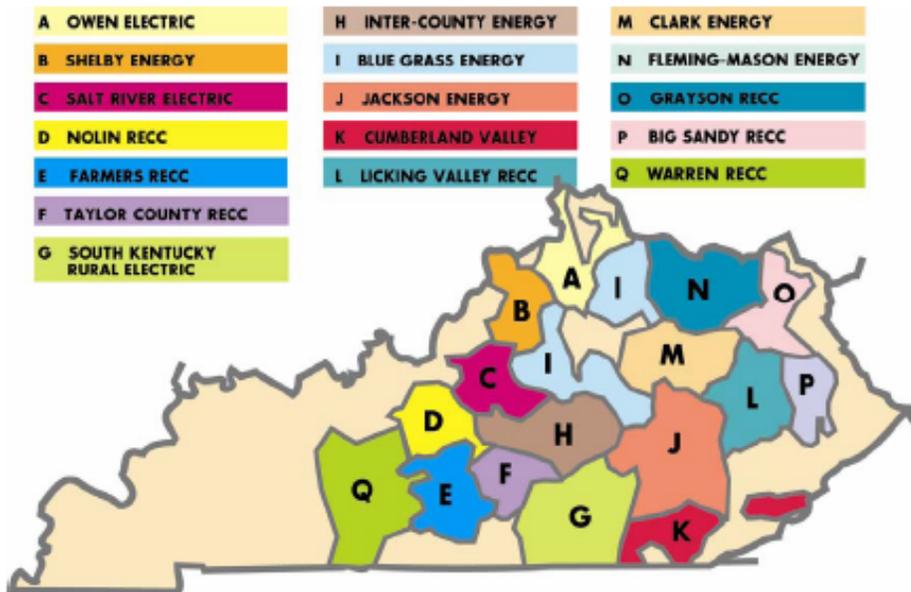
able to burn coal, tire-derived fuels, petroleum coke, and biomass similar to the existing E.A. Gilbert Unit.

2.2 Member Cooperatives

EKPC serves sixteen member distribution cooperatives that serve over 475,000 meters that represent approximately 375,000 retail customers. Member distribution cooperatives served by EKPC are listed below and their service territories shown on Figure 2-1:

Big Sandy RECC	Jackson Energy Cooperative
Blue Grass Energy Coop. Corp.	Licking Valley RECC
Clark Energy Cooperative, Inc.	Nolin RECC
Cumberland Valley Electric	Owen Electric Cooperative
Farmers RECC	Salt River Electric Coop. Corp.
Fleming-Mason Energy Cooperative	Shelby Energy Cooperative, Inc.
Grayson RECC	South Kentucky RECC
Inter-County Energy Coop. Corp.	Taylor County RECC

One additional cooperative, the Warren RECC ("Warren") is scheduled to join the EKPC system in 2008.



EKPC Member Service Territories
Figure 2-1

2.3 Customer Base

Within the EKPC service area, electricity is the primary method for water and home heating. Approximately 85 percent of all homes have electric water heating, and 59 percent have electric heat. In 2001, 58 percent of EKPC's member cooperative retail sales were to the residential class. Residential customer use averaged 1,143 kWh per month.

The economy of EKPC's member cooperatives service territories varies within and between the different areas. The areas around Lexington and Louisville have a relatively high amount of light manufacturing. The area around Cincinnati contains a growing number of retail trade and service jobs while the eastern and southeastern portions of EKPC's service areas are dominated by the mining industry. Tourism is an important aspect of EKPC's southern and southwestern service areas, with Lake Cumberland and Mammoth Cave National Park contributing to jobs in the service and retail trade industries. Textile and apparel manufacturing employ a significant number of workers throughout the service areas, particularly in the northeastern and southern portions.

Purpose and Need for the Project

3.0 Purpose and Need

The power needs of the existing sixteen member distribution cooperatives that form the EKPC and the additional Warren RECC, a distribution cooperative with headquarters in Bowling Green, Kentucky, require the construction of the proposed CFB generating units at the J.K. Smith Power Plant site. The additional CTs (§-12) addressed in a separate proposal are required to meet peaking needs and will not diminish the need for baseload units at the site. A 2003 Integrated Resource Plan (IRP) documents the need for approximately 500 MW (summer rating) of additional capacity to be added between 2004 and 2009. An additional baseload unit, Spurlock 4, similar to the Gilbert Unit is planned to be in service by the summer of 2009.

These additional capacity needs are based on the EKPC strategy of acquiring firm resources available all year to meet summer capacity needs and buying winter seasonal capacity to make up the additional resource demands to meet the winter peak. The long-term reserve margin target used by EKPC for acquiring resources is 12 percent. EKPC adds resources to meet a minimum of a 12 percent reserve margin for the summer peak while keeping any purchases needed to meet the winter peak to a level EKPC believes can be reliably imported.

3.1 Demand Forecast

EKPC's most recent demand load forecast (EKPC Load Forecast Report, September 2004, see Appendix E) projects that firm peak demand load will increase from 2,899 MW (actual 2004) to 4,922 MW in 2022, an annual average increase of 3.2 percent. Corresponding energy required to serve EKPC member cooperatives is projected to increase from 11,158 GWh (actual 2002) to 20,483 GWh during the same time period, an annual average increase of 3.1 percent.

Some of the significant factors that drive the September 2004 demand load forecast include:

1. EKPC's member distribution systems will add approximately 330,000 residential customers by 2024. This represents an increase of 2.7 percent per year and includes the Warren RECC beginning in April 2008.
2. EKPC uses an economic model to help develop its demand load forecast. The model uses data for 89 Kentucky counties in six geographic regions. The economy of these counties will experience modest growth over the next 20 years. The average unemployment rate is expected to fall from 6.9 percent in 2004 to 5.4 percent in 2020. Total employment levels will rise by over 400,000 jobs. Manufacturing employment will increase from 272,000 jobs in 2004 to 332,000 jobs in 2020. Regional population will grow from 3.5 million people in 2004 to 3.9 million people in 2020, an average growth of 0.8 percent per year.
3. From 2004 through 2024, approximately 70 percent of all new households will have electric heat. Eighty percent of all new households will have electric water heating. Nearly all new homes will have electric air conditioning, either central or room.
4. By 2024, naturally occurring appliance efficiency improvements will decrease retail sales nearly 400,000 MWh. Appliances particularly affected are refrigerators, freezers, and air conditioners.
5. Residential customer growth and local area economic activity will be the major determinants of small commercial growth.
6. Forecasted demand load growth is based on the assumption of normal weather, as defined by the National Oceanic and Atmospheric Administration, occurring over the next 20 years.

Table 3-1 lists EKPC annual peak demand load and compares resulting capacity requirements with existing and committed resources. The table shows that EKPC will need to provide approximately 1,750 MW of additional resources to serve projected loads by 2017. EKPC is continuing its negotiations with native demand load industrial customers concerning interruptible service. EKPC has also screened and designed a package of new demand side management (DSM) programs, which are presented in Section 4.

Table 3-1 EKPC Projected Capacity Needs (MW)

	Projected Peaks		12% Reserves		Total Requirements		Total Resources		Deficit	
	WIN	SUM	WIN	SUM	WIN	SUM	WIN	SUM	WIN	SUM
2003	2,390	2,013	287	242	2,677	2,255	2,604	2,102	73	153
2004	2,488	2,112	299	253	2,787	2,365	2,364	2,112	423	253
2005	2,591	2,202	311	264	2,902	2,466	2,368	2,309	534	157
2006	2,684	2,283	322	274	3,006	2,557	2,497	2,320	509	237
2007	2,776	2,363	333	284	3,109	2,647	2,494	2,317	615	330
2008	2,863	2,437	344	292	3,207	2,729	2,499	2,322	708	407
2009	2,967	2,528	356	303	3,323	2,831	2,504	2,327	819	504
2010	3,068	2,616	368	314	3,436	2,930	2,499	2,322	937	608
2011	3,166	2,699	380	324	3,546	3,023	2,504	2,327	1,042	696
2012	3,256	2,775	391	333	3,647	3,108	2,504	2,327	1,143	781
2013	3,369	2,871	404	345	3,773	3,216	2,504	2,327	1,269	889
2014	3,477	2,961	417	355	3,894	3,316	2,504	2,327	1,390	989
2015	3,583	3,052	430	366	4,013	3,418	2,504	2,327	1,509	1,091
2016	3,682	3,137	442	376	4,124	3,513	2,504	2,327	1,620	1,186
2017	3,797	3,235	456	388	4,253	3,623	2,504	2,327	1,749	1,296

Source: EKPC

3.1.1 Summary of Latest (2004) Power Requirements Study

EKPC's demand load forecast is prepared every two years in accordance with a RUS approved Work Plan. The work plan details the methodology employed in preparing the projections. EKPC prepares the load forecast by working jointly with member cooperative systems to prepare their demand load forecasts. Member cooperative projections are then summed to determine EKPC's forecast for the 20-year period. Member cooperatives use their demand load forecasts in developing construction work plans, long-range work plans, and financial forecasts. EKPC uses the load forecast in such areas as marketing analysis, transmission planning, power supply planning, and financial forecasting.

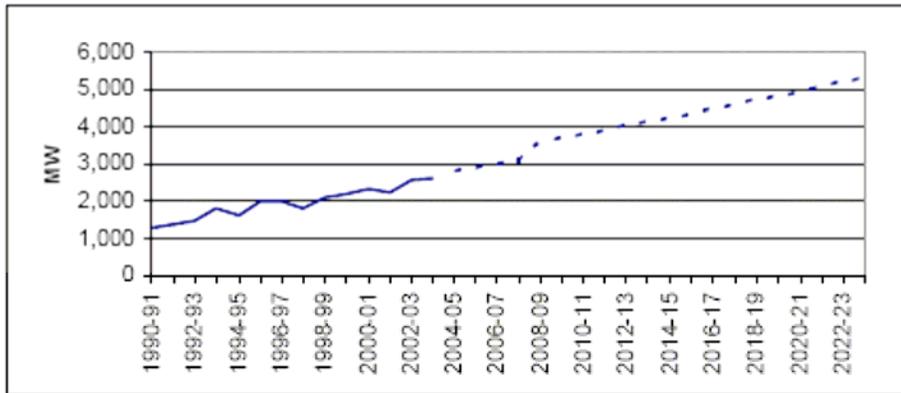
Historical and projected total energy requirements, seasonal peak and annual demand load for the EKPC system are presented in Tables 3-2, 3-3, and 3-4. The EKPC system is winter peaking with winter peaks more than 400 MW greater than summer. Internal demand load refers to EKPC's peak demand unadjusted for interruptible service, and net demand load refers to EKPC's firm peak demand, taking all adjustments into account. Both are based on coincident hourly-integrated demand load intervals. Demand load factor is calculated using net peak demand and energy requirements.

EKPC's 2004 demand load forecast indicates that total energy requirements are projected to increase by 3.6 percent per year during the 2006 through 2024 period. Net winter peak demand load will increase by approximately 2,400 MW and net summer peak demand load will increase by approximately 2,100 MW. Annual demand load factor projections are expected to remain steady at approximately 53 percent.

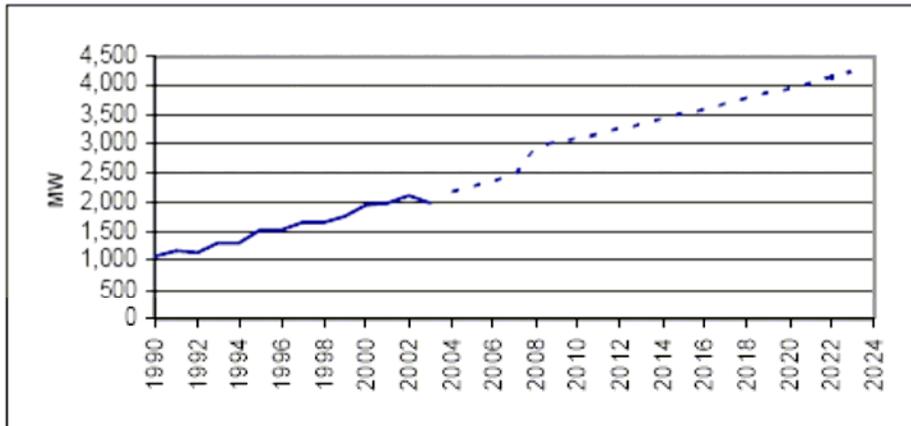
3.1.2 Historic Load Growth vs. Projected Load Growth

EKPC has experienced steady demand load growth from its inception. In the early years of the cooperative, growth was rapid due to expanding transmission and distribution systems reaching farther into rural areas. Growth of the demand load was also facilitated by the continually expanding uses of electricity. This steady growth is mirrored by the increase of EKPC's capacity to meet demand load.

The cooperative continues to meet the electric needs of the member cooperatives with a mix of purchased power, hydro, gas turbines, and landfill gas generators. However, coal remains the most cost effective, reliable source of capacity. Figure 3-1 shows the historic and projected winter demand load growth for EKPC until 2024. Figure 3-2 shows summer peak demand for the same period.



EKPC Historic and Projected Summer Peak Demand in MW
Figure 3-1



EKPC Historic and Projected Winter Peak Demand in MW
Figure 3-2

Table 3-2 Historical and Projected Winter Peak Demand

Season	Total Internal Peak Demand (MW)	Gallatin Steel		Net Peak Demand (MW)
		Interruptible Demand (MW)	Other Interruptible (MW)	
1981 - 82	1,087	0	0	1,087
1982 - 83	845	0	0	845
1983 - 84	1,151	0	0	1,151
1984 - 85	1,125	0	0	1,125
1985 - 86	1,039	0	0	1,039
1986 - 87	983	0	0	983
1987 - 88	1,104	0	0	1,104
1988 - 89	1,114	0	0	1,114
1989 - 90	1,449	0	0	1,449
1990 - 91	1,306	0	0	1,306
1991 - 92	1,383	0	0	1,383
1992 - 93	1,473	0	0	1,473
1993 - 94	1,788	0	0	1,788
1994 - 95	1,621	0	0	1,621
1995 - 96	1,990	75	0	1,915
1996 - 97	2,004	51	0	1,953
1997 - 98	1,789	93	14	1,682
1998 - 99	2,096	108	17	1,971
1999 - 00	2,169	12	17	2,140
2000 - 01	2,322	27	17	2,278
2001 - 02	2,238	129	17	2,092
2002 - 03	2,568	109	24	2,435
2003 - 04	2,612	97	26	2,489
2004 - 05	2,794	135	26	2,633
2005 - 06	2,893	135	26	2,732
2006 - 07	2,999	135	26	2,838
2007 - 08	3,085	135	26	2,924
2008 - 09	3,623	135	26	3,462
2009 - 10	3,726	135	26	3,565
2010 - 11	3,818	135	26	3,657
2011 - 12	3,914	135	26	3,753
2012 - 13	4,033	135	26	3,872
2013 - 14	4,141	135	26	3,980
2014 - 15	4,246	135	26	4,085
2015 - 16	4,341	135	26	4,180
2016 - 17	4,466	135	26	4,305
2017 - 18	4,584	135	26	4,423
2018 - 19	4,709	135	26	4,548
2019 - 20	4,823	135	26	4,662
2020 - 21	4,959	135	26	4,798
2021 - 22	5,083	135	26	4,922
2022 - 23	5,208	135	26	5,047
2023 - 24	5,319	135	26	5,158

