

CASE

NUMBER:

99-339



COMMONWEALTH OF KENTUCKY
PUBLIC SERVICE COMMISSION
730 SCHENKEL LANE
POST OFFICE BOX 615
FRANKFORT, KENTUCKY 40602
www.psc.state.ky.us
(502) 564-3940
Fax (502) 564-3460

Ronald B. McCloud, Secretary
Public Protection and
Regulation Cabinet

Martin J. Huelsmann
Executive Director
Public Service Commission

Paul E. Patton
Governor

March 20, 2000

Honorable John J. Finnigan
Senior Counsel
The Union Light Heat & Power Co.
2500 Atrium II
P.O. Box 960
Cincinnati, OH 45201-0960

Re: Case No. 1999-339
First Reminder Letter

Dear Mr. Finnigan:

The Commission entered its Final Order in this case on August 31, 1999. Among other things, the Commission ordered ULH&P, if it becomes the successful bidder, to file with the Commission two copies of each franchise agreement. This must be filed to fully comply with the Commission's Order. Please make this filing referencing the case number 1999-339, not later than 15 days from the date of this letter.

If you have questions concerning this letter, please contact Howell Brady, Principal Assistant to the Executive Director at 502-564-3940, extension 265. Otherwise, please mail the required filing to Martin J. Huelsmann, Executive Director, Public Service Commission, 211 Sower Blvd., Post Office Box 615, Frankfort, Kentucky 40602.

Sincerely,

A handwritten signature in black ink that reads "Stephanie Bell".

Stephanie Bell
Secretary to the Commission

SB/lc

C: James B. Gainer



INDEX FOR CASE: 99-339
THE UNION LIGHT, HEAT AND POWER COMPANY
Franchises Construct

IN THE MATTER OF THE UNION LIGHT, HEAT AND POWER COMPANY'S
APPLICATION FOR CERTIFICATE OF PUBLIC CONVENIENCE AND
NECESSITY

SEQ NBR	ENTRY DATE	REMARKS
0001	08/10/99	Application.
0002	08/17/99	Acknowledgement letter.
0003	08/31/99	Final Order denying req. to construct, own & oper., & gr. C/N to bid on franchise



COMMONWEALTH OF KENTUCKY
PUBLIC SERVICE COMMISSION
730 SCHENKEL LANE
POST OFFICE BOX 615
FRANKFORT, KY. 40602
(502) 564-3940

CERTIFICATE OF SERVICE

RE: Case No. 99-339
THE UNION LIGHT, HEAT AND POWER COMPANY

I, Stephanie Bell, Secretary of the Public Service Commission, hereby certify that the enclosed attested copy of the Commission's Order in the above case was served upon the following by U.S. Mail on August 31, 1999.

Parties of Record:

Honorable John J. Finnigan
Senior Counsel
The Union Light Heat & Power Co
2500 Atrium II
P. O. Box 960
Cincinnati, OH. 45201 0960

James B. Gainer
Legal Division
The Union Light Heat & Power Co
139 E. Fourth Street
Cincinnati, OH. 45202

Stephan Bell

Secretary of the Commission

SB/hv
Enclosure

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE UNION LIGHT, HEAT AND POWER)	
COMPANY'S APPLICATION FOR)	CASE NO.
APPLICATION FOR CERTIFICATE OF)	99-339
PUBLIC CONVENIENCE AND NECESSITY)	

O R D E R

On August 10, 1999, The Union Light, Heat and Power Company ("ULH&P") filed with the Commission its application seeking a Certificate of Convenience and Necessity to qualify it to bid on a gas franchise in the Kentucky cities of Silver Grove and Melbourne.

In addition, ULH&P requested approval for a Certificate of Public Convenience and Necessity to construct, own, and operate a natural gas pipeline to serve the above-mentioned cities. However, the Commission finds that ULH&P's application does not conform with the requirements set forth in Administrative Regulation 807 KAR 5:001, Section 9(2).

Under the provisions of KRS 278.020(3), no utility may apply for a franchise from any governmental agency until it has obtained a Certificate of Convenience and Necessity from this Commission based on our finding that there is a need and demand for the service sought to be rendered.

The Commission determines that there is evidence of a need and demand for gas service in the above-mentioned cities. Since the Commission's authority in such matters

is limited by statute to finding only whether there is a need and demand for the service sought to be rendered, no finding or determination is made as to the qualifications of the bidder, the validity of any of the provisions of the franchises offered by said city, or the manner in which any franchise fee is to be treated for rate purposes.

IT IS THEREFORE ORDERED that:

1. ULH&P's request for approval of a Certificate of Public Convenience and Necessity to construct, own, and operate a natural gas pipeline is denied.
2. ULH&P is granted a Certificate of Convenience and Necessity that authorizes it to bid on a franchise in the above-mentioned cities.
3. ULH&P, if it becomes the successful bidder, shall file with this Commission two copies of each franchise agreement.
4. This Order shall not be construed as granting a Certificate of Convenience and Necessity to construct utility facilities in said city.

Done at Frankfort, Kentucky, this 31st day of August, 1999.

By the Commission

ATTEST:


Executive Director



COMMONWEALTH OF KENTUCKY
PUBLIC SERVICE COMMISSION

730 SCHENKEL LANE
POST OFFICE BOX 615
FRANKFORT, KY. 40602
(502) 564-3940

August 17, 1999

Honorable John J. Finnigan
Senior Counsel
The Union Light Heat & Power Co
2500 Atrium II
P. O. Box 960
Cincinnati, OH. 45201 0960

James B. Gainer
Legal Division
The Union Light Heat & Power Co
139 E. Fourth Street
Cincinnati, OH. 45202

RE: Case No. 99-339
THE UNION LIGHT, HEAT AND POWER COMPANY
(Franchises)

This letter is to acknowledge receipt of initial application in the above case. The application was date-stamped received August 10, 1999 and has been assigned Case No. 99-339. In all future correspondence or filings in connection with this case, please reference the above case number.

If you need further assistance, please contact my staff at 502/564-3940.

Sincerely,
Stephanie Bell

Stephanie Bell
Secretary of the Commission

SB/jc

Cinergy Corp.
139 East Fourth Street
Rm 25 AT II
P.O. Box 960
Cincinnati, OH 45201-0960
Tel 513.287.3601
Fax 513.287.3810
jfinnigan@cinergy.com

JOHN J. FINNIGAN, JR.
Senior Counsel



August 6, 1999

RECEIVED
AUG 16 1999
PUBLIC SERVICE
COMMISSION

Hon. Helen Helton
Executive Director
Public Service Commission of Kentucky
730 Schenkel Lane
P.O. Box 615
Frankfort, Kentucky 40602

RE: In the Matter of The Union Light, Heat and Power Company's
Application for Certificate of Public Convenience and Necessity

CASE 99-329

Dear Ms. Helton:

Enclosed are an original and thirteen (13) true copies The Union Light, Heat and Power Company's Application for Certificate of Public Convenience and Necessity. I have also enclosed 3 copies of the site map.

Please date stamp the extra copies of the enclosed application upon filing and return in the enclosed, self-addressed envelope for our files.

Very truly yours,

John J. Finnigan
Senior Counsel

JJF/nlb

Enclosures

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

RECEIVED
AUG 1 1999
PUBLIC SERVICE COMMISSION

In the Matter of:

THE UNION LIGHT, HEAT AND POWER)
COMPANY'S APPLICATION FOR)
APPLICATION FOR CERTIFICATE OF)
PUBLIC CONVENIENCE AND NECESSITY)
)

CASE NO. 99-339

Pursuant to Kentucky Revised Statutes § 278.020, The Union Light, Heat and Power Company ("ULH&P") applies for a certificate of public convenience and necessity to construct, own and operate a natural gas pipeline and to bid on and obtain franchises to serve natural gas customers in the City of Silver Grove and the City of Melbourne, Kentucky.

The proposed pipeline would tap into the existing KO transmission line at a point near the intersection of Kentucky State Route 8 and Interstate 275 in Campbell County, Kentucky. The pipeline would be installed along the right-of-way of State Route 8 for approximately 2.4 miles, then terminate in Silver Grove. The pipeline would enable ULH&P to serve natural gas customers in Silver Grove and Melbourne.

