

Commonwealth of Kentucky
HOUSE OF REPRESENTATIVES

245 East Cedar Drive
Pikeville, Kentucky 41501



STATE CAPITOL ANNEX
Room 373C
Frankfort, Kentucky 40601
(502) 564-8100, Ext. 669
1-800-372-7181
E-mail: leslie.combs@ra.ky.gov

LESLIE A. COMBS
94th LEGISLATIVE DISTRICT
July 15, 2011

Mr. Gregory G. Pauley
President and COO
AEP – Kentucky Power Company
101A Enterprise Drive
Frankfort, Kentucky 40601

Dear Mr. Pauley:

It has come to my attention that your company is considering purchasing power from the planned ecoPower Generation plant in Hazard, Kentucky. I have followed the development of this project and am very encouraged by and supportive of the benefits it brings to Eastern Kentucky. While I also strongly support Coal, I work diligently to diversify the economy, create jobs, and increase income in the region. This project is an important element of that effort. The information I have received indicates the economic impact will create many jobs. In fact, what I have received to date, is that 500 permanent jobs will be re-created as a result of the plant along with 250 construction jobs, and inject over \$18 million annually into the local economy.

I am aware that impending EPA regulations are putting undo pressure on AEP and Kentucky Power to look for new sources of electrical generation. The ecoPower project offers a local solution to a portion of Kentucky Power's environmental compliance requirements. I believe that a local solution is extremely important because it generates local income rather than exporting wealth to other states through purchase power agreements.

Like everyone else, I am concerned about the impact of environmental compliance on future power costs. There is no escaping the fact that electricity rates are going to be higher in the future. I also recognize the cost biomass generation will be somewhat higher than traditional generation, but want to assure you my support of your cost recovery of these additional costs at the PSC and among my constituents, should Kentucky Power choose to purchase electricity from ecoPower.

I, therefore, urge you to give serious consideration to the ecoPower purchase opportunity.

Very truly yours,

A handwritten signature in cursive script that reads "Leslie A. Combs".

Leslie A. Combs
State Representative

LAC/lfr