Historical

Projected

Source: EKPC Load Forecast Report, September 2004

Table 3-3 EKPC Historical and Projected Summer Peak Demand Load

Season	Total Internal Peak Demand (MW)	Gallatin Steel Interruptible Demand (MW)	Other Interruptible (MW)	Net Peak Demand (MW)
1982	694	0	0	694
1983	789	0	0	789
1984	722	0	0	722
1985	778	0	0	778
1986	857	0	0	857
1987	900	0	0	900
1988	1,055	0	0	1,055
1989	1,010	0	0	1,010
1990	1,079	0	0	1,079
1991	1,164	0	0	1,164
1992	1,131	0	0	1,131
1993	1,309	0	0	1,309
1994	1,314	0	0	1,314
1995	1,518	52	0	1,466
1996	1,540	88	0	1,452
1997	1,650	101	0	1,549
1998	1,675	4	17	1,654
1999	1,754	4	12	1,738
2000	1,941	86	23	1,832
2001	1,980	116	23	1,841
2002	2,120	119	23	1,978
2003	1,998	125	26	1,845
2004	2,197	135	26	2,036
2005	2,294	135	26	2,133
2006	2,377	135	26	2,216
2007	2,481	135	26	2,300
2008	2,930	135	26	2,769
2009	3,017	135	26	2,856
2010	3,098	135	26	2,937
2011	3,174	135	26	3,013
2012	3,250	135	26	3,089
2013	3,341	135	26	3,180
2014	3,428	135	26	3,265
2015	3,508	135	26	3,347
2016	3,584	135	26	3,423
2017	3,680	135	26	3,519
2018	3,773	135	26	3,612
2019	3,870	135	26	3,709
2020	3,955	135	26	3,794
2021	4,059	135	26	3,898
2022	4,155	135	26	3,994
2023	4,249	135	26	4,088
2024	4,340	135	26	4,179

Source: EKPC Load Forecast Report, September 2004

Historical

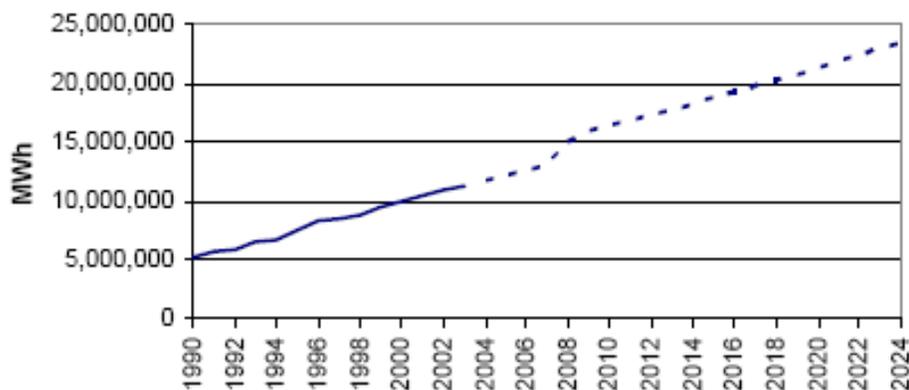
Projected

Table 3-4 EKPC Historical and Projected Energy Sales and Total Requirements

Year	Total Retail Sales (MWh)	Office Use (MWh)	% Loss	EKPC Sales to Members (MWh)	EKPC Office Use (MWh)	Transmission Loss (%)	Total Requirements (MWh)
1990	4,986,373	5,087	5.7	5,295,459	6,287	3.5	5,489,092
1991	5,385,059	5,333	6.3	5,775,588	6,798	3.4	5,928,422
1992	5,528,366	5,242	6.3	5,903,268	7,559	3.2	6,099,308
1993	6,209,917	5,552	6.0	6,612,687	8,026	3.6	6,860,902
1994	6,357,502	5,614	5.4	6,727,959	8,541	2.7	6,917,414
1995	7,122,797	5,711	5.7	7,558,452	9,197	2.6	7,761,980
1996	7,876,243	6,167	5.0	8,301,379	8,856	2.4	8,505,621
1997	8,112,659	6,349	5.1	8,559,022	8,505	3.3	8,850,394
1998	8,419,790	6,121	4.5	8,821,630	7,236	2.8	9,073,950
1999	9,010,267	6,040	4.8	9,472,955	8,157	3.6	9,825,866
2000	9,575,197	6,605	4.4	10,021,053	7,862	4.9	10,521,400
2001	10,006,107	6,752	4.0	10,426,995	8,205	3.0	10,750,900
2002	10,376,541	6,912	4.9	10,913,425	8,246	4.9	11,456,830
2003	10,717,762	6,911	4.8	11,260,295	8,287	2.7	11,568,314
2004	11,125,647	8,382	4.7	11,685,899	8,329	3.0	12,055,905
2005	11,539,497	8,382	4.7	12,122,725	8,370	3.0	12,506,284
2006	11,970,119	8,382	4.8	12,577,021	8,412	3.0	12,974,673
2007	12,420,150	8,382	4.8	13,051,486	8,454	3.0	13,463,856
2008	14,272,210	8,382	5.0	15,035,668	8,497	3.0	15,509,448
2009	15,224,774	8,382	5.0	16,037,649	8,539	3.0	16,542,462
2010	15,651,597	8,382	5.0	16,488,495	8,582	3.0	17,007,296
2011	16,042,894	8,382	5.0	16,902,113	8,625	3.0	17,433,751
2012	16,485,982	8,382	5.0	17,370,355	8,668	3.0	17,916,519
2013	16,933,848	8,382	5.1	17,843,670	8,711	3.0	18,404,516
2014	17,385,477	8,382	5.1	18,320,843	8,755	3.0	18,896,493
2015	17,823,172	8,382	5.1	18,783,024	8,798	3.0	19,373,012
2016	18,271,927	8,382	5.1	19,256,935	8,842	3.0	19,861,626
2017	18,735,857	8,382	5.1	19,747,033	8,887	3.0	20,366,928
2018	19,225,508	8,382	5.1	20,264,674	8,931	3.0	20,900,624
2019	19,738,557	8,382	5.1	20,806,890	8,976	3.0	21,459,656
2020	20,256,022	8,382	5.1	21,353,969	9,021	3.0	22,023,701
2021	20,754,203	8,382	5.1	21,880,610	9,066	3.0	22,566,676
2022	21,266,497	8,382	5.1	22,422,310	9,111	3.0	23,125,176
2023	21,780,314	8,382	5.1	22,965,474	9,157	3.0	23,685,187
2024	22,332,048	8,382	5.1	23,548,897	9,202	3.0	24,286,700

Source: EKPC Load Forecast Report, September 2004

Figure 3-3 shows EKPC historic and projected annual energy consumption megawatt hours for 1990 to 2024.



EKPC Historic and Projected Annual Energy Consumption in MWh

Figure 3-3

Table 3-5 shows EKPC historic and projected peak demand loads and energy growth rates over five-year periods, 1982 to 2021.

Table 3-5 Historic and Projected Peak Percentage Growth

Years	Historic Peak (MWh)	Forecast Peak (MWh)	Percentage Growth/Year
1982-1986	5247		2.56
1987-1991	5956		4.36
1992-1996	8750		6.38
1997-2001	10024		2.54
2002-2006		12381	3.81
2007-2011		16446	4.94
2012-2016		19870	3.45
2017-2021		22736	2.40

Source: EKPC

Expected demand capacity deficits to 2017 are shown in Table 3-1. Without additional generation, EKPC will have a winter deficit of 1,749 MW and a summer deficit of 1,296 MW in eleven years.

3.2 Planning History

3.2.1

EKPC has a long history of resource planning with RUS dating back to the development of EKPC's first generating units that went into commercial operation in 1954. All of EKPC's

existing units and units in development have been or are expected to be financed through RUS. RUS has reviewed EKPC's load forecasts, resource plans, financial forecasts and other information for many years.

3.2.2

EKPC is currently not a member of a power pool engaged in regional joint dispatch of generating units. EKPC is a registered market participant with the Midwest ISO and a member of PJM for the purpose of making power transactions with those organizations, but not joint dispatch of units. EKPC has studied membership in those organizations and concluded the costs were not justified to fully participate.

As a regulated utility in Kentucky, EKPC's resource plans are reviewed by the Kentucky Public Service Commission (PSC). An integrated resource plan is required to be filed every three years with the PSC and is reviewed by commission staff or a consultant. A certificate of public need and a certificate of site compatibility are required and must be issued by the PSC before EKPC can begin construction of a new generating facility. The PSC reviews EKPC's resource plans, capacity needs, and the alternatives evaluated before issuing a decision on the certificates.

3.3 Existing Resources

3.3.1 Existing Generation Resources

EKPC currently owns and operates 1,657 MW of coal-fired capacity. This capacity is located at three separate sites with a total of nine generating units.

The first plant built by EKPC was the William C. Dale Power Station located on the Kentucky River in Ford, Clark County, Kentucky. The first two units have a net capacity of 23 MW each and began commercial operation on December 1, 1954. The third unit is capable of producing 75 MW and began operation on October 1, 1957. The fourth unit is also rated at 75 MW and began operation on August 9, 1960.

The second plant EKPC built was the John Sherman Cooper Power Station located on Lake Cumberland near Somerset, Kentucky. The station has one 116 MW unit that became operational on February 9, 1965, and one 225 MW unit that began operating commercially on October 28, 1969.

The most recent coal-fired plant constructed by EKPC is the Hugh L. Spurlock Power Station situated near Maysville on the Ohio River. The station consists of one 325 MW unit that began commercial operation on September 1, 1977, one 525 MW unit that began operating on March 2, 1981, and the E.A. Gilbert Unit 3, a 268 MW CFB that began operating on March 1, 2005.

EKPC also has three 110 MW CTs and four 70 MW CTs located on the Kentucky River at the J. K. Smith Power Plant in eastern Clark County, Kentucky.

Finally, EKPC has developed 12.8 MW of landfill gas capability that is marketed as green power. Additional landfill gas to electricity capacity is planned for the near future.

Existing generation sources are summarized in Table 3-6.

Table 3-6 EKPC Existing Generation Resources

Facility	Size (MW)	Fuel Type	Capability
Dale Station	196	Coal	Base-Load
Cooper Station	341	Coal	Base-Load
Spurlock Station	1,118	Coal	Base-Load
Smith Station	610	Gas/Oil	Peaking
Landfills	12.8	Methane Gas	Base-Load

Source: EKPC

3.3.2 Existing Purchase Contracts

EKPC contracts with the Southeastern Power Authority (SEPA) for two sources of peaking capacity. The first source provides for 100 MW of scheduled peaking power from the Cumberland Basin System of Projects. EKPC is guaranteed 186,900 MWh per year with a minimum monthly take of 6,000 MWh and maximum monthly take of 24,000 MWh. This energy is scheduled for delivery through the Tennessee Valley Authority distribution system.

The second source provides EKPC with 70 MW of peaking capacity from the Laurel Dam facility. EKPC is guaranteed 700 MWh per week or 36,400 MWh per year. EKPC receives all the energy produced from the Laurel Dam facility and can request the unit with as little as five minutes notification. EKPC is required to run the unit a minimum of 30 minutes every 48 hours and is requested not to lower the lake level more than six inches in a 24-hour period. EKPC dispatches the Laurel Dam hydro-generating unit within the EKPC control area.

EKPC renewed its SEPA contract for a 20-year period beginning in June 1998.

Table 3-7 Summarizes EKPC's SEPA contracts for peaking capacity.

Table 3-7 EKPC's Purchase Power Contracts

Source	Size (MW)	Type	Capability
Columbia Basin System of Projects	100	Hydroelectric	Peaking
Laurel Dam	70	Hydroelectric	Peaking

Source: EKPC

3.3.3 Existing Demand-Side Management

EKPC and its member cooperatives promote conservation programs and the cost effective use of electricity. Conservation programs are implemented and managed by the member distribution systems. EKPC conservation programs help reduce electricity consumption during all or significant portions of the year.

EKPC and its member cooperatives have interruptible rates that serve to reduce peak demand load.

EKPC has one member cooperative that participates in distributed generation.

The following tabulation shows the effects of demand-side management.

<u>Program</u>	<u>Demand Reductions (MW)</u>
Conservation Programs	95
Distributed Generation	4
Interruptible Load Control	161

3.3.4 Incremental Upgrades

Currently, EKPC has no upgrades in progress or any projected that would affect existing capacity ratings. In addition, EKPC currently has no planned or anticipated derating of generation resources below their existing capacity output.

3.3.5 Power Pool Member Resources

Currently, EKPC is not a member or participant in a power pool, but is considering becoming a pool member based on economic merit.

3.3.6 Transmission System Constraints

EKPC's transmission system covers all but the western third of Kentucky. It consists of approximately 2,759 circuit miles of line at voltages of 69, 138, 161, and 345 kV and 59 normally closed, free-flowing interconnections with neighboring utilities.

EKPC participates in joint planning efforts with neighboring utilities to ascertain the benefits of potential interconnections, which can include increased power transfer capability, local area system support, and outlet capability for new generation. It should be noted that transfer capabilities are unique to actual system conditions, as affected by generation dispatch, outage conditions, demand load level, third-party transfers, etc.

Within the next three years, EKPC plans to improve the efficiency of its transmission system primarily through transmission line capacity upgrades, transmission line reconductoring, and capacitor bank additions. These upgrades would enhance EKPC's ability to obtain purchase power from outside the East Kentucky system.

Transmission expansion plans are developed and updated on an annual basis. Demand load flow analysis and reliability indices are used to predict problem areas on the transmission system. Various alternatives for mitigating these problems are then formulated and analyzed. The least cost alternatives, which ensure reliable transmission service to EKPC demand load centers are then added into the plan. Transmission planning, like all EKPC planning processes, is ongoing, and changing conditions may warrant changes to the transmission plan.

When evaluating alternative power supply resources, the cost of additional transmission associated with each resource needs to be included in the analysis. Some resource alternatives are site specific, and transmission plans can be developed for that project. Other resource alternatives are generic units, and no site has been specified for a unit. In that case, an average cost of transmission is used in the cost analysis. An average cost of \$50 KW

(2002) is being used for the transmission facilities associated with future EKPC generating unit additions.

The transmission facilities associated with the proposed CFB units at the J. K. Smith Power Plant are currently under study. These studies are anticipated to be finalized in the near future, however, no additional transmission facilities other than those needed on-site (a substation and lines) to connect the unit to the system developed for the CTs are expected.

3.3.7 Characteristics of Energy Needs

EKPC has revised its power supply plan due to a significant change in the expected demand load requirements and an update of the demand load forecast. The current plan is documented in EKPC's 2003 IRP approved by the EKPC Board of Directors (Board) at the April 2003 Board meeting and filed as Case No. 2003-00051 with the Kentucky Public Service Commission on April 21, 2003. The 2003 IRP documented the need for approximately 500 MW (summer rating) of peaking capacity to be added from 2004 to the summer of 2009 to meet summer peak demand load requirements. An additional baseload unit similar to the Gilbert Unit would be in service by the summer of 2009. The most important factor addressed in the revised power supply plan was the addition of a new member, Warren RECC, to the EKPC system. Warren RECC accepted an offer to become a member of EKPC beginning on April 1, 2008 and signed a 33-year wholesale power agreement on May 27, 2004. The addition of Warren RECC to the EKPC system would have a significant impact on EKPC's power supply plan.

The projected peak demand load in 2008 for the Warren RECC is approximately 433 MW in the winter and 400 MW in the summer. The Spurlock Power Station Unit 4 baseload unit would provide sufficient baseload capacity to meet Warren RECC baseload needs when it comes on-line in 2008. Two of the CT units are expected to provide sufficient capacity for Warren RECC peaking needs, including reserves, in 2008. Warren RECC Energy needs will be provided by an improved EKPC transmission system.

The EKPC Board approved the 2004 Load Forecast Report (2004 LFR) at the September 2004 Board meeting. This important update of EKPC's demand load requirements includes a forecast of Warren RECC load beginning on April 1, 2008. EKPC staff met with Warren RECC to develop their forecast using the same methodology as the existing member cooperatives. The Warren RECC forecast was then rolled into the forecast for the existing member cooperative systems. Another important change in the 2004 LFR is the summer peaks are lower than forecasted in the 2002 LFR by approximately 100 MW, and the winter peaks are slightly higher.

