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February 16, 2006

FEDEX

RECEIVED

FEB 17 2006

PUBLIC SERVICE
COMMISSION

Ms. Elizabeth O'Donnell
Public Service Commission
211 Sower Boulevard
Frankfort, Kentucky 40601

Case No. 2006-00075

Re: In the Matter of the Application of Kenergy Corp.
for Approval of Temporary Electric Service to
Construction Site of Hopkins County Coal, LLC

Dear Ms. O'Donnell:

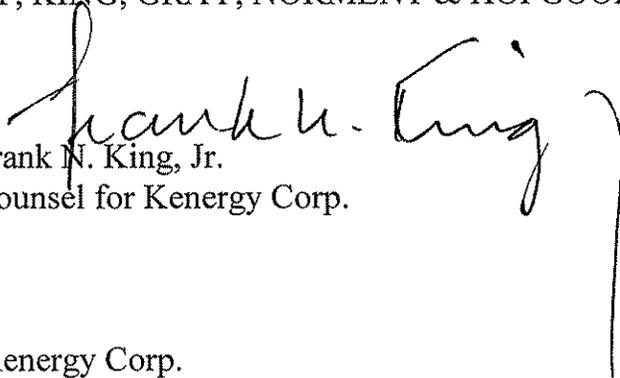
Enclosed for filing please find the above Application. We also enclose 12 copies. The Application requests approval of temporary electric service at a construction site and we are requesting expedited review. I have discussed this matter with Staff Counsel Gerald Wuetcher and he is aware this filing is being made.

The Commission's prompt review and approval will be appreciated.

Very truly yours,

DORSEY, KING, GRAY, NORMENT & HOPGOOD

By


Frank N. King, Jr.
Counsel for Kenergy Corp.

FNKJr/cds

Encls.

COPY/w/encls.: Mr. Mark A. Bailey, Kenergy Corp.
Mr. John Newland, Kenergy Corp.

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

RECEIVED

FEB 17 2006

PUBLIC SERVICE
COMMISSION

In the Matter of:

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)
THE APPLICATION OF KENERGY CORP.) CASE No. 2006- 00075
FOR APPROVAL OF TEMPORARY)
ELECTRIC SERVICE TO CONSTRUCTION)
SITE OF HOPKINS COUNTY COAL, LLC)

APPLICATION

The application of KENERGY CORP. ("Kenergy") respectfully shows:

(a) Kenergy is a nonprofit electric cooperative organized under KRS Chapter 279 and is engaged in the business of distributing retail electric power to member customers in the Kentucky counties of Daviess, Hancock, Henderson, Hopkins, McLean, Muhlenberg, Ohio, Webster, Breckinridge, Union, Crittenden, Caldwell, Lyon, and Livingston.

(b) The post office address of Kenergy is Post Office Box 18, Henderson, Kentucky 42419-0018.

(c) Kenergy is the consolidation successor of Green River Electric Corporation and Henderson Union Electric Cooperative Corp. A copy of the articles of consolidation is filed in Case No. 99-136.

(d) Kenergy provides electric service to Hopkins County Coal, LLC (“Hopkins County Coal”) at a site that is located entirely in Kenergy’s certified territory. The address of the site is 1057 Frank Cox Road, Madisonville, KY 42431, where Hopkins County Coal is having a fan, referred to as the Elk Creek fan, installed to provide ventilation to its underground mines.

(e) Construction is ongoing at the site for the installation of said fan and the construction contractor Frontier-Kemper-Constructors, Inc. is utilizing a hoist with a 1200 horsepower motor, which is significantly larger than was anticipated by Hopkins County Coal. Kenergy presently is providing total service for the construction but the presence of the hoist with a motor of this size is causing disturbance on Kenergy’s distribution system in the immediate area.

(f) Hopkins County Coal has a substation in the vicinity of said construction site that is located in the certified territory of Kentucky Utilities Company (“KU”) and is energized by KU. KU owns an abandoned and unused pole line that runs from the substation to the construction site. Hopkins County Coal proposes to purchase said pole line, energize same with power from the substation, and provide temporary power to the construction site for approximately 50% of the power requirements. Kenergy will provide the remaining temporary power requirements and will be the sole power provider at this site for the fan and accessories after the construction is complete. It is anticipated that the

construction will be completed by the end of August 2006 at which time the temporary power arrangement will cease. Other solutions considered were dismissed as impractical due to cost, time to complete and/or lack of desired results. Attached hereto and made a part hereof marked "Exhibit A" is a map showing the location of the Kenergy-KU certified territory boundary, the Hopkins County Coal substation, the unused KU pole line and the construction site for the Elk Creek fan.