The pipe would be 12 inches in diameter and would be owned 50% by ULH&P and 50% by Lafarge Corporation ("Lafarge"). Lafarge is a manufacturer of gypsum wallboard. Lafarge is building a new plant in Silver Grove. Lafarge originally intended to construct its own 8-inch pipeline connecting to the KO transmission line, thus bypassing ULH&P. ULH&P does not own any natural gas distribution lines in the Silver

Grove area. Silver Grove residents have requested ULH&P to provide natural gas service to them for years. ULH&P has been unable to provide this service because it was uneconomical to do so. The nearest existing ULH&P distribution line to Silver Grove is also approximately 2.4 miles away and it would have cost ULH&P several hundred thousand dollars to extend its distribution pipeline into the Silver Grove area.

After Lafarge announced its intention to build its plant and construct its own natural gas pipeline, Silver Grove residents prevailed upon Lafarge to help make natural gas service available to them. Lafarge inquired of ULH&P whether this could be done. Lafarge and ULH&P entered into an agreement, subject to the Commission's approval and issuance of a certificate for public convenience and necessity, whereby the 8-inch pipeline would be sized up to a 12-inch pipeline to be owned 50% by Lafarge and 50% by ULH&P. Lafarge agreed to pay all costs associated with constructing the pipeline, except for any incremental costs associated with increasing the size of the pipe from 8 inches to 12 inches. ULH&P will pay these costs. Both parties will pay 50% of the operating and maintenance expenses.

This agreement enables Lafarge to achieve its goals of accessing the KO transmission line and controlling its supply of natural gas. The agreement allows ULH&P to acquire a 50% ownership interest in a 2.4-mile pipeline at a minimal cost. ULH&P will then install an additional 17,500 feet of pipeline within the Silver Grove area in order to serve all the residents who want natural gas service. Silver Grove has approximately 1,100 residents. They will now be able to obtain natural gas service simply by installing service lines to connect with the new pipeline.

The City of Melbourne has approximately 650 residents. Melbourne is located adjacent to the eastern limits of Silver Grove. Melbourne residents have also asked ULH&P to provide natural gas service over the years, but ULH&P has been unable to do so because it has been uneconomical. If the Commission issues the requested certificate for public convenience and necessity, then ULH&P may be in a position to extend the pipeline into Melbourne and provide natural gas service to its residents.

This proposed arrangement serves the public convenience and necessity in several respects. First, it would provide natural gas service for Silver Grove residents and may make it economical to later extend the pipeline to serve Melbourne residents. The residents of these cities have wanted natural gas service for years but ULH&P has been unable to provide it because it has been too costly for ULH&P to extend its distribution lines that far, if ULH&P had to bear this cost by itself.

Second, the proposal avoids any unnecessary duplication of service or facilities. The area to be served is approximately 2.4 miles away from the nearest ULH&P distribution line or KO transmission line.

Third, the proposed route of the pipeline is the most economical way to install it. The pipeline would run approximately 2.4 miles along Kentucky State Route 8 and would be installed along the road right-of-way. Installing the pipeline along the roadway is the most efficient and least costly way to construct the pipeline. ULH&P anticipates that no private easements will be required to install the pipeline to the point of connection with the Lafarge plant, except for getting permission to cross the CSX railroad line located between State Route 8 and the plant. Some private easements may later be required as ULH&P installs the remaining part of the pipeline within the Silver Grove area to provide

service to all residents who request it, but the need for such easements should be relatively minimal.

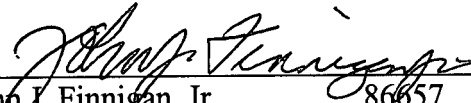
Fourth, the proposal allows ULH&P to add approximately 2.4 miles to its distribution lines at minimal cost. ULH&P's only cost will be to pay the incremental cost associated with sizing up the pipeline from an 8-inch to a 12-inch pipe and the cost of installing distribution piping within the Silver Grove area to allow residents to connect with the pipeline. Although the increase in the pipe's diameter from 8 to 12 inches is only a 50% increase, this will increase the volume of the pipe by approximately 300%. This will provide adequate capacity for Lafarge's own use and for ULH&P to serve its own customers. ULH&P will be able to add to its revenues at a low cost, which will benefit all ratepayers because it will help ULH&P keep its rates low. Lafarge has agreed to use the pipeline solely for its own needs; therefore, there is no danger that Lafarge might attempt to re-sell its gas to other industrial customers who may locate in the area and thus deprive ULH&P of future revenues.

Finally, ULH&P also requests that the Commission allow it to bid on and obtain franchises from Silver Grove and Melbourne to provide natural gas service. These cities are located within ULH&P's certified territory and ULH&P currently provides electric service to these areas.

Based on the foregoing reasons, ULH&P respectfully requests that the Commission issue a certificate of public convenience and necessity to construct, own and operate a natural gas pipeline and to bid on and obtain franchises to serve natural gas

customers in the City of Silver Grove and the City of Melbourne, Kentucky.

Respectfully submitted,



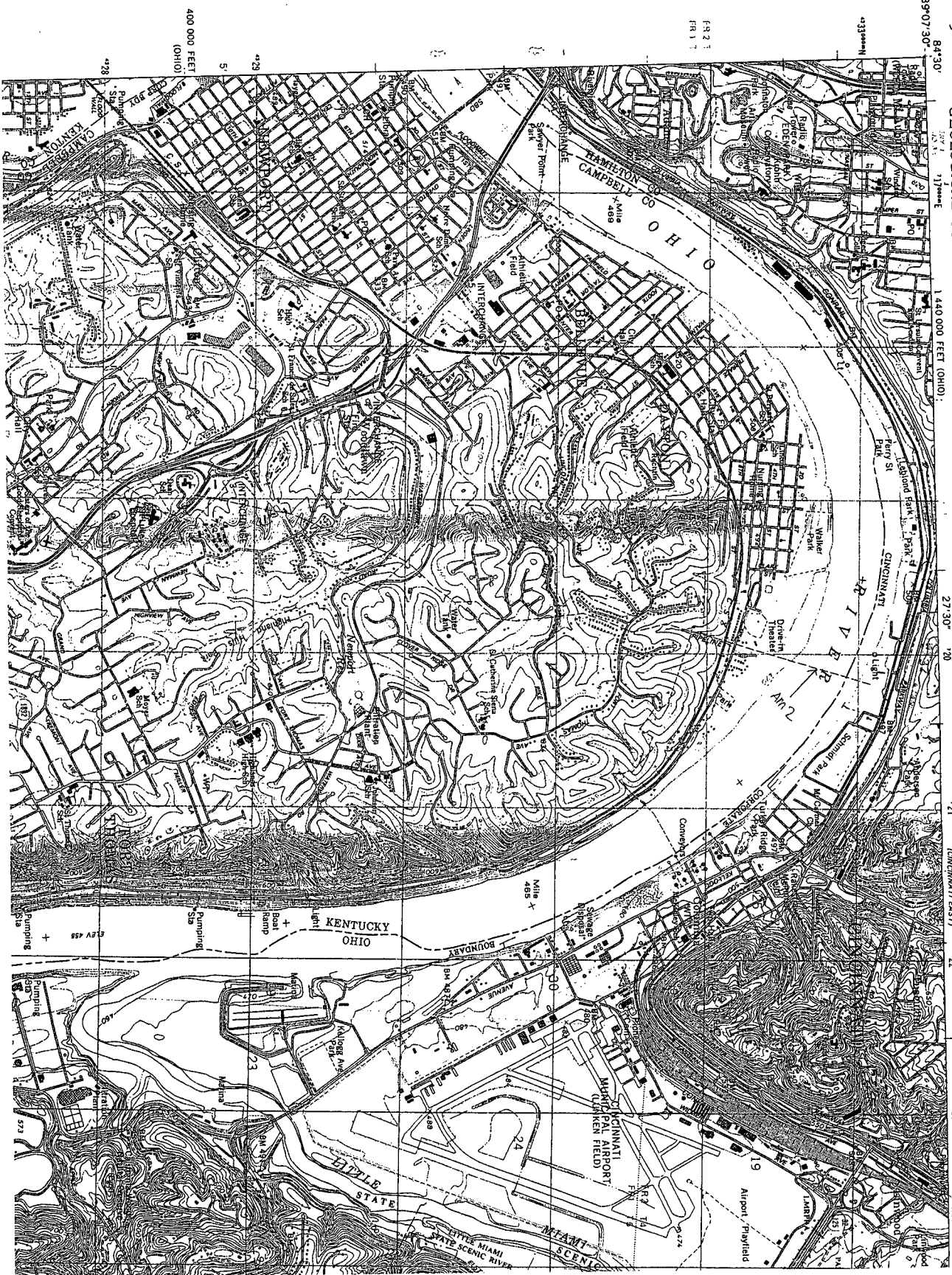
John J. Finnigan, Jr. 86657
The Union Light, Heat and Power Company
2500 Atrium II
P. O. Box 960
Cincinnati, Ohio 45201-0960
(513) 287-3601
Attorney for The Union Light, Heat
and Power Company