EKPC staff initiated a study in the spring of 2004 to re-evaluate the timing of the baseload addition scheduled for 2011 in response to the increase in natural gas prices. Since the development of the 2003 IRP, natural gas prices have risen substantially and are expected to remain at higher levels than previously thought. Coal prices have also risen and become more volatile. Assumptions on market prices, fuel prices, and capital costs were updated for the study. The study was initiated prior to Warren RECC committing to join the EKPC system and prior to completion of the 2004 LFR, and therefore, Warren RECC demand load

was not included. The results of the study indicated there was economic justification to advance the schedule for the baseload capacity addition scheduled in the IRP for 2011. With the addition of Warren RECC and completion of the 2004 LFR, the study was updated to reaffirm the results. Spurlock Power Station Unit 4 was assumed to come online April 1, 2008. A basecase production cost run was made with the next baseload unit coming on-line in April 1, 2009. Additional scenarios were evaluated to determine the cost to delay the unit for up to five years. A comparison of cases indicated a significant cost to delay the unit from 2009.

3.4 Needs Summary Conclusion

The demand load requirements of EKPC and its member cooperatives are growing and are expected to continue to grow for the foreseeable future. EKPC would continue to meet the need for this additional capacity through a combination of purchased power, baseload, CTs, landfill gas turbines, and demand side management. CFB boilers, such as the two units proposed at the J. K. Smith Power Plant, meet the need for economical and environmentally acceptable baseload capacity.

Capacity Alternatives

4.1 Load Management

EKPC and its member cooperatives have long promoted conservation and cost effective use of electricity. This section describes existing demand load management marketing programs. Please note that these programs are implemented and managed by member distribution systems, not EKPC. While EKPC supports member cooperatives with analysis, promotional material, and other information, and EKPC views these programs as part of its overall power supply portfolio, the programs impact EKPC indirectly through implementation by its member cooperatives.

Existing marketing programs are listed below.

- Tune-Up HVAC Maintenance Program.
- Geothermal Heating & Cooling Incentive Program.
- Electric Thermal Storage Incentive Program.
- Electric Water Heater Incentive Program.
- Air-Source Heat Pump Incentive Program.
- Button-Up Weatherization Program.
- Manufactured Home Program.

The total reduction in system load is shown in Table 4-1.

Table 4-1
Demand Load Impacts of all Existing Marketing Programs
Implemented by EKPC Member Cooperatives

Year	Impact On Total Requirements* (MWh)	Impact On Winter Peak (MW)	Impact On Summer Peak (MW)
1995	619	-29	-8
1996	2,102	-38	-10
1997	1,586	-46	-13
1998	1,770	-52	-14
1999	1,644	-55	-16
2000	2,317	-58	-17
2001	1,330	-60	-19
2002	-514	-62	-21
2003	-1,788	-65	-22
2004	-3,271	-67	-24
2005	-5,426	-70	-25
2006	-7,413	-73	-27
2007	-8,476	-75	-29
2008	-9,456	-77	-30
2009	-10,435	-79	-32
2010	-11,414	-81	-33
2011	-12,393	-84	-35
2012	-13,372	-86	-36
2013	-14,352	-88	-38
2014	-15,343	-90	-39
2015	-16,346	-92	-41
2016	-17,360	-94	-42
2017	-18,387	-97	-44

* as compared to target market.

Source: EKPC

While demand load management and energy conservation management programs are important, they do not substantially alter the need for new generation. For example, existing marketing programs are expected to reduce 2017 winter capacity needs by 97 MW from 1749 MW to 1652 MW. Summer peaks may be reduced by 44 MW to 1,252 (see Tables 3-1 and 4-1).

4.1.1 Benefit/Cost Analysis

EKPC utilized a computer program called DSMANAGER that was created by the Electric Power Research Institute (EPRI) in order to calculate the relative benefits of existing marketing programs. DSMANAGER is relatively well known and has been used by utilities

for years to compute a matrix of benefit/cost ratios. Table 4-2 below reports two important ratios the participant test and the total resource cost test.

Table 4-2 Benefit/Cost Ratio Summary

Program	Participant Test	TRC Test
Air Source Heat Pump Program Into New Homes	1.64	1.39
Air Source Heat Pump Program Into Existing Homes	1.71	0.59
Efficient Water Heaters Into New Homes	2.23	0.76
Efficient Water Heaters Into Existing Homes	0.77	1.01
Tune Up	2.78	1.82
Button Up	2.46	2.84
Geothermal, New Homes, Non-ASCH	1.34	1.42
Geothermal, New Homes, ASCH	1.00	1.56
ETS Replacing Electric Furnace	1.35	0.86
ETS Replacing Propane	1.14	1.62
Total Program Effects	1.32	1.23

Source: EPRI/EKPC

4.1.2 New Marketing Programs

In addition to reviewing existing marketing programs, EKPC analyzed the following new demand load programs considered for future implementation by member cooperatives:

- Commercial Lighting.
- Compact Fluorescent Light Bulbs.
- Demand Response Program.
- Direct Load Control.

EKPC and its member cooperatives are currently addressing the above four programs in the following manner:

4.1.2.1 Commercial Lighting. Member cooperatives can offer large commercial and industrial customers a commercial lighting option through Envision.

4.1.2.2 Compact Fluorescent Light Bulbs. Distribution cooperatives are promoting the use of these light bulbs by handing them out at annual meetings.

4.1.2.3 Demand Response Program. Member cooperatives can utilize existing rate structures with EKPC to approximate the most recognized demand response programs.

4.1.2.4 Direct Load Control. This type of demand load management has been continuously reviewed by EKPC since 1994. In the past, the benefit/cost ratios were much less than one. EKPC would continue to maintain the relative merits of Direct System Management (DSM) load control. Implementation, however, requires both EKPC and its member cooperatives to be in complete acceptance and agreement. Because of the high fixed costs involved in this type of DSM there has to be a commitment by all parties.

4.1.3 Marketing Support of DSM Programs

DSM programs are supported by a wide variety of training programs, trade ally conferences, special events, and advertising support materials. Programs are offered to all member cooperatives, with each choosing the combination of materials and participation that best meets their individual service area needs. EKPC also provides technical support for marketing programs.

4.2 Renewable Energy Sources

4.2.1 General

Renewable energy includes any source that is regenerative or virtually inexhaustible. The Energy Information Administration (EIA) classifies wind, solar, geothermal, hydropower, and biomass as renewable energy sources. According to the EIA Renewable Energy Annual (2000), renewable energy consumption increased 3 percent between 1998 and 1999 to more than 7 quadrillion Btu, accounting for almost 8 percent of total U. S. energy consumption. This 8 percent renewable is broken down as 1 percent solar, 5 percent geothermal, 44 percent biomass, 1 percent wind, and 49 percent hydroelectric.

U.S. renewable electricity generation rose 1 percent between 1998 and 1999. This reflects a decline in hydroelectric generation balanced against growth in electricity generated from other renewable sources. Biomass had the largest absolute increase in generation, but wind power expanded 50 percent in 1 year, while geothermal increased 14 percent. The five leading states for renewable generation in 1999 were Washington, California, Oregon, New York, and Idaho. As in the past, the majority of renewable generation recorded in Kentucky was from conventional hydroelectric sources.

4.2.2 EKPC's Renewable Program

EKPC and its member cooperatives have become the pioneers in Kentucky in developing least cost renewable generation. EKPC's cooperatives offer renewable power under the service market of *Enviro Watts* at a premium of \$2.75 per month for a 100 kWh block. Consumers have the option of choosing from one block to 100 percent of their electrical needs from renewable power. For the calendar years 2002 and 2003, EKPC purchased renewable energy from a cooperative in a neighboring state to supply renewable power to its member cooperatives. During this time, EKPC has also been working to develop its own renewable power program. During the past year, EKPC and its consultant, SCS Engineers,

have visited and evaluated over 15 landfill sites for potential development. Several have potential and may be developed if agreements can be reached on electricity pricing.

Currently, EKPC has four landfill gas to electric projects, totaling almost 12.8 MW of renewable capacity for EKPC's current and future needs. A fifth unit is under construction in Pendleton County, Kentucky. EKPC continues to explore potential landfill gas to energy projects. EKPC received an exemption from the requirements of a Certificate of Public Convenience and Necessity from the Kentucky Public Service Commission for the first of these projects on December 18, 2002.

As of November 2002, the following five member cooperatives have renewable energy tariffs:

- Owen RECC
- Blue Grass Energy
- Salt River Energy
- Clark Energy
- Inter-County RECC

Other member cooperatives are expected to begin offering renewable power in the future.

4.2.3 Tennessee Valley Authority Green Power Switch Program

The Tennessee Valley Authority (TVA) and local public power companies, working with input from the environmental community, have created a program called Green Power Switch to produce electricity from cleaner, greener sources and add it to the TVA power mix. Green Power Switch began on Earth Day 2000 and is expanding to consumers throughout the Tennessee Valley as more resources for generating renewable power become available. TVA offers their green pricing product to customers in 150-kWh blocks for a premium of \$4 per month or about 2.67 cents/kWh. An average customer using 1,200 kWh per month would pay an extra \$32 per month to receive all of their power from renewable energy. Currently, TVA has the following renewable power options:

- A wind powered generating site on Buffalo Mountain near Oak Ridge, Tennessee, that generates about 2 MW of capacity.
- Thirteen solar systems totaling 326 kW of capacity.
- A landfill gas program in the start-up stage.

An update of participation from Summer 2002 shows TVA has the following participation:

- 43 TVA utilities offer the program.
- 258 business customers subscribing.
- 5,614 residential customers subscribing.

EKPC member cooperatives have not enrolled in the TVA program because EKPC's *Enviro Watts* program is more economical for customers.

4.2.4 Hydroelectric Power

Hydroelectric power has a relatively high capital cost but has no fuel-related costs. During operation these facilities have minimal environmental impacts. They create little or no emissions and can be designed to minimize their effects on fish and wildlife. However, the impoundments often associated with hydroelectric projects can impact large land areas and associated ecosystems. Hydro plants are classified as storage, run-of-river, or diversion projects.

In EKPC's April 2000 IRP, two specific hydro projects were analyzed. The timing, cost, and operating data for these projects were provided by a developer, and EKPC hired a consultant for independent review. Both projects considered were 80 MW run-of-river plants, which could supply approximately 352 and 366 GWh's of energy annually. EKPC was unable to negotiate a contract for power purchase and rights to the project were acquired by others.

EKPC would evaluate any future project involving hydroelectric power on an individual basis for feasibility and economic merit.

4.2.5 Biomass

Bioenergy is energy contained in biomass such as plant matter and animal waste. These replenishable resources can provide energy in the form of electricity, heat, steam, and fuels.

Overall, biomass plants have higher capital costs and operating and maintenance costs than fossil fuel plants. With their lower output efficiencies (an average of 20 percent nationally), their fuel costs are higher than those of more efficient fossil fuel plants. The costs of power from conventional biomass combustion can range from \$0.06—\$0.12/kWh. Co-firing biomass with coal is much cheaper and can hover from almost nothing to \$0.04/kWh from a project where biomass is 10—15 percent of the total fuel input of the power plant. The cost of power from landfill gas can range from \$0.035—\$0.079/kWh, depending on the size of the landfill, financing available, and distance from the grid.

As mentioned in Section 4.2.2, EKPC has constructed four landfill gas to electric generation projects. These units provide 12 MW of renewable capacity for EKPC members. A fifth landfill gas unit is currently under construction in Pendleton County, Kentucky that will provide an additional 3.2 MW.

EKPC has also completed a test burn cofiring kiln-dried wood byproducts at its Cooper Power Station and is modifying the stations permit to cofire up to ten percent of this material. EKPC's Dale Station is also obtaining the necessary approvals to perform a test burn on a kiln-dried byproduct, and if successful will also modify its permit to continue cofiring this product. The emissions from the test burn at Cooper Station indicated the kiln dried wood product could be successfully cofired with coal at the station lowering emissions of carbon, sulfur, and NOX.

Currently, EKPC is evaluating the possibility of using some saw dust or closed loop biomass (fescue) for potential use at its E. A. Gilbert Unit No. 3 at Spurlock Power Station near Maysville, Kentucky. The proposed CFB units at Smith Station would also have the capabilities to cofire biomass with coal.

EKPC will evaluate any project involving biomass on an individual basis for feasibility, economic merit and environmental benefits.

4.2.6 Wind Power Production

Wind turbines are most efficient at supplying centralized electric power. Electricity from wind farms, large clusters of interconnected wind turbines, is fed into the local distribution grid and sold to local utility companies. The levelized cost of wind energy, which is the cost of capital and operating and maintenance expenses associated with the plant over its lifetime, divided by the estimated output in kWh over the lifetime of the plant ranges from \$0.03—\$0.06/kWh (2001, not including the federal Production Credit Tax).

According to the Wind Energy Resource Atlas of the U.S. prepared for the U.S. Department of Energy (USDOE) by Pacific Northwest National Laboratory, areas that are potentially suitable for wind energy applications (wind power class 3 and above) in Kentucky are the exposed mountains and ridges of the Appalachians (rated 3) in extreme southeastern Kentucky.

In 2002 EKPC commissioned a study to determine whether the mountains in southeastern Kentucky offered a viable source of wind power that could become a cost effective alternative to be included in EKPC's renewable portfolio. Based on the relative success that TVA has experienced at their nearby Buffalo Mountain wind turbine site, the possibilities looked encouraging.

The study identified 15 potential sites. They were reduced to 10 after contacts with land owners. Following conversations with landowners seeking permission to test their sites, EKPC selected two initial test sites with a potential of two more if landowner issues can be resolved. In December 2002, 50-meter test towers with anemometers were erected on these sites. Readings were taken from the sites for six to 12 months and compared with data already collected at Buffalo Mountain to see if the sites are feasible for wind energy development. When this study is completed, it could provide EKPC with cost effective wind power alternatives to add to its renewable portfolio.

Although wind power is a renewable resource creating no greenhouse gases or other emissions, it does have inherent environmental concerns. It appears that suitable wind sites in Kentucky occur on sites that may be environmentally sensitive such as major flyways and could prevent development of this resource.

4.2.7 Solar Power

Solar energy systems use either solar cells or some form of solar collector to generate electricity and heat homes. EKPC has developed net metering tariffs which would enable small-scale applications of solar energy generation. EKPC, Salt River Electric Cooperative

Corporation, and the Bernheim Forest are currently planning a solar installation at the forest's new visitor center near Beardstown, Kentucky. Several schools within EKPC's service area have installed solar panels.

Solar power has potential as a pollution free source of electricity. On small-scale projects it is an effective supplement to centralized generation. However, there are economic and environmental considerations that, at present, prevent it from being an alternative to large fossil fuel plants. Economically it has a high installation and maintenance costs. Environmentally, centralized solar projects would require huge investments in land and transmission resources.

4.2.8 Fuel Cells

Fuel cells rely on a fairly simple chemical reaction to generate energy.

According to the Center for Renewable Energy and Sustainable Technology, fuel cells are attractive as energy generators because:

- They are cleaner and non-combustive. Fuel cells emit no particulate matter and almost no NO_x and SO_x. While fuel cells still have some substantive CO₂ emissions, they are only 45 percent of coal generation and 47 percent the amount emitted from the production of energy using fossil fuels.
- They have high efficiencies when compared to combustion driven generators. Fuel cells alone are about 50-65 percent efficient, and with cogeneration technologies, their efficiency can be boosted as high as 90 percent.
- They are extremely reliable. A fuel cell within an integrated power system can deliver 99.0 percent reliability.

Research shows that the price of fuel cells is variable. Depending on the technology and application, the cost of a fuel cell can vary from \$50/kW—\$10,000/kW (2000). These costs reflect the threshold of commercial viability for each application. On average, the current fuel cell commercial cost is \$4,000—\$5,000/kW.

Currently, EKPC is following fuel cell research and development with the hope that in the future fuel cells can be a viable source of energy for its member cooperatives.

