

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 NO_x, 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/EPRI 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.