Doc. No. 47609

4623 11' W. 18571
(CINCINNATI 18571)

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

STATE OF KENTUCKY
KENTUCKY GEOLOGICAL SURVEY
UNIVERSITY OF KENTUCKY



39°07'30"

84°30'

1440 000 FEET (OHIO)

27°30' 20"

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4623 11' W. 18571
(CINCINNATI 18571)

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(OHIO)

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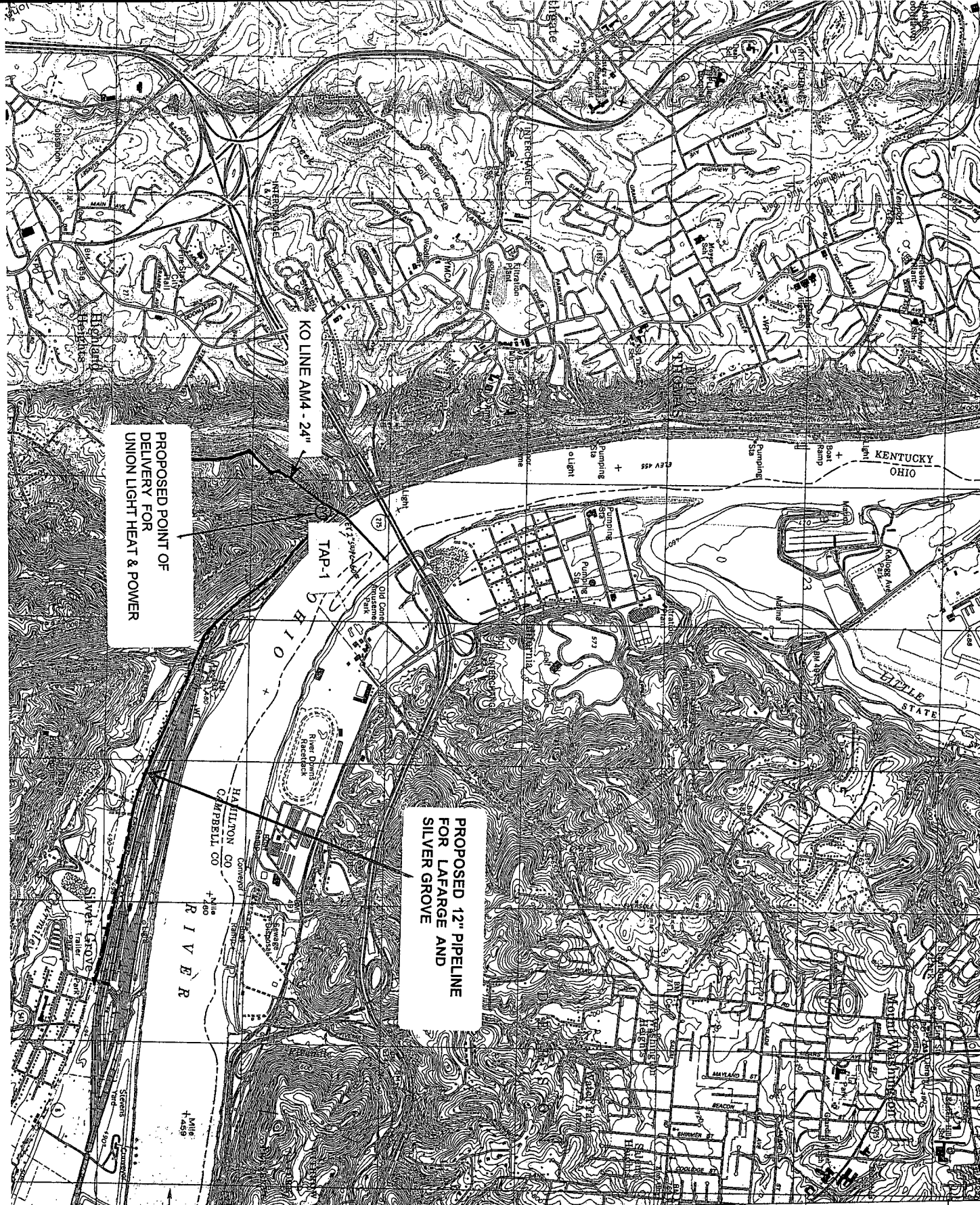
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PROPOSED POINT OF
DELIVERY FOR
UNION LIGHT HEAT & POWER

KO LINE AM4 - 24"

TAP-1

PROPOSED 12" PIPELINE
FOR LAFARGE AND
SILVER GROVE

555 2.4 MI.
ENTOR 13 MI.

2.30"

4.7 MI. TO OHIO 749
NEW RICHMOND 5 MI.

4.95

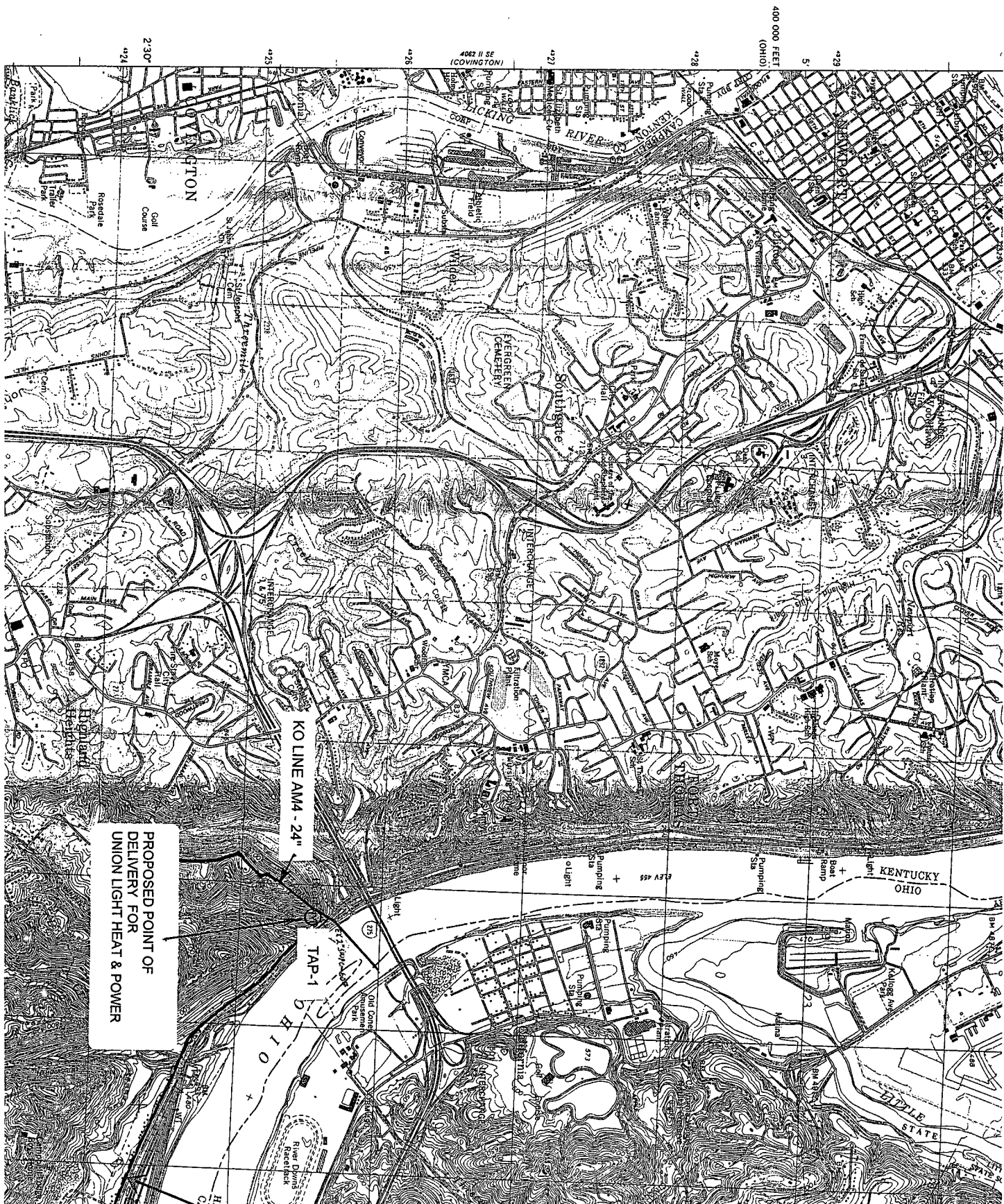
(WITHAMSVILLE)
4.12 MI SE

4.97

4.98

WITHAMSVILLE 6 MI. SW

4.90



PROPOSED POINT OF
DELIVERY FOR
UNION LIGHT HEAT & POWER

KO LINE AM4 - 24"