4.2.9 Cogeneration

Prospective Qualifying Facilities (QFs) may request EKPC's avoided capacity and energy costs to evaluate the financial feasibility of either locating within the EKPC system or adding a QF at their existing site within EKPC's service area. Qualifying facilities are cogeneration facilities that sequentially produce electricity and another form of useful thermal energy such as heat or steam used for industrial, commercial, or institutional purposes. A QF must meet several other conditions. These rates and the methodology used to develop them are on file with the Kentucky PSC. The Cox Interior Cogeneration Project is the first QF facility on the EKPC system. Cox Interior is a wood molding manufacturing facility located in Campbellsville, Kentucky, that burns wood waste and generates electricity to supply its own needs and sells excess power to EKPC. Cox Interior was a large power customer of Taylor

County RECC with a load of slightly less than one megawatt. The QF is able to provide between one and one-half to three megawatts of capacity beyond that needed by the Cox Interior facility to the EKPC system. EKPC would continue to provide updated rates for QFs and will incorporate their impacts into the planning process as needed.

4.3 Distributed Generation

EKPC has no pending or proposed distributed generation projects in development. EKPC is not aware of any firm plans by any of its members to develop any new distributed generation projects in the near future. EKPC has evaluated small scale peaking projects in recent RFPs but due to the large quantity of capacity needed, those projects were not considered economically advantageous enough to pursue. The concept was to install approximately 20 MW peaking projects utilizing gas-fired internal combustion engines near existing substations to minimize transmission related cost. This concept could be used to provide black start capability to another generating plant, provide quick start peaking capacity, or help provide relief for certain transmission issues. While micro-turbines have been proposed to EKPC in the past for small peaking applications, these units have generally been higher cost than internal combustion engines. EKPC expects to evaluate these projects in the future based on the need, economics, and the specific application. As mentioned earlier in Section 4, EKPC has four landfill gas generation plants operating and one under construction. These plants range in capacity from approximately 2 to 5 MW and are generally located in rural locations.

4.4 Fossil Fuel Generation

4.4.1 Natural Gas

EKPC has seven gas-fired simple cycle peaking CTs in operation at the Smith Power Station. Five more CTs are proposed to be installed at the site. These five units, 100 MW each, are expected to be in operation in 2008. State and federal approval is pending. These units will be capable of operating on fuel oil.

4.4.2 Coal

Currently EKPC owns and operates 1,657 MW of coal-fired base load capacity. Additional capacity appears feasible at the Cooper Facility and at Spurlock Power Facility. EKPC has recently installed the E.A. Gilbert Unit 3, a 268 MW CFB, at the Spurlock Power Station near Maysville, Kentucky. The proposed 278 MW units at Smith are also CFB. EKPC is committed to the environmentally friendly and flexible fuel burning in its new baseload plants and has selected CFB technology over pulverized coal.

4.5 Repowering

As units age and become less reliable and economic, or it becomes apparent that a boiler would have to be replaced, repowering with different fuels and/or technologies could prove to be economical. Repowering units could also be a feasible alternative for compliance with emission restrictions. EKPC evaluated its units to see if any appeared to be likely candidates for repowering.

The Dale Power Station is the oldest of EKPC's generating facilities and would be the most likely candidate for repowering. Currently, there is no apparent need to replace the boiler at any of the

Dale units. Repowering was considered for Units 3 and 4 as a compliance option in the "Clean Air Act Compliance Study", an attachment to the 1993 IRP. Both units were evaluated with an atmospheric fluidized bed option and a CT/combined cycle option. Natural gas pipelines are located in the vicinity of the Dale Power Station, making it a viable fuel alternative. Repowering these units with either option would provide relatively high reduction in SO₂ emissions when viewed on a percent removal basis. However, due to the small size of these units, the relative SO₂ removal cost is significantly higher for the repowering option than for fuel switching to Central Appalachia low-sulfur coal. There is limited space at the Dale plant site and no adjacent property is available for reasonable expansion possibilities. Repowering the units would require significantly more space than is available at the site. For these reasons, repowering was not considered a feasible alternative for Dale.

Cooper Power Station is EKPC's second oldest power generating station, over 30 years old, with Unit 1 becoming available for commercial operation on February 9, 1965, and Unit 2 on October 28, 1969. These units have been reliable and very economical, and currently there is no apparent need for boiler replacement. There have been no operating problems to indicate that EKPC should consider retirement or repowering based solely on previous operations. Both Cooper units were affected by Phase I of the Clean Air Act Amendments of 1990 and have had to operate under a reduced emissions limitation along with Spurlock Power Station Unit 1. Therefore, repowering these units was considered as a compliance option. The units currently emit approximately 2.2 pounds of SO₂ for each MBtu of Central Appalachia medium sulfur coal that is burned. Repowering could effectively reduce that emission rate to almost zero. There are no natural gas lines in the Cooper Power Station vicinity, and a significant investment would have to be made to make CTs or combined cycle units feasible alternatives. The cost was prohibitive for these options and they were discarded as repowering options. An atmospheric fluidized bed option could be feasible, but economic evaluation indicated that a lower cost compliance alternative would be to leave Cooper Power Station "as is" and install SO₂ scrubbers on Units 1 and 2 at the Spurlock Power Station. The installation of an SCR unit and SO₂ scrubber has been considered and appears to be feasible at Cooper Power Station.

Spurlock Power Station Units 1 and 2 are now over 20 years old. Neither unit is anywhere near retirement or needing boiler replacement, so repowering would only be a compliance option. Fuel switching is an economic alternative for Spurlock Power Station Unit 1. The old Unit 2 scrubber was uneconomical to restore and return to service. New scrubbers are being installed on Units 1 and 2. Therefore, the capital-intensive cost of repowering for compliance is not a feasible alternative at the Spurlock Power Station.

Based on various analyses, EKPC does not plan to retire or repower any of its eight existing pulverized coal-fired units during the 20-year planning horizon, through 2022. Therefore, no comparative evaluation of benefits expected from the proposed CFB units at the J.K. Smith Power Plant with those of repowering and/or uprating existing generating units can be established.

4.6 Generation Partnerships

EKPC is currently not participating in another company's generation project. However, EKPC is currently involved in a generation partnership or alliance with seven other generation and

transmission (G & T) cooperatives called C-Gen. The purpose of the alliance is to seek economically attractive capacity alternatives that are feasible for the group but may be difficult for an individual G & T cooperative to realize on its own. It is unknown if any generation partnership will be formed to generate power at a cost less than what is expected from the proposed project.

4.7 Purchased Power

Considering that Warren RECC would likely become a new member cooperative in 2008, and the study on future baseload capacity that involved the timing of the baseload unit scheduled for 2011, EKPC issued RFP No. 2004-01 (2004 RFP) on April 2, 2004, to meet the needs of its member cooperatives including the addition of the Warren RECC load. EKPC hired EnerVision, Inc., (EnerVision) an energy services consultant, to help evaluate proposals from the 2004 RFP based on economics, transmission reliability, creditworthiness, environmental compatibility, and performance guarantees. The 2004 RFP was advertised in *The Wall Street Journal*, *USA Today*, and on the Energy Central website. A copy of the 2004 RFP was emailed to a distribution list of approximately 70 contacts made up of those responding to previous RFPs, independent power producers, surrounding utilities, and other interested parties. The 2004 RFP was also sent to over 60 media contacts and was available on EKPC's website.

The 2004 RFP requested proposals for baseload and peaking capacity resources. EKPC's peaking capacity needs as requested in the 2004 RFP were:

Date Requested	By Capacity Amount
June 1, 2005	up to 50 MW (DG Projects)
June 1, 2006	up to 200 MW
June 1, 2007	up to 200 MW (additional)
June 1, 2008	up to 200 MW (additional)

EKPC's baseload capacity needs as requested in the 2004 RFP were:

Date Requested By	Capacity Amount
April 2008	275 MW
December 2008	275 MW (additional)

4.7.1 Baseload Results

The alternatives considered for supplying the capacity needs requested in the 2004 RFP to meet EKPC's capacity needs are discussed in Exhibit 4, "RFP No. 2004-01 Proposal Evaluation Process." A total of 38 proposals were received including demand-side management and distributed generation. As discussed in Exhibit 4, EKPC's proposal for Spurlock Power Station Unit 4 was the best evaluated baseload bid to provide for the capacity needs of Warren RECC according to EnerVision's analysis. In the table entitled "RFP 2004-01 Summary of Results," included in Exhibit 4, EKPC is bidder No. 15 and Spurlock Power

Station Unit 4 is the proposal ranked number one based solely on economics. The second ranked proposal is for Spurlock Power Station Units 4 and 5. The proposal for J. K. Smith CFB Unit 1 was the proposal ranked third. Evaluation criteria included pricing, timing, commercial terms, and performance security measures. Purchased power is not the solution to EKPC's long-term energy needs.

4.8 New Transmission Capacity

There are physical transmission constraints that prevent EKPC from receiving adequate generation capacity from outside sources. Through the RFP process, EKPC has determined the most economical alternative for their customers is self-build generation rather than build transmission to obtain power from outside sources.

4.9 Capacity Alternatives Summary

Of the alternatives discussed, solar power is not being considered for further evaluation because of insufficient existing technologies to be cost competitive in the near future. The pumped hydro project would have required a partner to be feasible, would take ten years, and would involve a considerable amount of risk. It was not included for further evaluation, however, EKPC is interested in any hydroelectric project proposed that is feasible and has economic merit.

Fuel cell projects are being tested and evaluated by the Research & Development Process at EKPC. Biomass (which includes landfill gas to electric) and wind energy are currently being evaluated and considered as part of EKPC's Green Power Program. The remaining capacity options evaluated to determine the best combination of resources to supply EKPC's future needs were:

- Combustion Turbines
- Combined Cycles
- Fluidized Bed Boiler Unit
- Distributed Generation
- Integrated Gasification Combined Cycle (IGCC)

The IGCC gasification process "cleans" heavy fuels and converts them into high value fuel for gas turbines. IGCC technology can satisfy a wide range of output requirements from 10 MW to more than 1 GW, and can be applied in almost any new or re-powering project where solid fuels are available. This method of generation utilizes a variety of fuels, such as coal, pet coke, oil, or biomass producing fewer emissions than conventional coal generation alternatives, however it has a considerably higher cost.

IGCC technology was evaluated by EKPC as an option for baseload generation at Smith Station. EKPC determined the technology, while promising, did not provide the availability required for its baseload needs. It was also determined that IGCC would be much more expensive to build and maintain than the selected option. EKPC will continue to evaluate this technology for future baseload needs.

CFB technology has emerged as an environmentally acceptable technology for burning a wide range of solid fuels to generate steam and electricity power. CFB, although less than 20 years old, is a mature technology with more than 400 CFB boilers in operation worldwide, ranging from 5 MW to 250 MW. Electric utilities must evaluate different technologies that will utilize a wide range of low-cost solid fuels, reduce emissions, reduce life cycle costs, and provide reliable steam generation for electric power generation. Therefore, CFB is often the preferred technology. Even though pulverized coal (PC) fired boilers continue to play a major role worldwide, they have inherent issues such as fuel inflexibility, environmental concerns and higher maintenance costs. EKPC has chosen CFB technology for the two new Smith units to take advantage of its low emissions, reliability, and fuel flexibility.

EKPC selected two 278 MW circulating fluidized bed boiler units capable of burning coal, tire-derived fuels, petroleum coke, and biomass at the J.K Smith site. The J. K. Smith units feature clean coal technology patterned after EKPC's E. A. Gilbert Unit at the Spurlock Power Station, one of the nation's cleanest coal generating units.

Siting Alternatives

5.1 Scope of Siting Study

EKPC is proposing to build two 278 MW CFB units in or near its service area. Unit 1 is expected to go on-line in 2010, with a second unit following at a later date. The unit is considered a “clean-coal” facility with minimal air emissions. The unit would also be able to utilize petroleum coke, tire-derived fuel, and biomass alternative fuel sources.

Critical support facilities for the proposed CFB units include:

- Transmission
- Waste Disposal
- Water Supply
- Transportation

This siting analysis addresses the proposed 278 MW CFB units only and any other generation projects such as additional CT units at the J. K. Smith Plant are discussed in separate documents.

5.2 Study Approach

Over the past several years EKPC has conducted several site selection studies for new generation facilities and supporting transmission lines. These studies generally follow the three phase approach suggested by the RUS “Guide for Preparing the Alternatives Evaluation and Site Selection Study for New Generation Projects.” Two studies in particular would be used as a basis for the selection of a preferred and alternate site for the two proposed 278 MW CFB units. These studies are:

- “Environmental Impact Statement Related to the Proposed J.K. Smith Power Station Units 1 and 2 and Associated Transmission Lines,” Rural Electrification Administration, 1980. The 1980 EIS is found in Appendix A of this report.

- “East Kentucky Power Cooperative, Inc. 400 MW Combustion Turbine Project Alternatives Analysis/Siting Study,” Black & Veatch 1991. The Black & Veatch report is found in Appendix B.

The 1980 EIS used a two phase process in identifying sites. Phase 1 included the following:

- Development of objectives and site requirements
- Identification of regions of interest
- Identification of candidate siting areas
- Evaluation and selection of siting area
- Identification and evaluation of potential sites
- Conclusions and recommendations

Phase 2 of the study used the following steps:

- Scoping meeting with regulatory agencies
- Identification of alternative sites
- Evaluation and selection of proposed site and favorable alternatives
- Conclusions and recommendations

The 1991 study used the three stage approach in selecting a preferred and alternate site.

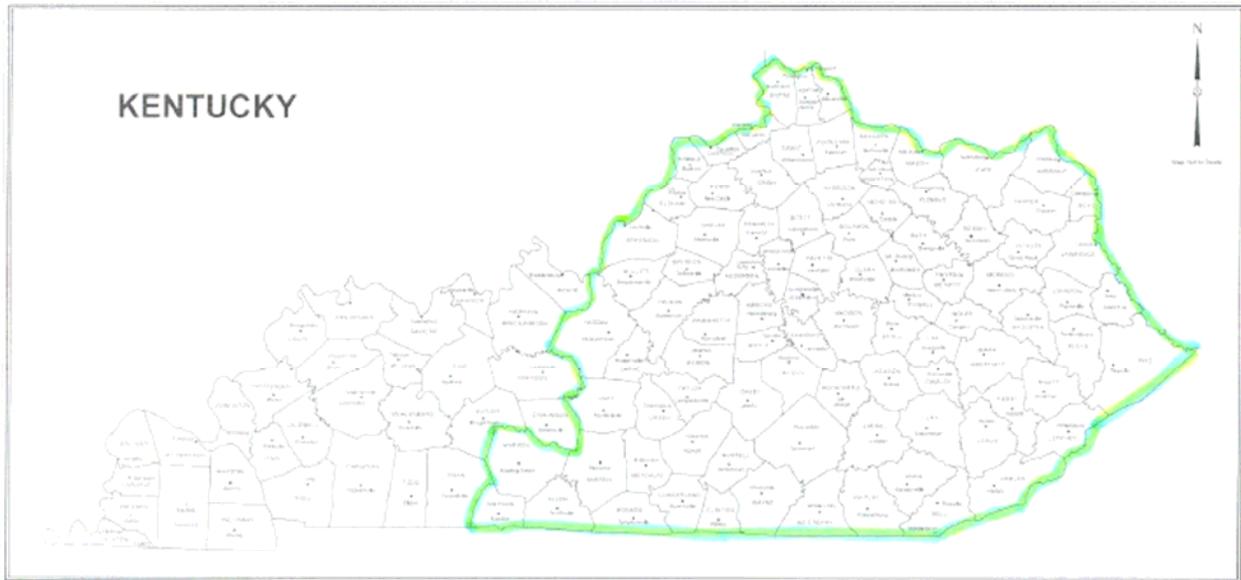
- In Stage 1 available siting areas were determined.
- Stage 2 identified tentative site locations then potential sites within the available siting areas.
- Stage 3 consisted of selecting a preferred and an alternate site

Even though the two studies differ slightly, one for a gas-fired unit and one for a coal-fired facility, the siting requirements are much the same. Both require water supply, transmission access, proximity to transportation facilities, favorable topography, and similar elements including a flood-free site. Therefore these previous studies form the basis of the site selection study for the proposed two 278 MW CFB units are summarized below. Additional information regarding siting methodology and process may be found in Appendices A and B of this report.

