

COMMONWEALTH OF KENTUCKY

KENTUCKY STATE BOARD ON ELECTRIC GENERATION
AND TRANSMISSION SITING

In the Matter of:

APPLICATION OF SOUTHERN INDIANA GAS &)	
ELECTRIC CO. D/B/A VECTREN ENERGY)	
DELIVERY OF INDIANA, INC. FOR A)	CASE NO.
CERTIFICATE TO CONSTRUCT AN ELECTRIC)	2010-00223
TRANSMISSION LINE FROM ITS A.B. BROWN)	
PLANT TO THE BIG RIVERS REID EHV)	
STATION)	

ORDER

On July 11, 2012, Southern Indiana Gas & Electric Co. d/b/a Vectren Energy Delivery of Indiana, Inc. ("Vectren") submitted a request to modify a small section of its transmission line route without having to file another application with the Siting Board. In approving Vectren's Application in this matter to construct a 345 kV non-regulated transmission line in the counties of Henderson and Webster, Kentucky, the December 21, 2010 Order ("Final Order") recognized that, in limited circumstances, Vectren would need some flexibility to address unanticipated construction issues. Thus, the Final Order permitted Vectren to move the approved center line of the transmission line so long as "(1) it is moved no further than 500 feet in either direction (i.e., within a 1,000-foot corridor) of the existing route; (2) the move does not shift the line or its right-of-way onto the property of a different landowner; and (3) the property owner who is subject to the move agrees in writing to the requested move."¹ However, the Final Order noted that any changes that would move the transmission line outside of the existing 1,000-

¹ Final Order at p. 20.

foot route corridor will require Vectren to file another application with the Siting Board.² Because Vectren's proposed modification would slightly shift the transmission line outside of the existing 1000-foot corridor, Vectren requests that it be permitted to do so without the need to file another application.

In support of its deviation request, Vectren states that Big Rivers' Electric Corporation ("Big Rivers"), pursuant to a Memorandum of Understanding with Vectren, is in the process of purchasing the final easements for this project along the approved route corridor. Although the process has been successful, Vectren and Big Rivers have encountered some issues with respect to one landowner, whose parcel is located within the route corridor. As a result, Big Rivers has initiated condemnation proceedings against that landowner to obtain the necessary easement to complete construction of the transmission line. Vectren advises that the condemnation suit, if fully litigated, would significantly delay the construction of the project, which Vectren notes was scheduled to be in service in late 2012 and has been classified as a Baseline Reliability Project by the Midwest Independent System Operator as critical to regional reliability needs.

Vectren has identified an alternative to this particular issue. Vectren informs that an easement could be obtained from an adjoining parcel owned by a quasi-governmental entity called Four Star Industrial Development Park ("Four Star"), who has expressed a desire to grant such an easement. Four Star is part of the West Kentucky Regional Industrial Development Authority, which, in turn, is an extension of the county governments of Union, Henderson, Webster, and McLean. Vectren points out that Four

² Final Order at p. 21.

Star has had notice of the transmission line project since its inception and has previously provided an easement for this transmission line project. The Four Star parcel is adjacent to Big Rivers' property near the terminus of the line in Big Rivers' Reid Station and would not affect any other property owner.

The proposed route modification would shift the route approximately 225 feet outside the existing corridor. With this minor modification, Vectren states that less than 1,000 feet of the transmission line would be outside of the existing corridor before crossing onto property owned by Big Rivers where the transmission line will connect to Big Rivers' Reid Station. Vectren asserts that this modification would reduce the environmental impact of the line, take it farther away from any public viewscape, and would affect no other property owner. According to the geo-rectified aerial imagery maps submitted by Vectren, the modified section would reduce the scenic impact of the project by moving the transmission line almost 700 feet closer to the existing transmission lines entering Big Rivers' Reid Station. The proposed modification would also eliminate three wetland crossings.

Given that the proposed modified route includes a relatively small section of the overall transmission line project and that the modification is consistent with the intent of the Siting Board's establishment of the corridor, Vectren requests that it be permitted to obtain approval of the revision without the need to file a new application, which would be expensive and time consuming and ultimately delaying this critical reliability project beyond its scheduled completion of the end of 2012.

Having reviewed the request, the accompanying maps, and being otherwise sufficiently advised, the Siting Board finds that Vectren has sufficiently established good

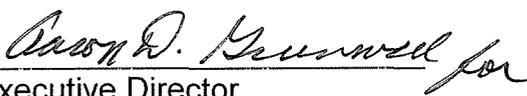
cause to deviate from having to file another application seeking approval of the proposed modification. The revised route reflects a minor adjustment to the transmission route as a whole. The proposed modification would shift the transmission line only 225 feet outside the corridor. The length of proposed modification is less than 1000 feet of the 15-mile Kentucky leg of the transmission line. More importantly, the proposed modification would satisfy the requirement imposed by KRS 278.714(3) by minimizing significant adverse impact on the scenic assets of Kentucky. As noted by Vectren, the proposed modification reduces the number of wetlands impacted by the project and would eliminate more than 700 feet of line that would run parallel to the Pennyriple Parkway. Lastly, Four Star has had actual notice and knowledge of the transmission line project since its inception and the proposed modification would impact no other property owner. Thus, there are no due process concerns with respect to Vectren's proposed modification.

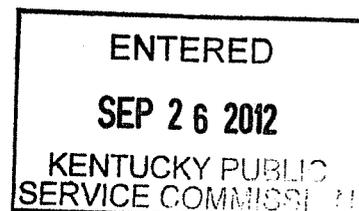
IT IS THEREFORE ORDERED that:

1. Vectren's request to deviate is granted.
2. Vectren's request to modify its transmission line route is granted.

By The Kentucky State Board on
Electric Generation and Transmission
Siting

ATTEST:


Executive Director
Public Service Commission
on behalf of The Kentucky State
Board on Electric Generation
and Transmission Siting



Case No. 2010-00223

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