TAP-1

400 000 FEET
(OHIO)

2 30'

402 II SE
(COVINGTON)

COVINGTON

SLICKING
COURT

RIVER

NOBLE

CAVETT

BERGREEN
CEMETERY

Southside

INTERCHANGE

Riverton

KENTUCKY
OHIO

HULL
STATE

OHIO

River Downs
Raceback

Old Dams
Reservoir

Pumping
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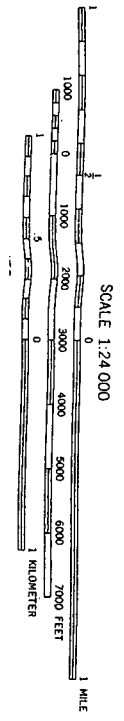


PROPOSED POINT OF DELIVERY FOR UNION LIGHT HEAT & POWER

KO LINE AM4 - 24"

TAP-1

OHIO RIVER



ROAD CLASSIFICATION

Primary highway. ————

Light-duty road, hard or hard surface. - - - - -

Secondary highway, hard surface. ······

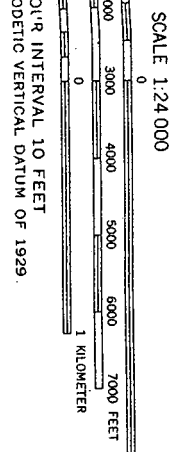
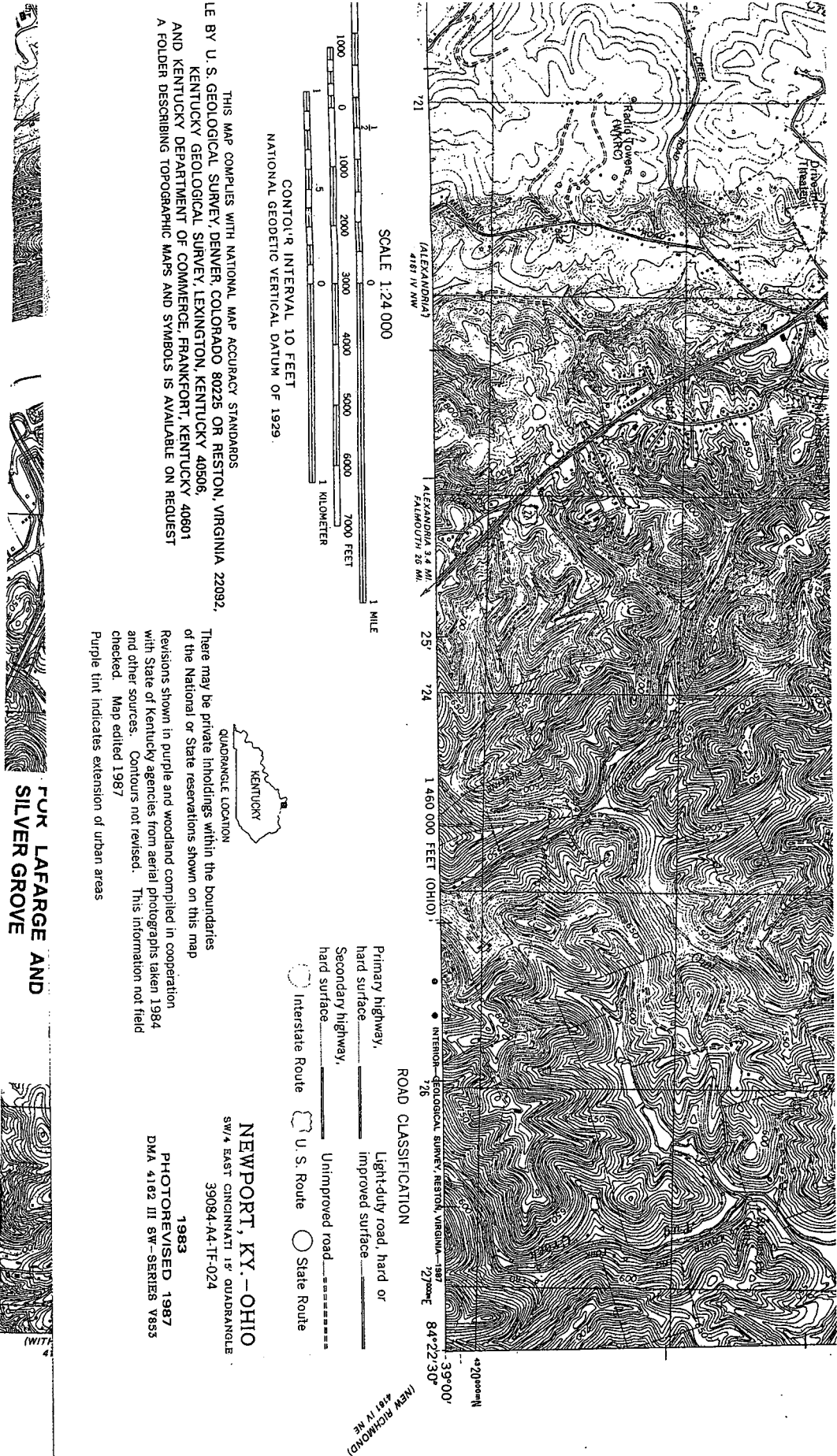
Unimproved road. - - - - -

NEW RICHMOND 4.7 MI. TO OHIO 742 NEW RICHMOND 9 MI.

ROSS 2.4 MI. MENTOR 13 MI.

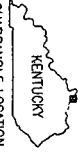
380 000 FEET (OHIO)

27°00' 84°22'30"



THIS MAP COMPLIES WITH NATIONAL MAP ACCURACY STANDARDS
 LE BY U. S. GEOLOGICAL SURVEY, DENVER, COLORADO 80225 OR RESTON, VIRGINIA 22092,
 KENTUCKY GEOLOGICAL SURVEY, LEXINGTON, KENTUCKY 40506,
 AND KENTUCKY DEPARTMENT OF COMMERCE, FRANKFORT, KENTUCKY 40601
 A FOLDER DESCRIBING TOPOGRAPHIC MAPS AND SYMBOLS IS AVAILABLE ON REQUEST

There may be private inholdings within the boundaries
 of the National or State reservations shown on this map
 Revisions shown in purple and woodland compiled in cooperation
 with State of Kentucky agencies from aerial photographs taken 1984
 and other sources. Contours not revised. This information not field
 checked. Map edited 1987
 Purple tint indicates extension of urban areas