5.3 Phase 1 Identification of Potential Siting Area

5.3.1 Study Area Definition

The area investigated for siting these proposed units is defined as the area within or near the EKPC service area. Figure 5-1 shows the study area. The area contains abundant resources for CFB units including fuel, railroads, and alternative sources of water. Based on these considerations, previous siting studies, and the expectation that suitable sites exist within the siting region, investigating a larger area was not considered.



Study Area
Figure 5-1

5.3.2 Siting Area Evaluation Criteria

Evaluation criteria used in the two previous studies (1980 and 1991) are found in Table 5-1.

5.3.3 Identification of Potential Siting Areas

Table 5-2 shows potential siting areas from the two studies. The 1980 study identified areas while the 1991 report showed tentative site locations.

5.4 Phase II – Identification of Candidates Sites

5.4.1 Approach

Candidate areas or sites were screened by persons experienced in siting studies. Potential locations in the B&V study were reduced from 22 to 8. Five locations emerged for further study in the 1980 EIS (Table 5-3).

Sites were evaluated using criteria found in Table 5-4. The 1991 study reduced the number of sites to four following evaluation.

Table 5-1 Siting Area Evaluation Criteria

1980 EIS	1991 B&V Study
<ul style="list-style-type: none">• Fuel Sources - Areas within approximately 80 kilometers (50 miles) of primary coal producing areas.• Proximity to Demand Load Centers - Areas in the eastern sector of the EKPC service area based on distribution of power demand within the system, location of existing generation capacity, and when considered jointly with fuel supply.• Water Supply - Land within 16 kilometers (10 miles) of river segments with reservoirs or average flows of at least 500 cfs.• Proximity to Railroads - Areas should be within 16 kilometers (10 miles) of railroads.• Exclusion of National Parks and Forests.	<ul style="list-style-type: none">• Natural Gas Pipelines - Pipelines with a minimum diameter of 56 centimeters (22"); areas within 16 kilometers (10 miles) on each side of the pipeline.• Transmission Lines - A 32 kilometer (20-mile) wide corridor along an EKPC 69 kV transmission line or larger; transmission line corridor must be within the gas pipeline corridor.• Water Resources - Surface water with a 7-day low-flow, 10-year frequency discharge of 0.56 cubic meters (20 cubic feet) per second or greater; a 32 kilometer (20 mile) wide corridor along the water source must fall within the combined pipeline and transmission corridors.• Geological Factors - Areas of high Karst/sinkhole potential within the combined gas pipeline, transmission line, and water resource corridor were excluded from consideration.

Source: REA, 1980; B&V 1991

Table 5-2 Potential Siting Areas

1980 EIS
Identification of Siting Areas:

Proximity of Fuel Sources - Areas should be within approximately 80 kilometers (50 miles) of primary coal producing areas based on the potential advantages of truck delivery of coal to a site from mines in eastern Kentucky.

Proximity to Load Centers - Areas should be in the eastern sector of the EKPC service area based on the distribution of power demand within the system, location of existing generating capacity, and when considered jointly with fuel supply.

Proximity to Water Supply - Areas should be within 16 kilometers (10 miles) of river segments with reservoirs or with annual average flows of at least 500 cfs.

Proximity to Railroads - Areas should be within 16 kilometers (10 miles) of railroads.

Exclusion of National Parks and Forests

Site Area and Availability - The site should have at least 20-40 hectares (50-100 acres) for each 600-MW unit and allowances for construction lay-down, parking and buffer. The site should also be available for scheduled station development.

Fuel Supply - Proximity to fuel sources, accessible to railroads; navigable waterways, or major highways for fuel delivery, site should accommodate 60-90 day supply of coal.

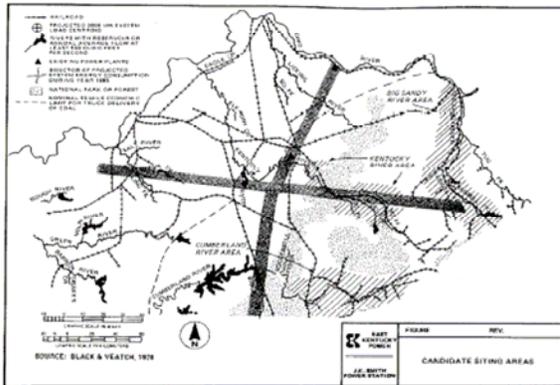
Water Supply - Site should have sufficient water to meet peak demand of 15 cfs and annual average demand of 10 cfs for each 600-MW unit, water quality should be suitable for plant use, site should be proximate to water source, site should meet water supply related regulations.

Transportation Access - Site should be near heavy duty roads, railroads, barge access is advantageous.

1991 B&V Study

Site Locations 400 MW
Combustion Turbine Project

County	Number of Site Locations
Barren	1
Adair	2
Taylor	2
Casey	2
Garrard	2
Madison	3
Clark	3
Fowell	1
Rowan	1
Greenup	2
Bracken	2
Carroll	1
Total	22



Source: REA 1980; B&V 1991



Table 5-3 Tentative Siting Areas

1980 EIS
Evaluation of Siting Areas

Water Supply - A potentially suitable area must have an adequate water supply.

Accessibility - A siting area should contain a railroad and highways capable of carrying heavy loads. Proximity to a waterway navigable by barge is considered advantageous.

Fuel Supply - Siting area proximity to major coal producing counties is considered advantageous.

Proximity to Load Centers - Siting area proximity to projected load centers of EKPC member cooperatives is considered favorable.

Environmental Compatibility - A siting area should be environmentally accessible, particularly with respect to air quality, land use and water use. National and State parks, forests, and other designated use areas are excluded from siting consideration.

Transmission - Site should be near load centers, existing transmission facilities and free of transmission interference.

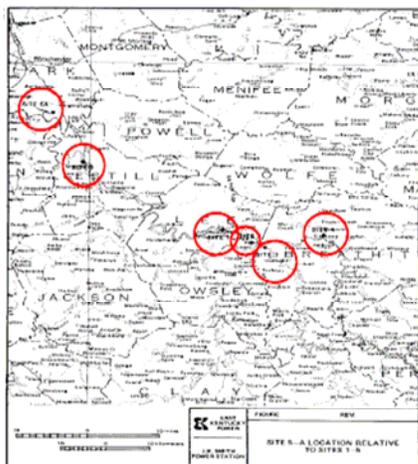
Air Pollution Control and Air Quality Impacts - The meteorology and existing ambient air quality of a site should enable relatively economic construction of a station with acceptable impacts on air quality.

Station Staffing - A site within an hour's commute of an urban area is considered advantageous.

Site Physical Characteristics - An advantageous site should have low relief nearby and surrounding, historically low seismicity, competent bedrock near the surface, and no adverse flooding.

Site Use Displacement - An excellent site should not be in current use, have low potential for nonindustrial development, and provide marginal habitat for fish and wildlife.

Archaeological and Historical Resources - The site should not have these important resources which would be lost by site development.



Source: REA, 1980; B&V 1991

1991 B&V Study

Score of Tentative Site Locations

Tentative Site Locations	County	Score
AD-1	Adair	2
AD-2	Adair	2
BA-1	Baren	3
BR-1	Barcken	4
BR-2	Barcken	4
CA-1	Casey	3
CA-2	Casey	3
CL-1	Clark	3
CL-2	Clark	2
CL-3	Clark	3
CR-1	Carroll	4
GA-1	Ganard	4
GA-2	Ganard	3
GN-1	Greemp	5
GN-2	Greemp	5
MA-1	Madison	1
MA-2	Madison	2
MA-3	Madison	3
PO-1	Powell	1
RW-1	Rowan	1
TY-1	Taylor	1
TY-2	Taylor	2

Note: Each site location was given an alpha-numeric designation consisting of a two-letter code prefix for the county in which the site is located.



Table 5-4 Site Evaluation

1980 EIS

Identification of Alternative Sites Guidelines

Site Area and Topography - A potential site should have sufficient space and suitable topography for development of at least two 600-MW class generating unit.

Proximity to Water Supply - A potential site should be relatively close to the Kentucky River.

Proximity and Access to Railroad and Highway - A potential site should be relatively close to a railroad and a heavy duty highway, and there should be suitable access ways to the site.

Air Quality - To minimize potential air quality plume impact, a potential site should be located in areas which are not surrounded by elevations significantly higher than the assumed height of the cooling towers and/or stacks.

Flood Potential - A potential site should be situated above a flood plain to minimize the problems of siting and construction of flow, which may cause flooding upstream.

- Fuel Supply
- Water Supply
- Transportation Access
- Transmission
- Station Staffing
- Site Physical Characteristics
- Archaeological and Historical Resources
- Air Traffic Safety
- Solid Waste Disposal
- Wastewater Disposal
- Station Uses of Public Facilities and Services
- Ultimate Station Development

Source: REA, 1980; B&V 1991

1991 B&V Study

Potential Site Evaluation Summary

Criteria	Evaluation Scores of Potential Sites									
	Group Weighr %	Site AD-1	Site AD-2	Site TY-1	Site MA-1	Site MA-2	Site PO-1	Site CL-2	Site RW-1	Maximum Possible
Environmental	31	2.55	2.21	2.28	2.32	2.21	2.01	2.20	1.80	3.10
Engineering	56	3.94	3.31	4.12	3.97	4.68	4.54	3.94	3.93	5.60
Costs	13	1.30	1.30	1.04	1.04	1.04	1.04	1.04	1.04	1.30
Total Score		7.79	6.82	7.44	7.33	7.93	7.59	7.18	6.77	10.0
Rank		2	7	4	5	1	3	6	8	---
Recommended Sites		Yes	No	Yes	No	Yes	Yes	No	No	---

Top Evaluated Potential Sites

Site ID	Percent Rank	Overall Rank	Significance Rank	Rank	Water	Transmission	Oil	Natural Gas ⁽¹⁾	Conflicting Developments	Feasibility for B&V Development
MA-2	79.3	1	2	1	Kentucky River, 3.1 mi. line adjacent to site.	600KV 138 KV Delta-Power By truck, +200 mi. line adjacent to site.	TRE (3 lines) 110KV, 1.1 mi. line; 2 mi. line; 2 mi. line.	Minimal at site; at edge of increasing urban development.	Excellent due to existing site resources. (including multiple gas pipelines and proximity to transmission lines).	
AD-1	77.3	2	1	3	Green River Lake, 4.1 mi. Windsor line adjacent to site.	600KV 65 KV Colberg, Columbus, Windsor line adjacent to site.	By truck; +200 mi. line; 9.25 mi. line; 9.25 mi. line.	Low, site is rural cityland, scattered rural housing in region.	Excellent, water scarce. Minimal access. No multiple gas pipelines.	
PO-1	75.9	3	6	2	Kentucky River, 7.2 mi. 2 mi. North, Planned 600KV 138 KV, later Powell County line will pass adjacent to site.	600KV 65 KV City-Clay, West line 2 mi. North, Planned 600KV 138 KV, later Powell County line will pass adjacent to site.	By truck; +200 mi. line; 130 adjacent to site.	Minimal at site, area is rural, small unincorporated community within 1 mi.	Very good	
TY-1	71.4	4	3	4	Green River Lake, 11 mi. line adjacent to site.	600KV 138 KV Green County line adjacent to site.	By truck; +200 mi. line; 130 adjacent to site.	Low, some existing rural development. Small unincorporated community within 1 mi.	Very good, water scarce.	

NOTES: ⁽¹⁾See - Texas Eastern Transmission Corporation
 TEP - Tennessee Gas Pipeline Company
 GUP - Columbia Gulf Transmission Company

5.5 Site Evaluation

Potential sites were further evaluated.

5.5.1 Selection of Candidate Sites

Based on the scores found in Table 5-4, the following sites were selected as candidate's sites in the 1991 Study:

MA-2 – Madison County

AD-1 – Adair County

PO-1 – Powell County

TY-1 – Taylor County

The 1980 Study identified the following candidate sites:

Site 1 – Lee County

Site 2 – Lee County

Site 3 – Breathit County

Site 4 – Breathit County

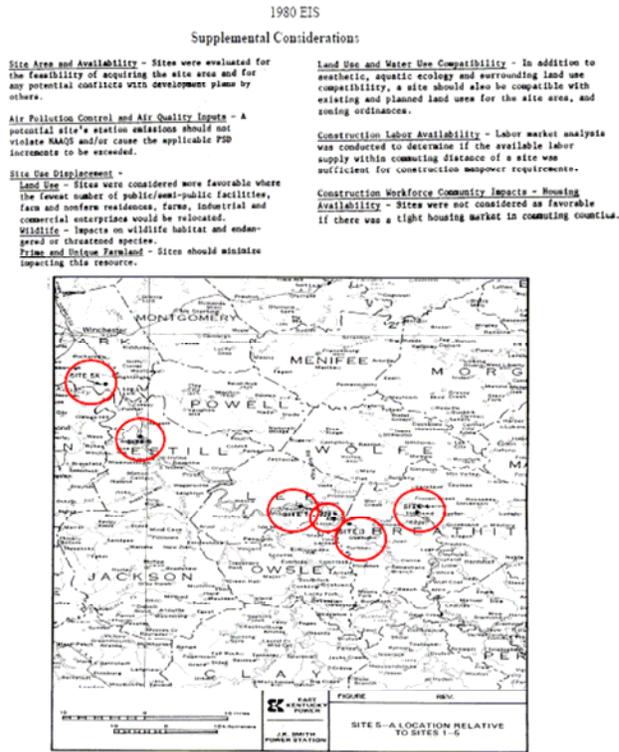
Site 5 – Estill County

Site 5A, the J.K. Smith site in Clark County was added for further evaluation.

5.5.2 Selection of Preferred and Alternate Sites

The four candidate sites in the 1991 Study were combined with EKPC's existing Smith (CL-4) and Spullock (MS-1) sites to form the list of final candidate sites. These sites were investigated to determine which sites could most advantageously be developed. This investigation considered environmental factors, engineering factors, and the economics of site development. The final candidate sites from the 1991 study are shown in Table 5-4. The J.K. Smith Site was added to the five sites considered in the 1980 EIS (see Table 5-5) as the base case. Cost estimates from both reports are found in Table 5-5.

Table 5-5 Site Evaluation



Source: REA, 1980; B&V 1991



Table 5-5 Site Evaluation (continued)

1980 EIS
Comparative Differential Site-Related Development Costs (\$1,000)

	Site 1	Site 2	Site 3	Site 4	Site 5	Site 3-A
Central Generating Complex						
Land	810	390	570	620	470	Base
Grading	590	540	Base	1,390	120	1,490
Road	130	1,100	Base	170	100	350
Railroad	1,030	1,010	Base	1,760	110	1,080
Flood Protection	*	**	Base	*	640	Base
Subtotal	1,990	2,470	Base	3,370	870	2,350
Water Supply						
Reservoir						
Land	70	50	70	110	120	Base
Clearing and Dam	190	2,320	1,430	4,270	Base	20
Pipeline	60	660	Base	360	1,200	660
Subtotal	Base	2,710	1,180	4,420	1,000	360
Solid Waste Disposal						
Reservoir						
Land	Base	10	80	20	10	50
Clearing and Dam	1,690	720	900	3,110	12,920	Base
Pipeline	540	Base	260	540	670	70
Subtotal	2,110	610	1,120	3,550	13,480	Base
Transmission						
Total	16,300	18,000	19,500	24,800	3,500	Base
Total	17,690	21,080	19,090	33,430	16,140	Base

NOTES: *Flood protection would be provided by the railroad spur embankment.
**Flood protection would be provided by the access road embankment.