(g) Kenergy and Hopkins County Coal have entered into a Letter of Agreement that sets forth the details of how the temporary power will be provided to the construction site. Said Letter of Agreement is attached hereto and made a part hereof marked "Exhibit B."

(h) The temporary service arrangement set forth in the Letter of Agreement will promote public convenience and necessity; will minimize or even eliminate disputes between Kenergy and KU, both being retail suppliers, which might result in inconvenience, diminished efficiency and higher cost in serving the affected customer; will otherwise promote the purposes of KRS 278.016; and will provide adequate and reasonable service to the areas and consumers affected thereby. A reallocation of territories for this temporary service is not necessary and should not be made.

(i) The Commission should expedite review of this application and approve the Letter of Agreement, and the temporary service arrangement set forth therein,

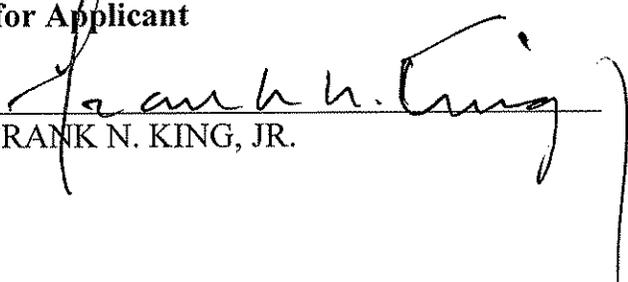
without delay so that construction at the mine site will not be hindered and Kenergy may eliminate the disturbance on its system.

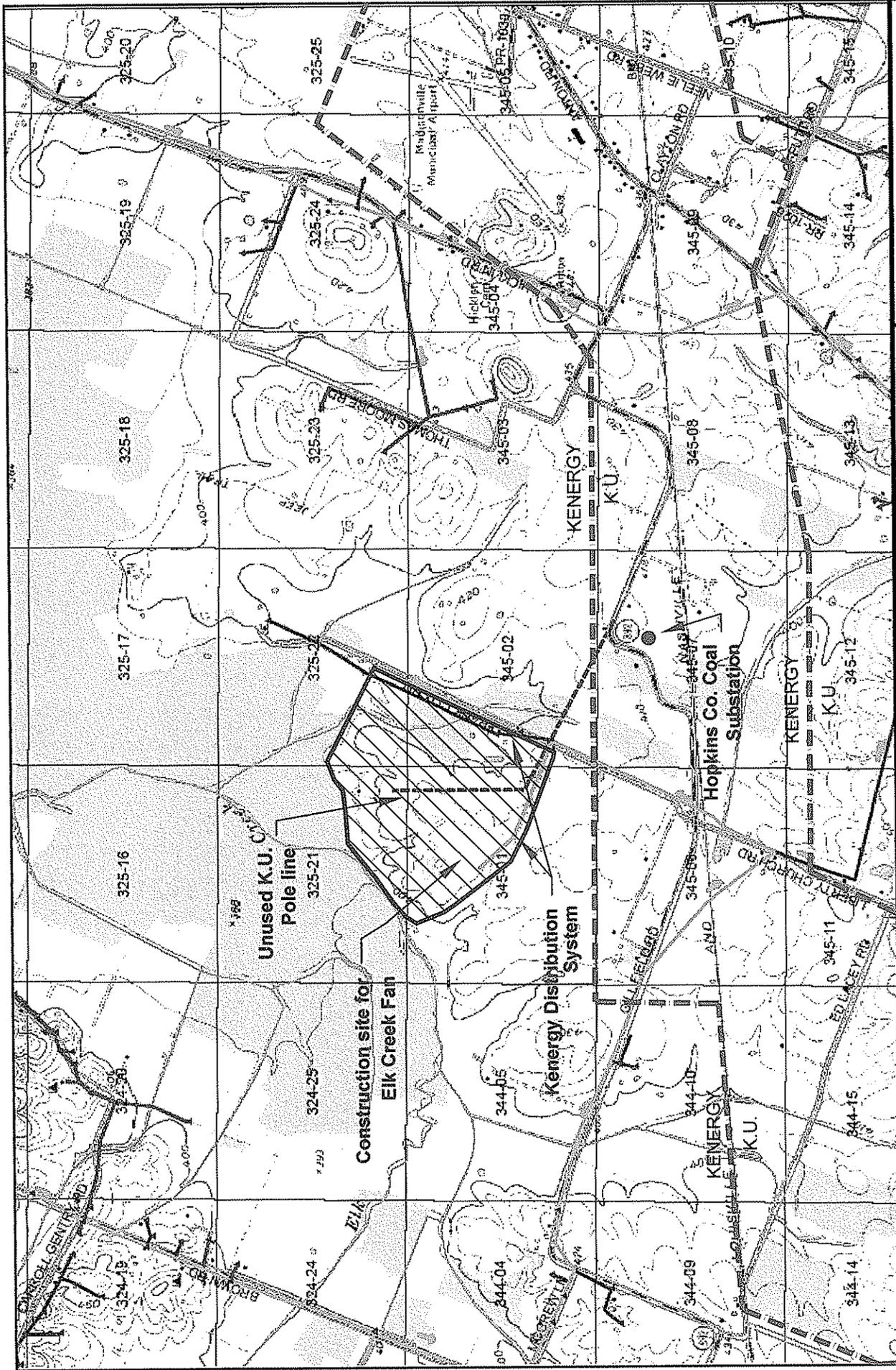
WHEREFORE, applicant asks that the Public Service Commission of the Commonwealth of Kentucky expedite review of this application and approve the subject Letter of Agreement, and the temporary service arrangement set forth therein, without delay and applicant further asks that it be afforded all proper relief.