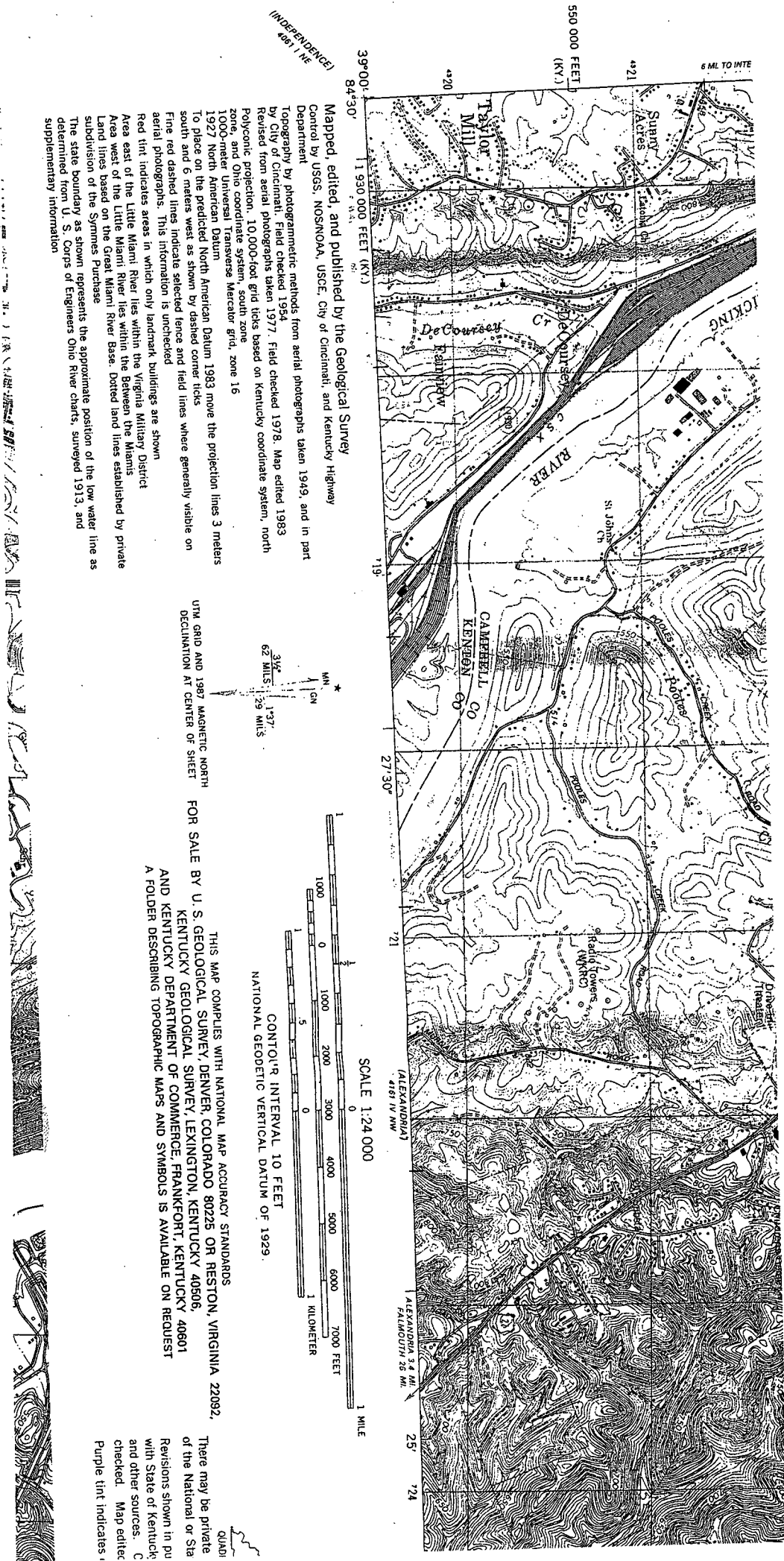


- ROAD CLASSIFICATION
- Primary highway, hard surface
 - Light-duty road, hard or improved surface
 - Secondary highway, hard surface
 - Unimproved road
 - Interstate Route
 - U. S. Route
 - State Route

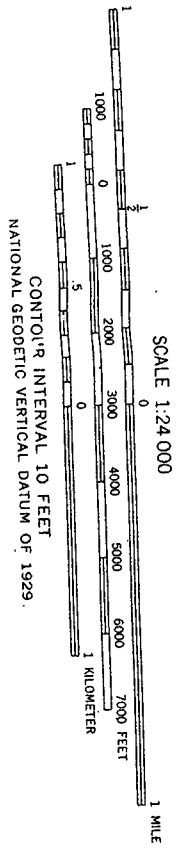
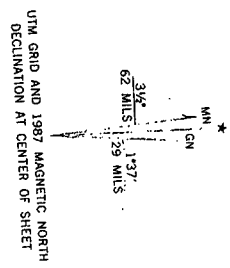
NEWPORT, KY. - OHIO
 SW/4 EAST CINCINNATI 15' QUADRANGLE
 39084-A4-TF-024
 1983
 PHOTOREVISED 1987
 DMA 4182 III SW--SERIES V853

**FUR LAFARGE AND
 SILVER GROVE**

036



Maped, edited, and published by the Geological Survey
 Control by USGS, NOSNOMA, USCE, City of Cincinnati, and Kentucky Highway
 Department
 Topography by photogrammetric methods from aerial photographs taken 1949, and in part
 by City of Cincinnati. Field checked 1954
 Revised from aerial photographs taken 1977. Field checked 1978. Map edited 1983
 Polyconic projection, 10,000-foot grid ticks based on Kentucky coordinate system, north
 zone, and Ohio coordinate system, south zone
 1000-meter Universal Transverse Mercator grid, zone 16
 1927 North American Datum
 To place on the predicted North American Datum 1983 move the projection lines 3 meters
 south and 6 meters west as shown by dashed corner ticks
 Fine red dashed lines indicate selected fence and field lines where generally visible on
 aerial photographs. This information is uncheckd
 Red tint indicates areas in which only landmark buildings are shown
 Area east of the Little Miami River lies within the Virginia Military District
 Land lines based on the Great Miami River Base. Dotted land lines established by private
 subdivision of the Symmes Purchase
 The state boundary as shown represents the approximate position of the low water line as
 determined from U. S. Corps of Engineers Ohio River charts, surveyed 1913, and
 supplementary information



THIS MAP COMPLES WITH NATIONAL MAP ACCURACY STANDARDS
 OF THE U. S. GEOLOGICAL SURVEY, DENVER, COLORADO 80225 OR RESTON, VIRGINIA 22092,
 KENTUCKY GEOLOGICAL SURVEY, LEXINGTON, KENTUCKY 40506,
 AND KENTUCKY DEPARTMENT OF COMMERCE, FRANKFORT, KENTUCKY 40601
 A FOLDER DESCRIBING TOPOGRAPHIC MAPS AND SYMBOLS IS AVAILABLE ON REQUEST

There may be private
 of the National or Sta
 Revisions shown in pu
 with State of Kentuck
 and other sources. C
 checked. Map editc
 Purple tint indicates

STATE OF KENTUCKY
KENTUCKY GEOLOGICAL SURVEY
UNIVERSITY OF KENTUCKY
4182 IN. BY IN.
(CONFORMS TO G.S.T.)

NEWPORT QUADRANGLE
KENTUCKY-OHIO
7.5 MINUTE SERIES (TOPOGRAPHIC)
SW4 EAST CINCINNATI 15' QUADRANGLE

27° 30' 00" N
84° 22' 30" W
11 960 000 FEET (KY.)

11 960 000 FEET (KY.)

11 960 000 FEET (KY.)

11 960 000 FEET (KY.)