1991 B&V Study
Differential Site Capital Costs

Capital Cost Component	Powell PO-1 \$ (1990)	Adair AD-1 \$ (1990)	Madison MA-2 \$ (1990)	Taylor TY-1 \$ (1990)	Spurlock MS-1 \$ (1990)	Smith CL-4 \$ (1990)
Land Acquisition	330,000	400,000	150,000	210,000	Base	Base
Electrical Transmission	1,500,000	4,000,000	Base	4,700,000	15,900,000	500,000
Access Roads	60,000	150,000	150,000	50,000	Base	60,000
Gas Supply Pipeline	Base	Base	760,000	Base	19,000,000	Base
Water Pipeline	1,010,000	570,000	430,000	1,540,000	Base	Base
Site Development						
Clearing & Grubbing	210,000	50,000	10,000	Base	Base	Base
Barbwork	230,000	210,000	230,000	210,000	90,000	Base
Fencing	80,000	160,000	30,000	60,000	Base	Base
Field Labor Adjustment	3,000,000	Base	3,000,000	Base	3,600,000	3,000,000
Total Capital Cost	6,420,000	5,480,000	4,780,000	6,770,000	38,590,000	3,560,000

Differential Site Operating Costs First Year Estimated Annual Costs

Operating Cost Component	Powell PO-1 \$/y (1990)	Adair AD-1 \$/y (1990)	Madison MA-2 \$/y (1990)	Taylor TY-1 \$/y (1990)	Spurlock MS-1 \$/y (1990)	Smith CL-4 \$/y (1990)
Electrical Transmission Losses	22,000	39,000	Base	20,000	Base	15,000
Natural Gas Supply	62,500	Base	Base	62,500	112,500	62,500
Oil Supply	430,000	430,000	430,000	430,000	Base	430,000
Makeup Water	Base	Base	Base	Base	100,000	Base
Total Operating Cost	514,500	469,000	430,000	512,500	212,500	507,500

Source: REA, 1980; B&V 1991

1980 EIS

Table 5-5 Site Evaluation (continued)

Summary of Site Specific Concerns

Consideration	Relative Favorability Assessment*					
	Site 1	Site 2	Site 3	Site 4	Site 5	Site 6
Comparison Considerations						
Fuel Supply	A	A	A	A	B	B
Water Supply	B	B	B	C	A	A
Transportation Access	B	C	C	C	B	B
Transmission	B	B	B	C	A	A
Station Siting	B	C	C	C	A	A
Site Physical Characteristics (Floodings)	B	B	A	B	C	A
Archaeological & Historical Resources	A	A	A	A	A	A
Air Traffic Safety	A	A	A	B	B	A
Solid Waste Disposal	B	A	B	B	C	A
WASTEWATER Disposal	C	A	A	A	A	A
Station Users of Public Facilities & Services	A	A	A	A	A	A
Ultimate Station Development	A	C	C	B	B	A
Supplemental Considerations						
Site Area & Availability	C	B	B	C	C	A
Air Pollution Control & Air Quality Impact	B	B	B	B	C	A
Site Use Displacement						
Land Use	C	A	A	C	B	A
Wildlife	B	C	B	C	A	A
Prime & Unique Farmland	C	B	B	A	B	A
Land Use & Water Use Compatibility						
Land Use/Aesthetics	C	A	A	C	B	A
Aquatic Ecology	B	C	C	A	A	A
Construction Labor Availability	B	C	C	C	A	A
Construction Workforce Community Impact	B	C	C	C	A	A
Overall Ranking (Best to Worst)	5th	4th	3rd	1st	2nd	1st

NOTE: *For ease of discussion, relative favorability is summarized using the following notation:
 A = Highly favorable for development
 B = Favorable
 C = Least favorable

1991 B&V Study
 Summary of Stage 3 Analysis Base
 Evaluation for Final Candidate Sites

Criteria Group	Group Weight	Site						Maximum Possible
		TY-1	AD-1	MA-2	PO-1	CL-4	MS-1	
Environmental	48%	3.58	4.01	4.10	3.79	4.39	3.74	4.80
Engineering	15%	1.03	1.18	1.19	1.26	1.29	0.92	1.50
Capital Costs	25%	2.28	2.38	2.43	2.30	2.50	0.00	2.50
Operating Costs	12%	0.53	0.60	0.80	0.52	0.56	0.60	1.20
Total Scores	100%	7.42	8.17	8.52	7.87	8.74	5.26	10.00

Source: REA, 1990; B&V 1991

Table 5-5 Site Evaluation (continued)

1980 EIS Summary of Site Specific Concerns						1991 B&V Study Stage 3 Evaluation of Final Candidate Sites				
Topical Area of Concern*	1	2	3	4	5	5-A	Rank	Base Evaluation Score	Emphasize Environmental Factors	Emphasize Engineering/cost Factors
Air Quality/Meteorology					A		1	CL-4 8.74	CL-4 8.93	CL-4 8.55
Construction Workforce Impact	A	A	A	A			2	MA-2 8.52	MA-2 8.52	MA-2 8.50
Flood Plain Locations	A	A			A		3	AD-1 8.17	AD-1 8.25	AD-1 8.08
Operational Staffing	B	B	B	B			4	PO-1 7.87	PO-1 7.87	PO-1 7.87
Prime Farmland	A	A			A	X	5	TY-1 7.42	TY-1 7.42	TY-1 7.40
Site Accessibility	A	B	B	A			6	MS-1 5.26	MS-1 6.51	MS-1 4.10
Site Availability	B				B					
Site Development & Layout		A	B	A						
Solid Waste Disposal	B			A						
Treated Wastewater Discharge	A									
Water Reservoir Development			A	A						
Water Supply			A	A						

NOTE: *"A" represents concern raised by various state and federal regulatory agencies.
 "B" represents additional concerns of EKPC and/or UE&C developed either before or after site visits with regulatory agencies.
 "X" represents the same concerns addressed for Sites 1 through 5 which were also identified for Site 3-A as a result of ongoing siting investigations described in the Siting Investigation Supplement No. 2.

Source: REA, 1980; B&V 1991

5.5.2.2 Candidate Sites Evaluation. Each final candidate site was evaluated using the analysis method (objectives) and scoring systems. Scoring for sites in both studies is found in Table 5-5.

Two sensitivity test variations were also evaluated in the 1991 study.

5.5.3 Selection of Preferred and Alternate Sites

The selection of the B&V preferred and alternate sites was based on a synthesis of the quantitative analysis and the sensitivity tests.

The recommended sites were:

- Preferred Site: CL-4 (J.K. Smith)
- Alternate Site: MA-2

Site 5A (J.K. Smith) was the preferred site for two 600 MW coal-fired units. Site 5 in Estill County was ranked second in the 1980 EIS.

5.6 Selection of Preferred and Alternative Sites

Both the 1980 EIS and the 1991 B & V documents found the J.K. Smith site most suitable for either combustion turbines or coal-fired generation. In 1980, REA committed to guarantee a loan for two 600 MW coal-fired steam electrical generating units at the J.K. Smith site. Seven combustion turbines are located on the Smith site and EKPC plans on the installation of at least another four CT units.

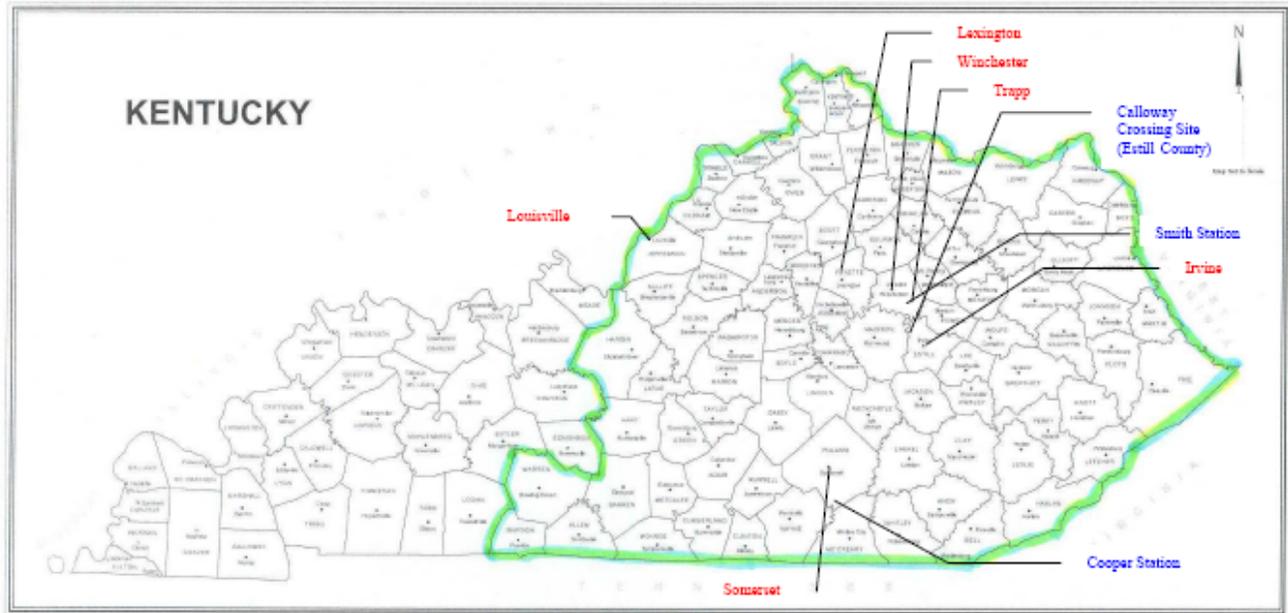
The Smith site was also the location for a proposed 540 MW demonstration power station comprised of two synthesis gas-fired combined cycle unit. An EIS concerning the project was prepared by the Department of Energy in 2002 (see Appendix C). The project was cancelled for the Smith site in 2005 as the proposed partners could not agree on project development cost-sharing.

Based on previous studies and current location of combustion turbines on the site, the J.K. Smith Power Station is the preferred location for the two 278 MW CFB units.

Extensive site work has been completed at J. K. Smith. Initially, substantial work on the site was completed for the 600 MW units that were subsequently cancelled. This work included a rail spur, site roads, grading, utility systems, and environmental studies. Other work has been completed at the site in support of the CTs located at the site. This includes water treatment facilities, diesel fuel storage, additional roads, and extensive transmission facilities.

EKPC's John Sherman Cooper site and a site in Estill County currently being planned as a 110 MW CFB unit on a 500 acre site near Irvine, Kentucky have been selected as alternate sites to the J.K. Smith Plant Site.

Figure 5-2 shows the location of the preferred and alternative sites. Nearby cities and towns are also shown.



Preferred and Alternative Sites
Figure 5-2

Site Description

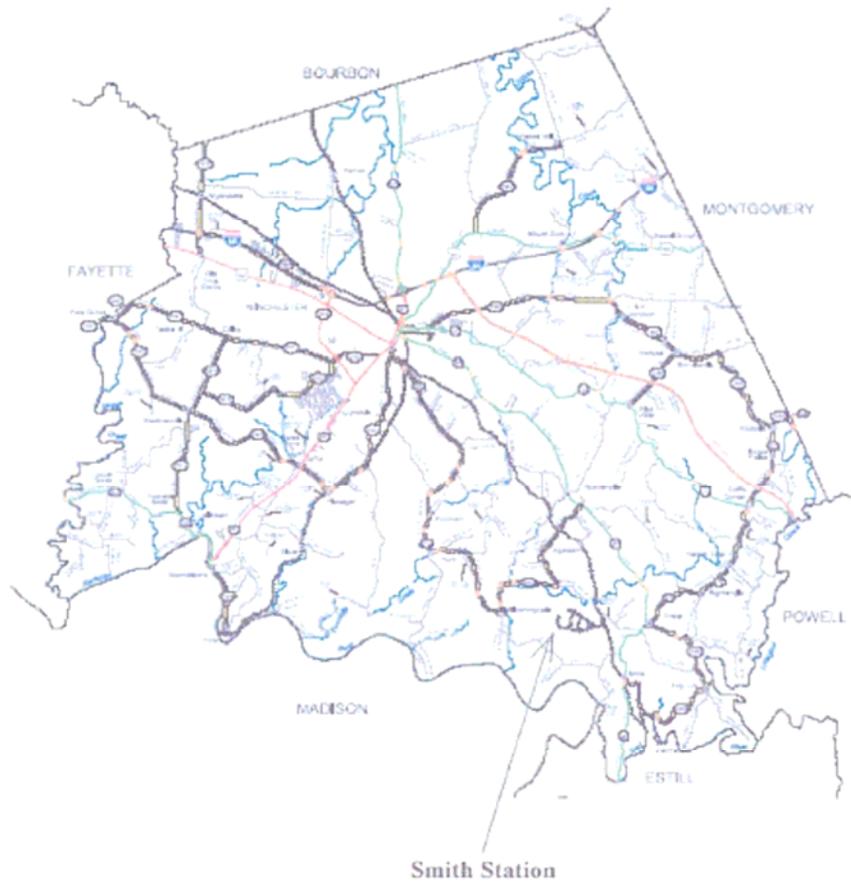
6.1 Site Alternatives

The preferred site (herein after referred as the “proposed” site) for two 278 MW CFB units is EKPC’s J.K. Smith 3,220 acre site in Clark County, Kentucky. Two alternative sites have been selected, EKPC’s John Sherman Cooper Power Station and a 500 acre site in Estill County.

6.1.1 Applicant’s Proposed Site

The proposed site for the J.K. Smith CFB generating units is located in Clark County, Kentucky, 21 miles southeast of the city of Lexington, 8 miles southeast of the city of Winchester, and 1 mile west of the community of Trapp. Figure 6-1 presents a general location map of the J.K. Smith site.





Proposed Site Location
Figure 6-1

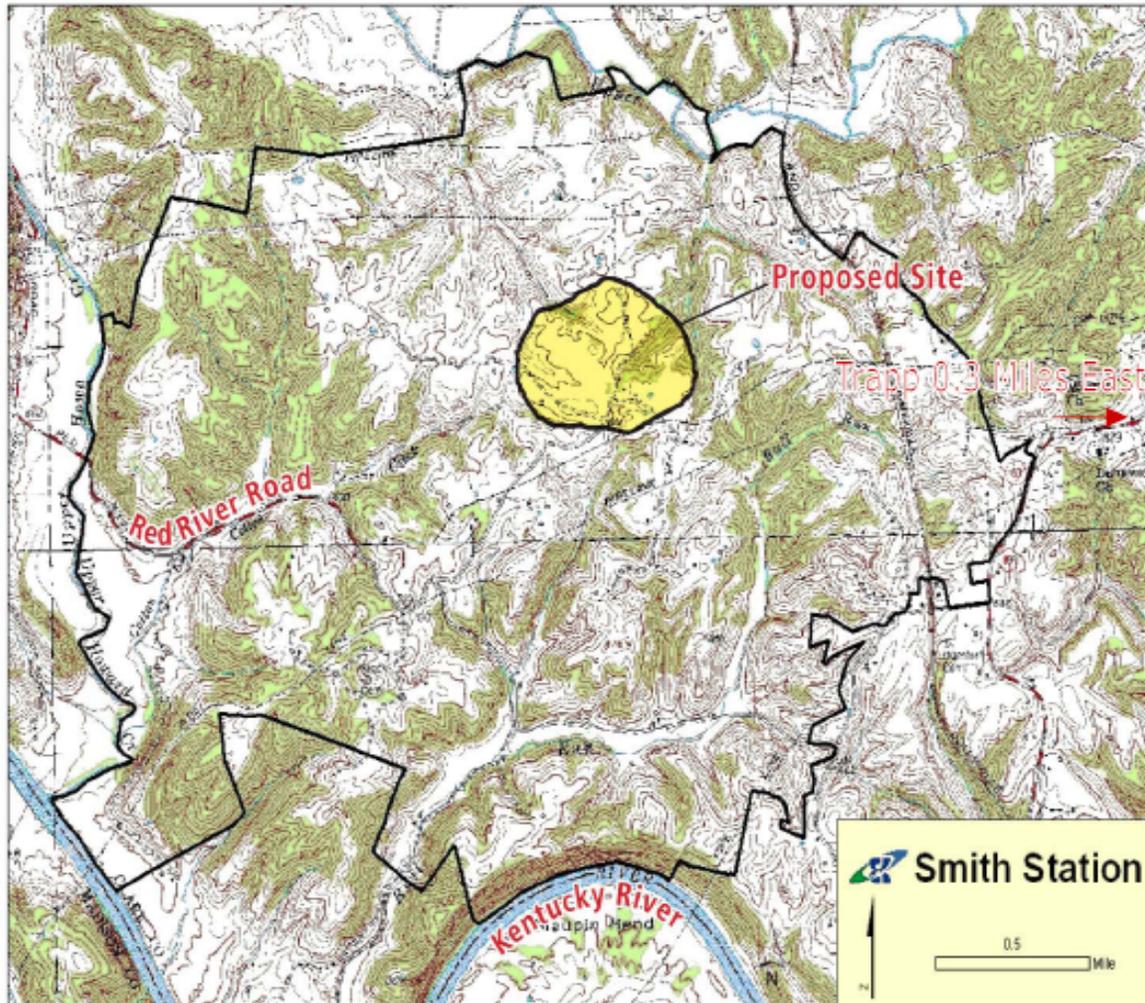
The CSX Railroad marks the eastern boundary of the site, and the Kentucky River flows near its southern boundary. Upper Howards Creek flows to the north and west, forming part of the northern site boundary and its western boundary. The total site area is approximately 3,220 acres. The United States Geological Survey's Hedges 7.5 minute quadrangle shows the site. Figure 6-2 presents a topographic map of the J.K. Smith site.

