

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF EAST KENTUCKY )  
POWER COOPERATIVE, INC. FOR A )  
CERTIFICATE OF CONVENIENCE AND ) CASE NO. 8867  
NECESSITY TO CONSTRUCT CERTAIN )  
ELECTRIC TRANSMISSION FACILITIES )  
IN BOONE COUNTY, KENTUCKY )

O R D E R

East Kentucky Power ("East Kentucky") filed its application on July 5, 1983, requesting a certificate of convenience and necessity to construct 5.85 miles of 138 KV transmission line and to upgrade its Boone Substation. The proposed 138 KV line will originate at East Kentucky's Boone Substation and terminate near East Kentucky's Devon Substation in Boone County. At this point there will be an interconnection with a new 138 KV line to be constructed by Cincinnati Gas and Electric Company ("CG&E") which will originate in the CG&E Buffington Substation in Kenton County. The East Kentucky 138 KV line will be constructed in an existing right-of-way and will be one circuit of a double circuited transmission line. The other circuit will be a 69 KV line which was previously certificated by the Commission in Case No. 7247. The estimated cost of construction of the 138 KV line and the upgrading of Boone Substation will be

\$1,730,364. East Kentucky will finance the construction by utilizing an existing working capital line of credit with the National Rural Utilities Cooperative Finance Corporation ("CFC") pending an application to the Rural Electrification Administration and CFC for permanent financing. The Commission requested additional information and it was received on July 27, 1983.

CG&E filed its application on September 15, 1983, for a certificate of convenience and necessity to construct the aforementioned 138 KV transmission line and the Commission decided to combine the hearings for the East Kentucky and CG&E applications, and set them for September 30, 1983, at 10:00 a.m., in the Commission's offices in Frankfort.

The hearings were held as scheduled. There were no intervenors and all parties were present for offering testimony and responding to cross-examination. The Commission requested a copy of the interconnection agreement between East Kentucky and CG&E and both parties agreed to furnish it as soon as it was completed. The agreement was filed with the Commission on April 17, 1984.

The Commission, after consideration of the evidence of record and being advised, is of the opinion and finds that:

1. The construction of the proposed 138 KV interconnection between East Kentucky and CG&E will benefit both utilities by achieving the following:

- (a) Improvement of area reliability.

- (b) Stabilizing and improving area voltage during certain outage conditions.
- (c) Allow power interchanges between utilities and wheeling capability with a third party utility.
- (d) Eliminate or reduce the construction of redundant sub-transmission facilities to serve isolated service areas.
- (e) Allow the deferment of certain construction projects which otherwise would be required at earlier dates.

2. Public convenience and necessity require the construction by East Kentucky of the additions and improvements to its existing plant, as described in the application and record, and a certificate should be granted.

3. The proposed new construction will not be in direct competition with any electric utility now located in the area for which the application is sought.


IT IS THEREFORE ORDERED that East Kentucky be and it hereby is granted a certificate of convenience and necessity to construct the 138 KV transmission line and to interconnect with the 138 KV transmission line which will be constructed by CG&E, and to make certain improvements to the Boone Substation, all as more specifically described in the application and record.

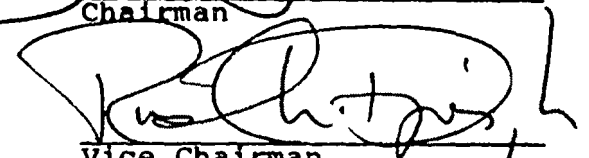
IT IS FURTHER ORDERED that East Kentucky shall make periodic progress reports to the Commission, at 6-month intervals, showing the percentage of completion of the construction work and total expenditures to date for the construction.


IT IS FURTHER ORDERED that a final report shall be made to the Commission noting the completion date of the construction work and the interconnection with CG&E and the total expenditure of funds for the construction work.

Done at Frankfort, Kentucky, this 14th day of May, 1984.

PUBLIC SERVICE COMMISSION

  
Chairman

  
Vice Chairman

  
Commissioner

ATTEST:

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Secretary