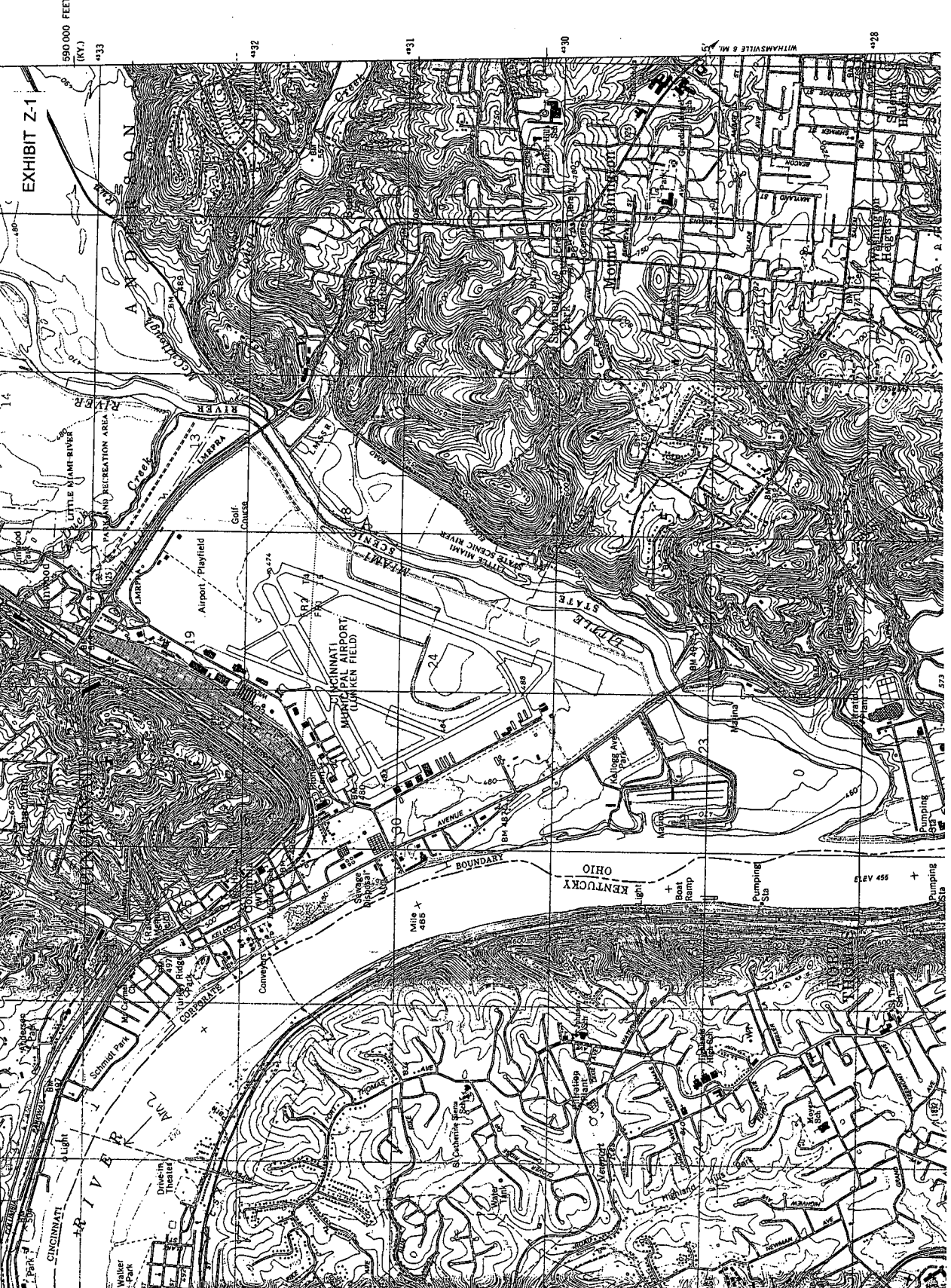


EXHIBIT Z-1

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590 000 FEET (KY.)

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WITHAMSVILLE & M.L.

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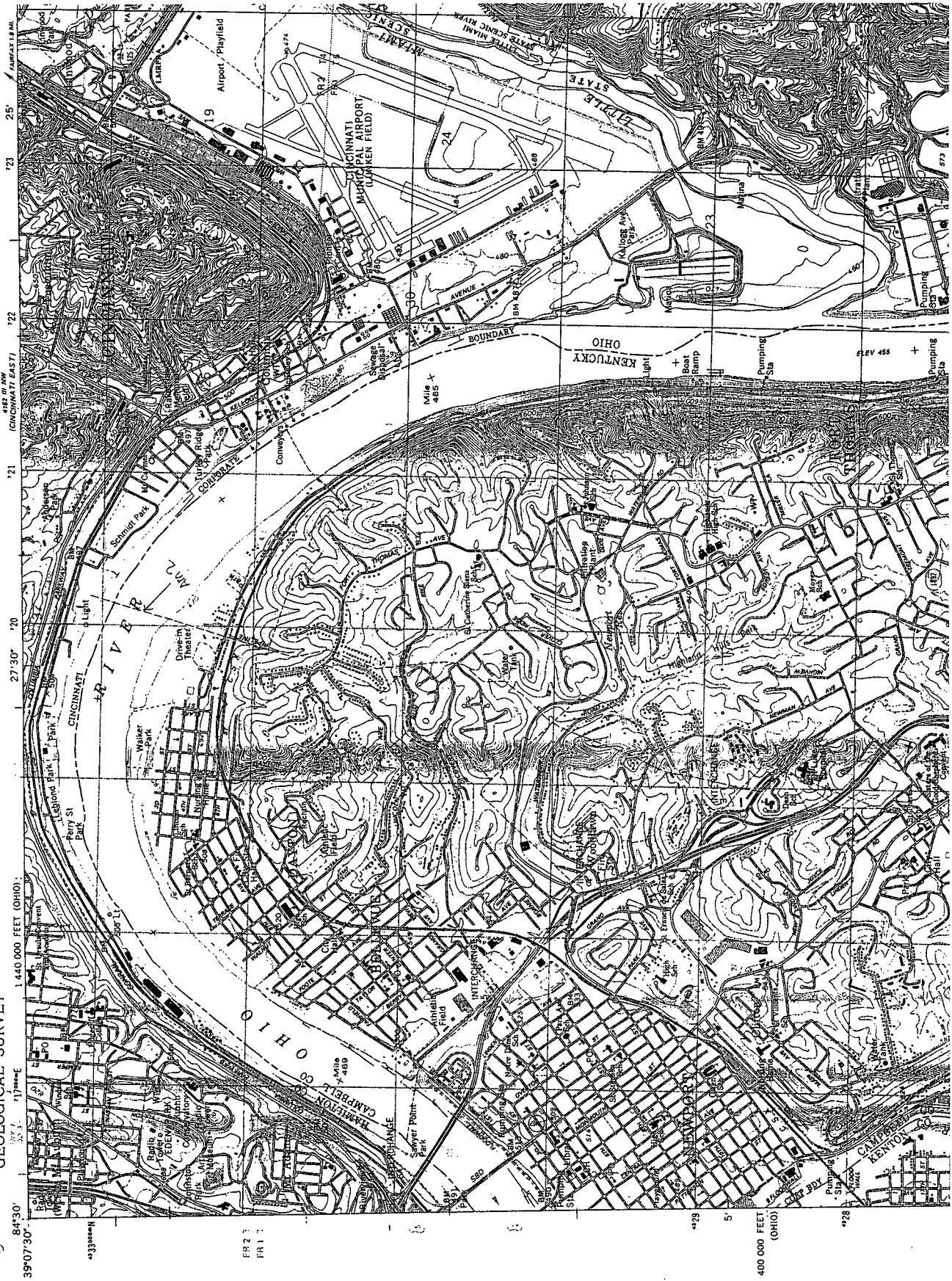
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STATE OF KENTUCKY
KENTUCKY GEOLOGICAL SURVEY
UNIVERSITY OF KENTUCKY

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

84°07'30" W
39°07'30" N
(CINCINNATI WEST)



1:440 000 FEET (OHIO)

84°30' W
39°25' N
(CINCINNATI EAST)

4330000

FR 2 3

429

5

400 000 FEET (OHIO)

428



PROPOSED 12" PIPELINE
FOR LAFARGE AND
SILVER GROVE

PROPOSED POINT OF
DELIVERY FOR
UNION LIGHT HEAT & POWER

KO LINE AM4 - 24"