Much of the existing infrastructure on the Smith Site would be used for the new CFB Units. The rail spur, roads, potable water, water treatment facilities, diesel fuel storage, a coal pile retention basin, and transmission facilities are in place to support the proposed units. Some new roads, additional trackage, substation, coal handling and storage facilities, and a plant oil-water separator would be constructed on the site to support the new units. Photographs on the following pages illustrate current on-site conditions. Figure 7-2 shows existing and proposed site facilities.

6.1.2 Alternative Sites

EKPC's John Sherman Cooper Power Station Site on Lake Cumberland near Somerset, Kentucky is one alternative to the J. K. Smith Site. There are two coal-fired units on the site, Unit 1, 116 MW, completed in 1965 and Unit 2, 225 MW, placed in service in 1969. See Figure 6-3 for a topographic map of this alternative site.

A 500 acre site in Estill County near Irvine, Kentucky, is a potential alternative site. However, a merchant 110 MW CFB unit may possibly locate there. Figure 6.4 presents a topographic map of the Estill County alternative site



Proposed Site Location
Figure 6-2



Existing Railroad Spur



Roads



Settling Basin



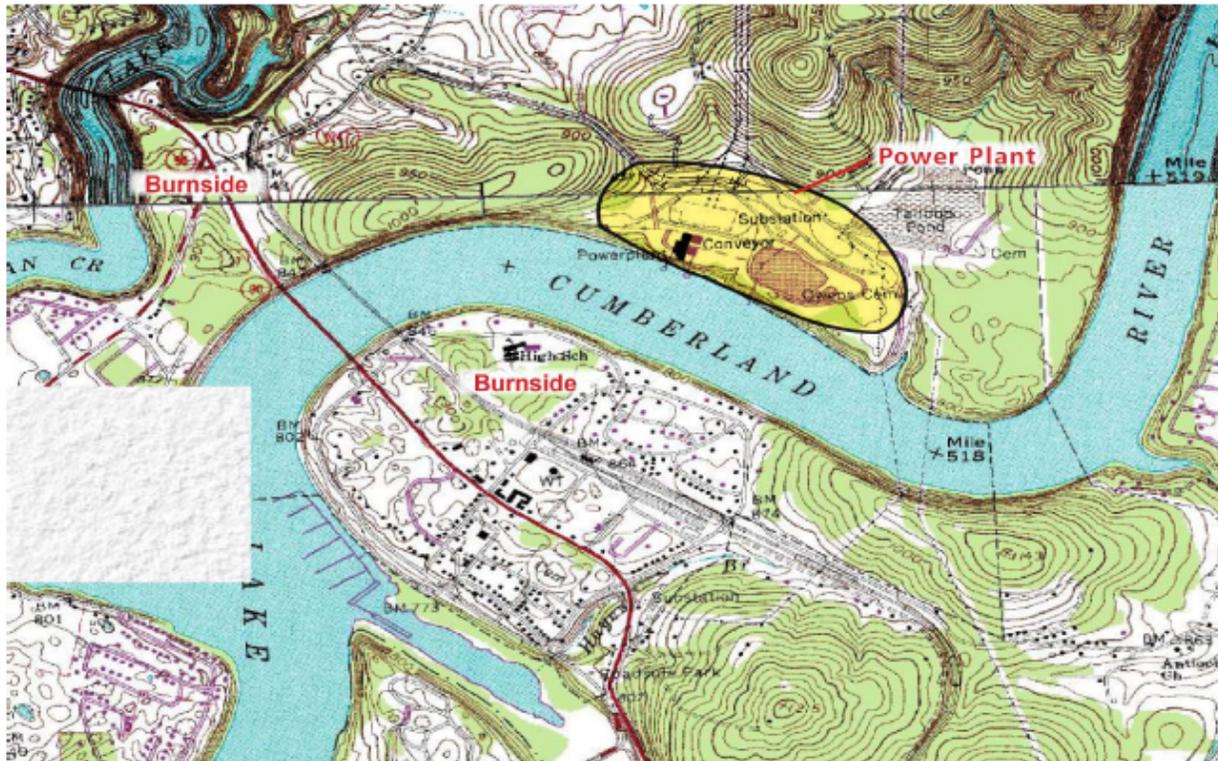
Circulating Water Pump House Foundation



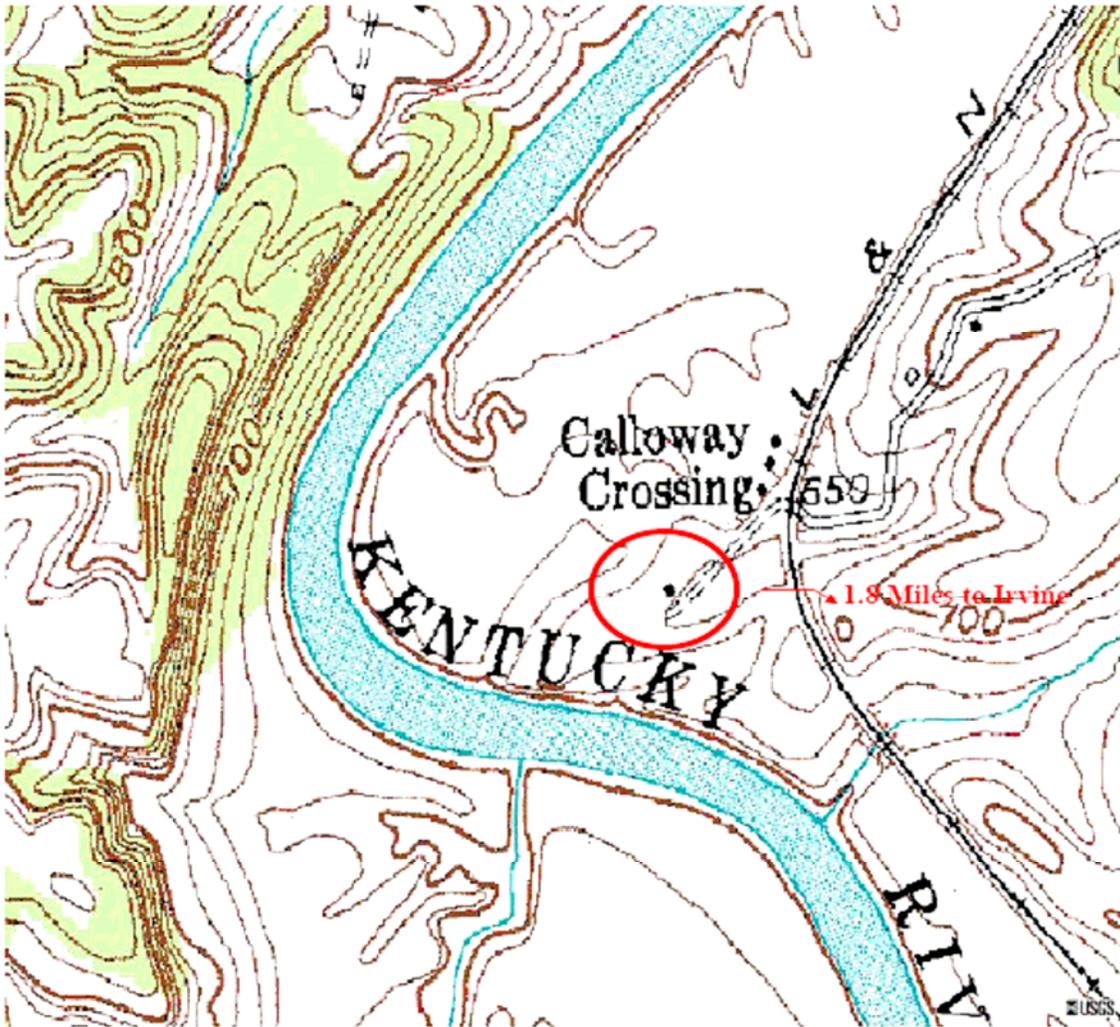
Proposed Main Plant Area



Existing Coal Pile Runoff Basin



John Sherman Cooper Station
Figure 6-3



Estill County Site
Figure 6-4

Project Description

7.0 Introduction

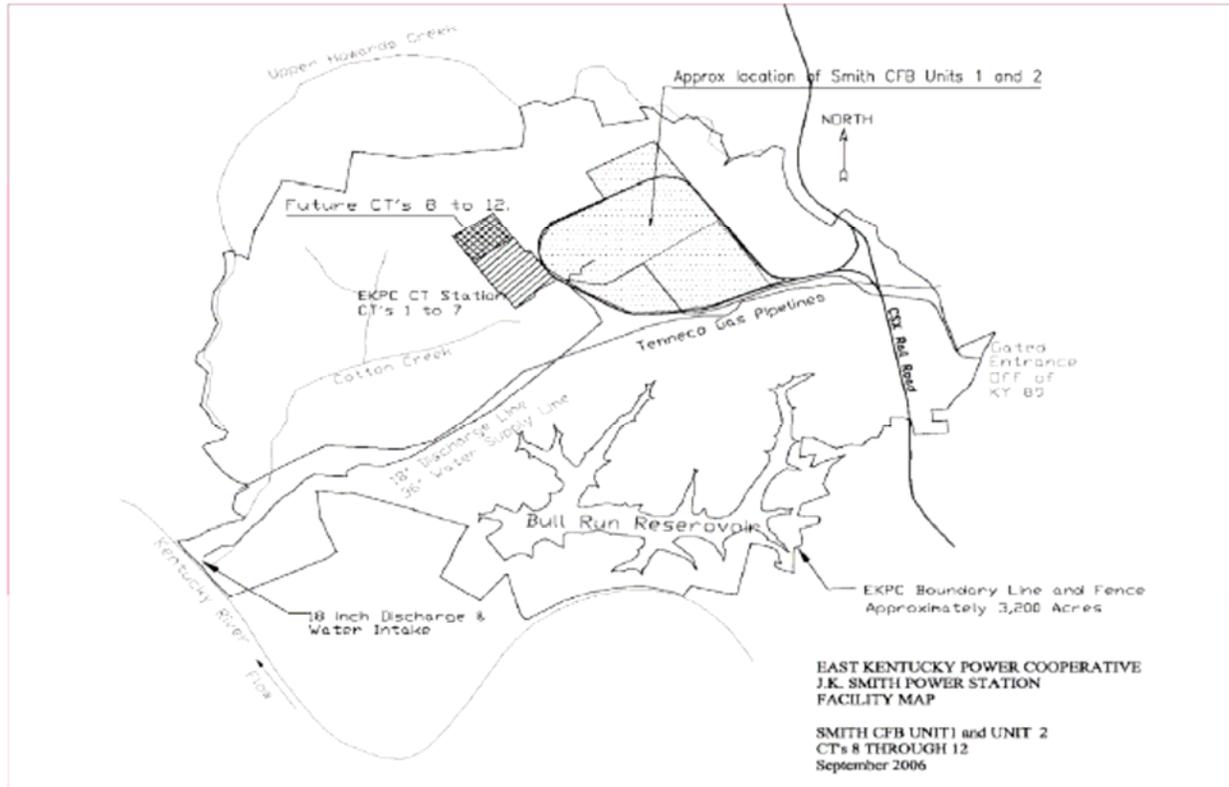
The proposed project consists of two 278 MW CFB coal-fired units. The CFB is considered a clean coal unit with minimal air emissions. Initially, one unit would be constructed at the proposed site. As capacity needs increase there is the possibility of constructing an additional unit.

7.1 Facility Equipment and Layout

Each of the proposed units consist of a nominal 278 MW generating unit with one CFB boiler, one turbine-generator, one flue gas desulfurization system, one SNCR NO_x control system, one baghouse, one stack, and associated balance of plant (BOP) equipment. The BOP equipment includes the turbine-generator power cycle equipment. A distributed control system is provided for responsive load changes, reliable operation, and improved thermal performance. Figure 7-1 shows a conceptual plan for CFB Unit 1. A detailed plant site arrangement is shown on Figure 7-2.

The cover of this document contains an artist's rendering of the proposed Units 1 and 2 located on the J. K. Smith site.

The facility is designed to operate continuously with minimum scheduled downtime for annual inspections and infrequent major overhauls. Facility loading may vary hourly per system loading, and the plant load is controllable from 35 percent to maximum plant capability. The boiler is a CFB type designed to deliver 2,018,142 lb/hr. of steam 2,414 psia and 1,000°F. The minimum steam flow rate for the boiler is 35 percent of boiler maximum continuous rating (MCR) without auxiliary fuel support. The boiler and auxiliaries are designed for operation when burning the design fuel at 100 percent MCR. Natural gas is used for boiler start-up.



Proposed Site Arrangement for the CFB Unit No. 1 at J.K. Smith
Figure 7-1

The CFB units proposed at J.K. Smith can operate effectively on a number of different fuels. Each CFB would be capable of burning fuel with an ash content up to 40 percent, a sulfur content up to 4.5 percent, and a Bru content as low as 8,700 per pound. It would also be able to utilize petroleum coke, tire-derived fuel, and biomass as alternative fuel sources. The annual burn would be approximately 1.2 million tons of coal per year per unit.

7.2 Emission Controls

The proposed CFB units would be subject to the *Prevention of Significant Deterioration* (PSD) requirements of Section 101 of the federal Clean Air Act because the generating units would have the potential of emitting greater than 250 tons per year of a regulated criteria pollutant. These pollutants are particulate matter, carbon monoxide, sulfur dioxide, nitrous oxide, and volatile organic compounds. EKPC has projected the proposed units would run a maximum of 8,700 hours per year but has estimated that the units would actually be operated approximately 8,500 hours per year. However, the proposed units would be permitted for an unlimited number of hours per year. Based on an unlimited number of hours of operation with 100 percent coal, the proposed new units would have the potential to emit the following tons per year of criteria pollutants:

Carbon Monoxide (CO)	1,642.50
Nitrogen Oxides (NO _x)	1,095.00
Sulfur Oxides (SO _x)	2,190.00
Inhale Particulate Matter (PM ₁₀)	328.50
Volatile Organic Compounds (VOC)	39.42
Sulfuric Acid (H ₂ SO ₄)	54.75

EKPC is in the process of applying for an air quality construction and operation permit from the Kentucky Department for Environmental Protection, Division for Air Quality (KDAQ). A Title V Permit is required for the J.K. Smith units. The Title V Permit includes a construction permit and a review for PSD. EKPC would commence the construction of the unit within the 18-month period allowed under the permit. Once the units are constructed, EKPC will test run the units, taking pollutant measurements from the stack emissions. These measurements would be sent to KDAQ to demonstrate that the units meet the PSD requirements and to secure an operating permit for the units. EKPC has received a *Certificate of Public Convenience and Necessity* and a *Site Compatibility Certificate* from the Kentucky PSC for the CFB units.