Dated at Henderson, Kentucky, this 16th day of February, 2006.

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Attorneys for Applicant

By _____


FRANK N. KING, JR.



<p>LEGEND</p> <ul style="list-style-type: none"> 344-15 Kenergy map grid --- Unused K.U. pole line --- Kenergy/K.U Territory Boundary 	<h2>Construction Site for Elk Creek Mine</h2> <p>Madisonville East, Ky (USGS Quadrangle)</p> <p>February 13, 2006</p>	<p>Scale: 1" = 2000'</p>
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LETTER OF AGREEMENT FOR TEMPORARY SERVICE
TO HOPKINS COUNTY COAL LLC CONSTRUCTION SITE

By AND BETWEEN

HOPKINS COUNTY COAL LLC (CUSTOMER)
2868 STATE ROUTE 120 E
PROVIDENCE, KY 42450

KENERGY CORP (KENERGY)
6402 OLD CORYDON ROAD
HENDERSON, KY 42420

KENERGY PRESENTLY SERVES A CONSTRUCTION SITE FOR THE CUSTOMER LOCATED AT 1057 FRANK COX ROAD, MADISONVILLE, KY 42431. THE CONTRACTOR UTILIZES A PIECE OF EQUIPMENT (MOTOR) LARGER THAN WAS ANTICIPATED BY CUSTOMER AND IT IS PRONE TO CAUSING UNWANTED DISTURBANCE ON KENERGY'S DISTRIBUTION SYSTEM IN THIS AREA OF HOPKINS COUNTY. THE CUSTOMER HAS PROPOSED TO ACQUIRE AN UNUSED KU POLE LINE THAT BEGINS AT A POINT IN KU CERTIFIED TERRITORY NEAR A SITE WHERE CUSTOMER IS CONSTRUCTING A SUBSTATION FOR SERVICE TO A COAL MINE AND ENDS ON THE CONSTRUCTION SITE. THE SUBSTATION WILL BE SERVED BY KU POWER. AS PROPOSED, THIS POLE LINE WILL BE ENERGIZED FROM THE CUSTOMER SUBSTATION AND USED TO PROVIDE FOR THE REQUIREMENTS OF THE LARGE MOTOR ONLY, AND FOR THE PERIOD OF CONSTRUCTION, ONLY, ANTICIPATED TO LAST UNTIL AUGUST 2006. THIS MOTOR REPRESENTS APPROXIMATELY 50% OF THE CONSTRUCTION POWER REQUIREMENTS AND WILL BE THE ONLY PORTION OF THE CONSTRUCTION POWER REQUIREMENTS PROVIDED FOR IN THIS AGREEMENT. CUSTOMER AGREES THAT THE LINE TO BE USED FOR THIS TEMPORARY PURPOSE WILL BE REMOVED AND DISPOSED OF AFTER THIS PERIOD IN SUCH A WAY THAT PERMANENT SERVICE TO THE CUSTOMER AT 1057 FRANK COX ROAD WILL BE SOLELY FROM KENERGY.

THE UNDERSIGNED ARE FAMILIAR WITH THE MATTER AND ARE IN AGREEMENT THAT THE FOREGOING SOLUTION WILL BEST ADDRESS THE EXISTING CONDITIONS.

Bill Adelman
HOPKINS COUNTY COAL, LLC

General Manager
TITLE

2/14/06
DATE

Mark A. Bailey
KENERGY CORP.

President & CEO
TITLE

2/16/06
DATE