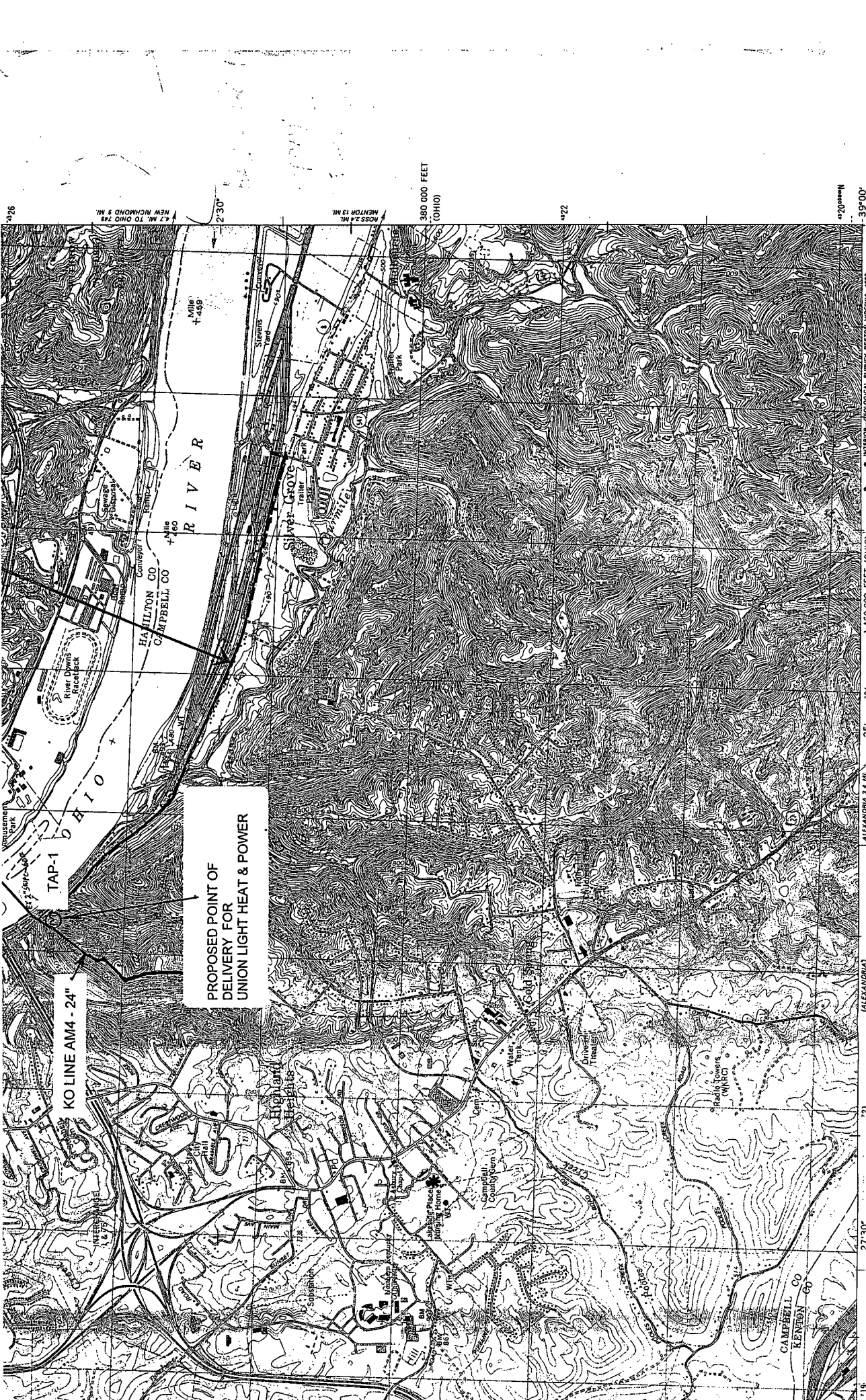
TAP-1

OHIO
RIVER

HAMILTON CO
CAMPBELL CO

KENTUCKY
OHIO

4364
WITHAMSVILLE 8 MI. N
4192 IN SE
4270
4320
4370
4.7 MI. TO OHIO 743
NEW RICHMOND 9 MI.
2130
ROSS 2.4 MI.
MENTON 19 MI.

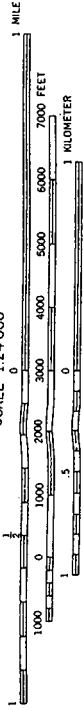


KO LINE AM4 - 24"

TAP-1

PROPOSED POINT OF DELIVERY FOR UNION LIGHT HEAT & POWER

SCALE 1:24,000



NATIONAL GEODESIC SURVEY CONTROL POINT 1000

ROAD CLASSIFICATION

Primary highway, hard surface
 Light-duty road, hard or improved surface
 Secondary highway, hard surface
 Unimproved road

Interstate Route U. S. Route State Route

27°30' 27°00' 26°30'

84°22'30" 84°00' 83°30'

NEW RICHMOND 1897

3026

4.7 MI. TO OHIO 748
NEW RICHMOND 3 MI.

230'

ROSS 2.4 MI.
MENTOR 13 MI.

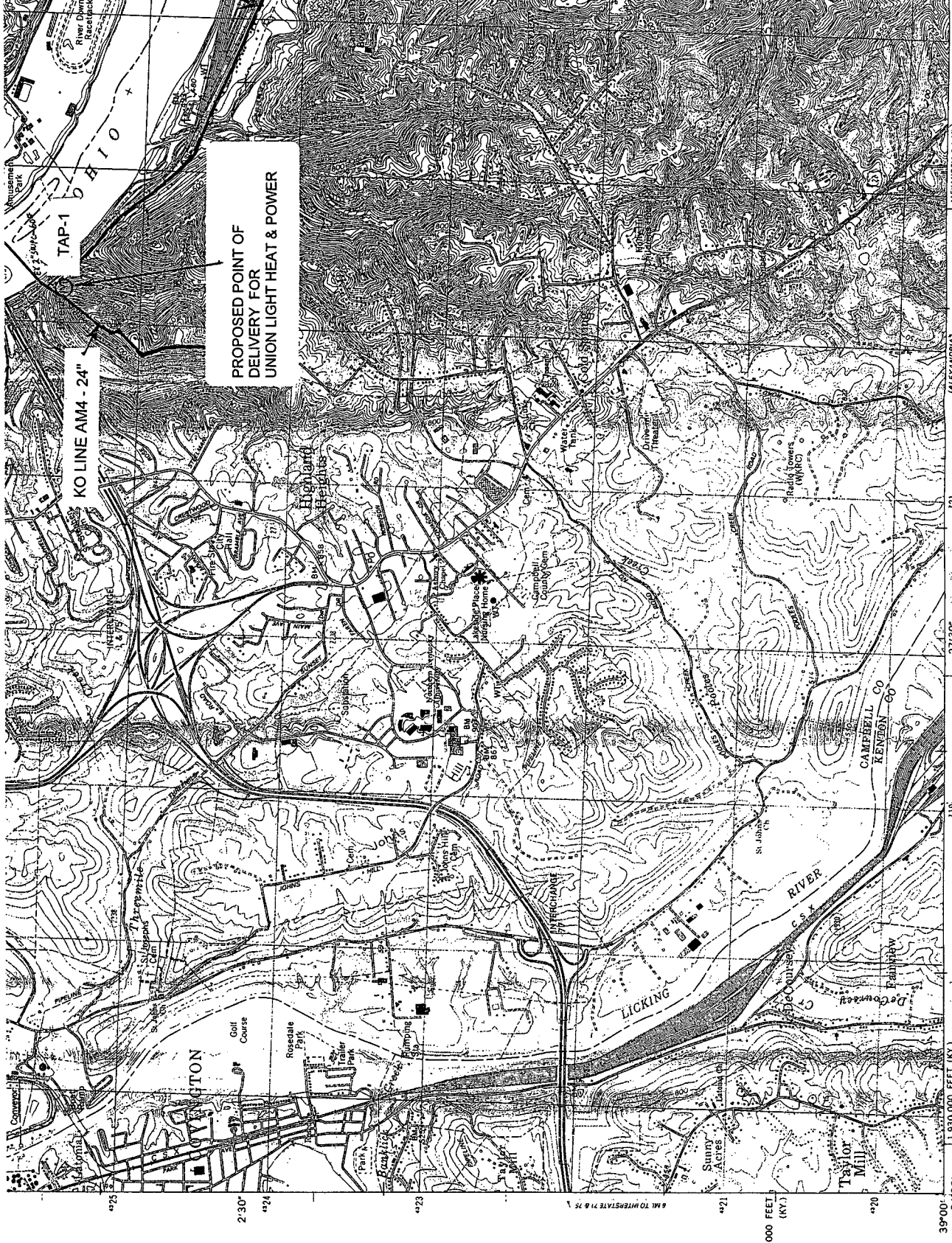
380 000 FEET
(OHIO)

422

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39'00"

part
with

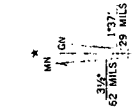
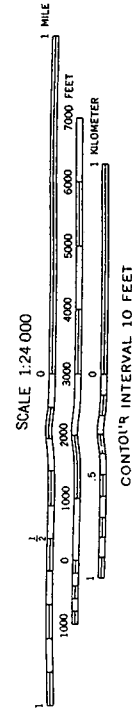


PROPOSED POINT OF DELIVERY FOR UNION LIGHT HEAT & POWER

KO LINE AM4 - 24"

TAP-1 OHIO

Mapped, edited, and published by the Geological Survey
 Control by USGS, NOSMOMA, USCE, City of Cincinnati, and Kentucky Highway
 Department
 Topography by photogrammetric methods from aerial photographs taken 1949, and in part
 by the City of Cincinnati, Field checked 1954
 Revised from aerial photographs taken 1977. Field checked 1978. Map edited 1983
 Polyconic projection. 10,000-foot grid ticks based on Kentucky coordinate system, north
 zone, and Ohio coordinate system, south zone
 1:000-meter Universal Transverse Mercator grid, zone 18



550 000 FEET (KY)

84° 30'

39° 00'

11 930 000 FEET (NAD 83)

27° 30'

27° 30'