The proposed CFB generating units with added controls would have the best available control technology (BACT). The PSD review requirements apply to major sources and modifications for pollutants with an increase that would exceed PSD significant emission rates. The above table shows that the PSD significant emissions rates would be exceeded for PM₁₀, SO₂, NO_x, CO, and sulfuric acid mist. Therefore, the requirements to demonstrate BACT and to evaluate air quality, Class I, and secondary impacts apply for each of these five pollutants. The BACT requirements of PSD are more stringent than the new source performance standards (NSPS) as outlined in 40

CFR Part 60 for controlling NO_x and SO₂. Therefore, by complying with the appropriate BACT requirements, the proposed CFB units would be in compliance with the relevant NSPS.

Other potential sources of air quality degradation associated with the proposed project would be the exhaust and dust associated with construction of the proposed new electric generating units. The construction activities, however, would be short-term in duration, and the affected area would be relatively small. The area where the units would be installed is currently graded. Consequently, the amount of air quality degradation to the immediate surrounding area through the construction phase of the proposed project would be expected to be negligible. An immediate return to near ambient air quality conditions for vehicle exhaust and dust is expected once the construction activities are completed.

Based on PSD modeling performed for the CFB unit, airborne pollutants that would be emitted while operating the proposed unit for the projected 8,500 hours per year with a maximum operation of 8,700 hours per year would be well below PSD significant impact levels.

7.3 Transmission Requirements

The proposed J.K. Smith CFB units would require minimal additional transmission facilities. Transmission lines are being upgraded and constructed for the CTs adjacent to the site and would be capable of transmitting the generation capacity for the CFB units. The upgrading and construction of CT transmission is a separate project from the proposed CFB units. An Environmental Assessment is being proposed for the CT transmission line. The proposed CFB units would require an on-site substation and transmission lines tying it to the adjacent CT site.

7.4 Fuel Use and Waste Disposal

Coal for the first unit would be acquired from mines in Kentucky, southern Ohio, and southern Illinois. Approximately 70 percent of the coal would be transported by rail, with the balance being delivered in trucks. Natural gas would be transported to the site by pipeline.

The coal would be stored on-site. The coal stockpile would normally contain approximately a 45-day supply. Natural gas for start-up of the CFB would be supplied from existing pipelines.

Coal combustion wastes will be collected dry and stored on-site in areas identified as suitable for waste storage and disposal. One area, a large ravine adjacent to the CFB site, has already been identified as a candidate site. Groundwater monitoring wells are already established in the site, and background data has been collected. This area was identified as an ash storage site for the originally proposed 600 MW units. Waste will be moved from the unit to the storage area by truck. Whenever possible, coal combustion waste will be used as fill material. Initially, most of the material will be used onsite. However, eventually it will be made available for beneficial reuse offsite in areas where it is considered appropriate. EKPC continues to support research efforts to discover more beneficial uses for coal combustion byproducts.

Alternative fuels, such as tire-derived fuels or biomass, would be stored on-site at or near the coal pile. These fuels would be blended with coal in low concentrations (less than 10 percent) in an effort to lower emissions, produce renewable energy, and take advantage of lower cost fuels.

7.5 Water Supply and Wastewater Disposal

The Kentucky River is the primary source of water for the proposed CFB units. During drought conditions or high use periods, water may be drawn from the Kentucky River to replenish a potential storage reservoir. Studies are being conducted to determine the need for a storage reservoir.

One CFB unit would require approximately 4.3 million gallons of water per day or 1.6 billion gallons annually. Most of the water use would be in the cooling towers where evaporative cooling is used to cool the condensate from the unit.

The existing CT water intake structure would be upgraded, and a pipeline constructed to draw water from the Kentucky River. Preliminary work has been performed to determine where to best site a storage reservoir on the J.K. Smith site if necessary.

Potable water would be supplied to the site by the East Clark Water District.

During operation, a CFB unit would produce approximately 850,000 gallons of wastewater daily. This waste would be treated on-site in a series of settling basins. The water would be discharged sending 700,000 gallons back through an existing pipe to the Kentucky River once it meets KPDES permit requirements.

7.6 Operating Characteristics

Currently, most coal units burn pulverized coal at temperature ranging from 2,200°-2,400°F. The J.K. Smith units, however, would burn coal mixed with limestone at temperatures lower than 1,650 degrees. In a CFB air is blown into the furnace to suspend or fluidize the mixture of coal and limestone. Combustion particles pass from the boiler to a cyclone structure where large, unburned particles are circulated back to the boiler. Fine particles are trapped in a bag-house and collected for disposal. This process makes the burning more thorough, reducing the volume of particles in the flue gas and lowering operating costs. Mixing the coal with limestone during combustion significantly reduces the sulfur content in the flue gases.

Each of the CFB units is expected to operate between 8,500 and 8,700 hours per year. These base-load units would operate 24 hours a day, 365 days a year except for scheduled maintenance or unscheduled outages. The availability factor is expected to be 93 percent. Maintenance operations are expected to be similar to those at other EKPC sites, consisting of scheduled shutdowns for the power plant and supporting facilities.

7.7 Noise

The average near field sound pressure level contribution from each of the current CT units does not exceed 96 dBA when measured in a free field (i.e., three feet in the horizontal plane and at an elevation of five feet above the turbine machine baseline or personal platforms with the equipment operating at base load according to contract specifications). During normal operation, a CFB would not be expected to exceed these levels. Therefore, the proposed new unit would not be expected to have any noise impact on the outlying area of the existing electric generating facility site during normal operations. However, during initial construction and start-up or shut-down procedures noise levels could reach higher levels. Also, venting steam during routine start-

up and shut-down can cause significant increases in noise from the plant. These events, however, rarely occur and are temporary in nature.

There is no other development located in close proximity to the preferred site. EKPC owns a fairly large buffer area of land surrounding the facility (see Figure 7-1). EKPC has also collected data regarding noise emanating from the existing generating facility since 1992. During the 16 years of CT operation there have been no complaints from residents located in the outlying areas of the existing facility regarding noise from turbine operation.

7.8 Transportation

The proposed plant site in Clark County is located near major transportation routes both for truck and rail travel. Interstates 64 and 75 both come within 25 miles of the site. Kentucky Route 89 ties the site to Winchester, Kentucky. The Mountain Parkway connects the site to the coalfields of eastern Kentucky via I-64 and Route 89. Although Route 89 is suitable for tractor-trailer travel, the Kentucky Transportation Cabinet has included \$28 million for improvements to Kentucky 89 in the Fiscal 2006 to 2012 highway plan. Enhancement projects include road widening, bridge replacement and spot improvements. More than \$15 million of those projects have been funded in the approved state budget. Replacement of the bridge at the Ruckerville Road intersection is underway.

Based on construction of the identical 278 MW Gilbert Unit about 630 work vehicles can be expected at peak construction. Peak construction would last for approximately six months, two years after the start of construction. Approximately 7,700 truck deliveries are expected during the three-year construction period. An estimated 75 percent of the deliveries would occur in the first 18 months. Truck deliveries of materials and supplies would average about 10 trucks per day, with a maximum of 30 trucks daily. Two "mass concrete pours" would require about 300 trucks each delivering concrete over 48-hour periods.

CSX has major rail facilities adjacent to the site. There are spurs in place at the site that tie it to the available rail. However, minimal additional tracks may need to be added for the proposed units.

7.9 Project Schedule

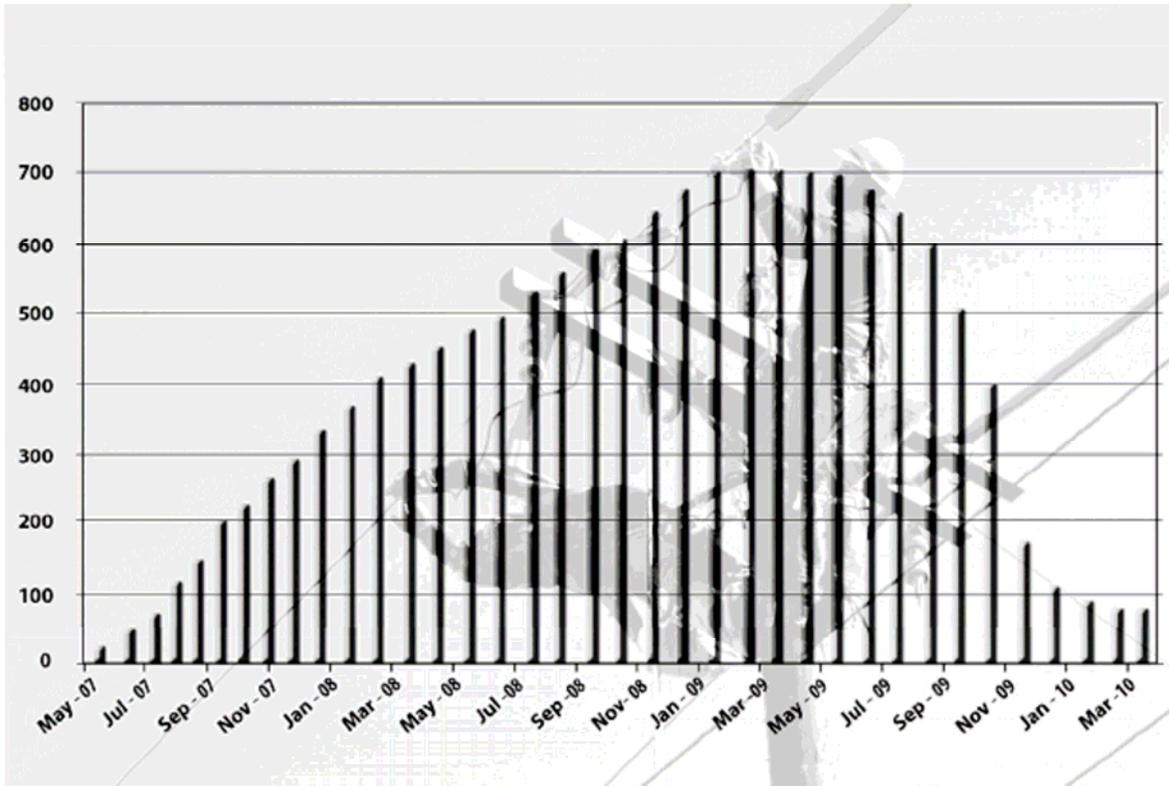
Initial regulatory permitting for the project is underway. If permits can be obtained, project construction is expected to begin in June of 2007. Approvals and/or permits for the project include air quality, Kentucky PSC, building permits, solid waste disposal, water withdrawal, and waste discharge. Construction would require approximately three years, with performance testing for the first unit expected in mid-2010. A tentative project schedule is shown on Figure 7-3. Delays in permitting could have a significant effect on the anticipated completion date.

7.10 Project Cost

The initial CFB unit at the site would cost approximately \$628 million under the present construction schedule. The cost estimates for additional units are not available at this time. Cost comparisons were determined by using the RFP process carried out by an independent contractor on behalf of EKPC. The self-build option was determined to be most cost effective for the customer base of EKPC (see Section 4.7.1) member cooperatives.

7.11 Employment

During the construction phase, the J.K. Smith CFB would provide up to 700 construction jobs at an average annual salary of \$60,000. The number of employees on-site would fluctuate with the construction schedule (see Figure 7-4). The operating power station would require approximately 60 full-time employees. These jobs would vary from moderately skilled operations staff to highly trained laboratory, electrical, and instrument technician positions. The J.K. Smith site would be manned 24 hours a day, 365 days a year.



J.K. Smith Unit #1 Manpower Loading
Figure 7-4

Appendix A

1980 EIS

General

This appendix contains the 1980 document "Environmental Impact Statement Related to the proposed J. K. Smith Power Plant Station Units 1 and 2 and Associated Transmission Lines." This document is a major resource used in the preparation of the study for the J. K. Smith CFB generating units report. The Appendix material is available on the RUS website, [www.USDA.gov/RUS/Electric/Environmental/Environmental/Environmental Impact Statements](http://www.USDA.gov/RUS/Electric/Environmental/Environmental/Environmental%20Impact%20Statements).

Appendix B

1991 Study

General

This appendix contains the 1991 report "East Kentucky Power Cooperative, Inc., 400 MW combustion Turbine Project Alternatives Analysis/Siting Study". This report is a major resource document for the J. K. Smith CFB generating units report. The Appendix material is available on the RUS website, www.USDA.gov/RUS/Electric/Environmental/Environmental/Environmental Impact Statements.

Appendix C

2002 EIS

General

This appendix contains selected pages from the 2002 EIS prepared by the Department of Energy regarding the selection of the J. K. Smith Site as the location for the Kentucky Pioneer Integrated Gasification Combined Cycle Demonstration Project. The Appendix material is available on the RUS website, www.USDA.gov/RUS/Electric/Environmental/Environmental/Environmental Impact Statements.

Appendix D

Load Forecast Report

General

The following is the Executive Summary of the September 2004 EKPC Load Forecast Report. The load forecast projects energy demands through the year 2022. The Appendix material is available on the RUS website, [www.USDA.gov/RUS/Electric/Environmental/Environmental/Environmental Impact Statements](http://www.USDA.gov/RUS/Electric/Environmental/Environmental/Environmental%20Impact%20Statements).

Appendix E

List of Preparers and Reviewer

General

This report was prepared and reviewed by the following individuals:

Preparers

Brad Condley, BS Biology/Chemistry, MS Botany; Senior Chemist, East Kentucky Power Cooperative

John Sayles, AICP, BA, Geography; Principal Planner, Stanley Consultants, Inc.

Reviewer

Marie Ecton, BS, Biology/Natural Resources, MS Ecology; 40-hour NEPA training, 2001; Senior Environmental Scientist, Stanley Consultants, Inc.

Appendix F

Integrated Resource Plan

General

The following pages contain a redacted copy of EKPC's 2003 Integrated Resource Plan. Confidential material has been "blacked out" by cooperative personnel. The Appendix material is available on the RUS website, www.USDA.gov/RUS/Electric/Environmental/Environmental/Environmental Impact Statements.

APPENDIX L:
Consultation Requests

-----Original Message-----

From: BRuddBen@aol.com [mailto:BRuddBen@aol.com]

Sent: Thursday, January 11, 2007 9:07 PM

To: Joe Settles

Cc: mcmulw@bellsouth.net; sherry.otto@sierraclub.org

Subject: Consulting Party Request

January 10, 2007

Mr. Joe Settles

EKPC

4775 Lexington Rd.

Winchester, KY 40391

RE: Request for Consulting Party Status, Smith Power Plant Expansion

Dear Mr. Settles:

On behalf of the Cumberland (Kentucky) Chapter of Sierra Club, I am requesting consulting party status in the RUS/USDA Section 106 process under the National Historic Preservation Act (NHPA) for the above-referenced project. The Cumberland Chapter represents more than 4500 members across the Commonwealth, including members in Clark and Madison Counties. We also request to be added to the mailing list for the RUS/USDA's compliance activities under the National Environmental Policy Act (NEPA) and to be provided with the name of a contact person responsible for both NEPA and NHPA compliance for this proposal.

The rules of the Advisory Council on Historic Preservation at 36 CFR Part 800 provide that "certain individuals or organizations with a demonstrated interest in the undertaking" may participate as a consulting party in the NHPA Section 106 process due to:

- (1) the nature of their legal or economic relation to the undertaking or affected properties, or
- (2) their concern with the undertaking's effect on historic properties.

The mission of the Cumberland Chapter includes protection and restoration of the quality of the natural and human environment. The development of the proposed power plant will directly affect listed and eligible historic family farms, rural landscapes and archaeological sites, as well as result in indirect and cumulative impacts to such resources. Potential effects on historic properties include: viewshed impacts from the new stacks, construction impacts, and impacts from increased traffic, especially heavy trucks. The Sierra Club has served as a consulting party in other Section 106 processes in Kentucky. Since we are a volunteer organization, we request that consultation meetings be scheduled in the evenings whenever possible, to accommodate the needs of volunteers.

Please ensure that this correspondence is provided to the appropriate USDA office so that it may be made a part of the official administrative record for the proposed federal undertaking.

I look forward to hearing from you.

Sincerely,

Betsy Bennett, Conservation Chair

Cumberland Chapter, Sierra Club

580 Garden Drive

Louisville, KY 40206