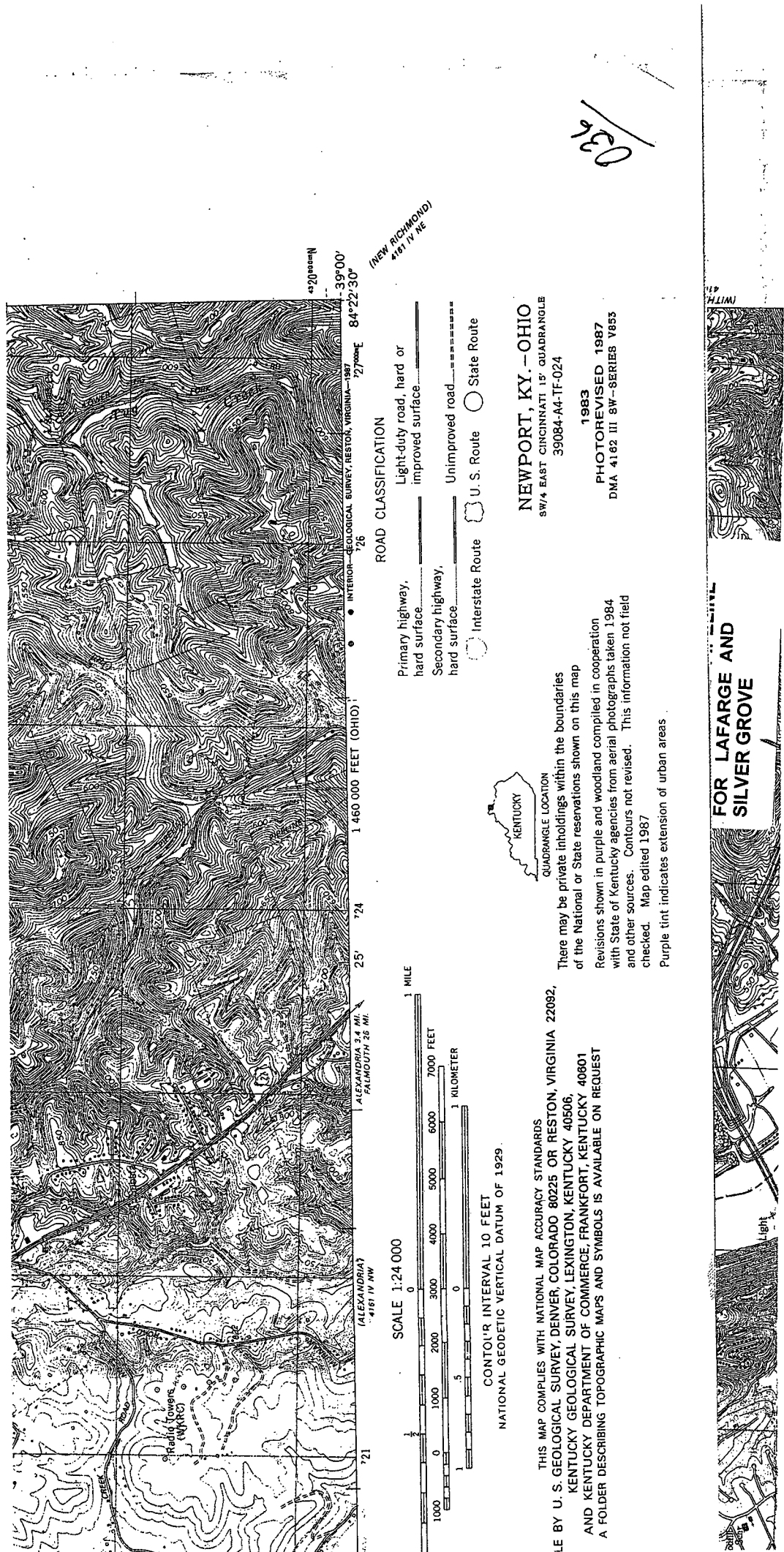
27° 30'

27° 30'

27° 30'

27° 30'

27° 30'



152

(NEW RICHMOND)
4161 IV NE

420
39°00'
84°22'30"

27
26
25

1 460 000 FEET (OHIO)

ALEXANDRIA 24 MI.
FALMOUTH 26 MI.

721

722

723

724

725

ROAD CLASSIFICATION
 Light-duty road, hard or improved surface
 Secondary highway, hard surface
 Unimproved road
 Interstate Route
 U. S. Route
 State Route

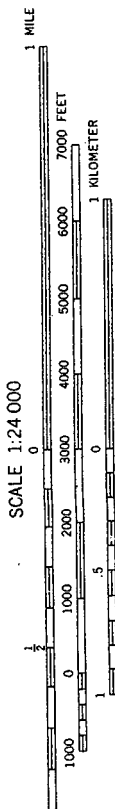
○ Interstate Route
 □ U. S. Route
 ○ State Route

NEWPORT, KY.-OHIO
 SW 1/4 EAST CINCINNATI 15' QUADRANGLE
 39084-A4-TF-024

1983
 PHOTOREVISED 1987
 DMA 4162 III 8W-SERIES 1653



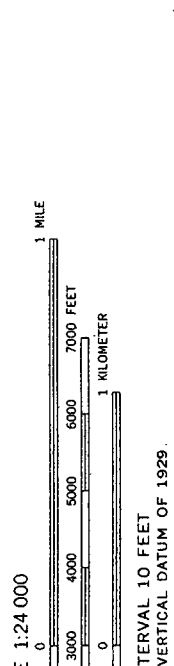
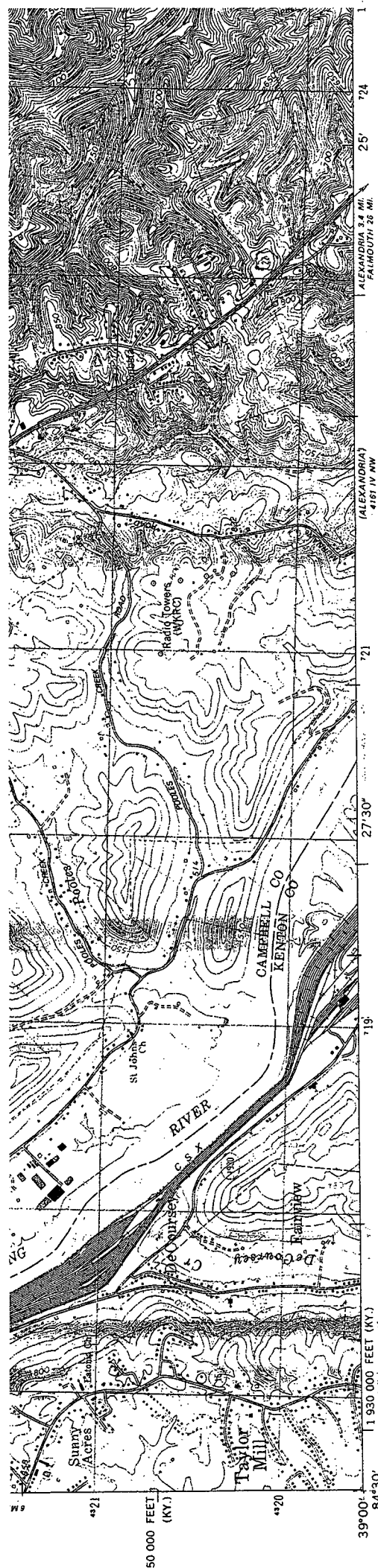
QUADRANGLE LOCATION
 There may be private inholdings within the boundaries of the National or State reservations shown on this map. Revisions shown in purple and woodland compiled in cooperation with State of Kentucky agencies from aerial photographs taken 1984 and other sources. Contours not revised. This information not field checked. Map edited 1987.
 Purple tint indicates extension of urban areas.



THIS MAP COMPLIES WITH NATIONAL MAP ACCURACY STANDARDS
 LE BY U. S. GEOLOGICAL SURVEY, DENVER COLORADO 80225 OR RESTON, VIRGINIA 22092,
 KENTUCKY GEOLOGICAL SURVEY, LEXINGTON, KENTUCKY 40506,
 AND KENTUCKY DEPARTMENT OF COMMERCE, FRANKFORT, KENTUCKY 40601
 A FOLDER DESCRIBING TOPOGRAPHIC MAPS AND SYMBOLS IS AVAILABLE ON REQUEST

FOR LAFARGE AND SILVER GROVE





UTM GRID AND 1987 MAGNETIC NORTH DECLINATION AT CENTER OF SHEET

31° 37' 29" MILES

31° 37' 29" MILES

THIS MAP COMPLIES WITH NATIONAL MAP ACCURACY STANDARDS FOR SALE BY U. S. GEOLOGICAL SURVEY, DENVER, COLORADO 80225 OR RESTON, VIRGINIA 22092, KENTUCKY GEOLOGICAL SURVEY, LEXINGTON, KENTUCKY 40506, AND KENTUCKY DEPARTMENT OF COMMERCE, FRANKFORT, KENTUCKY 40601 A FOLDER DESCRIBING TOPOGRAPHIC MAPS AND SYMBOLS IS AVAILABLE ON REQUEST

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Polyconic projection. 10,000-foot grid ticks based on Kentucky coordinate system, north zone, and Ohio coordinate system, south zone

1000-meter Universal Transverse Mercator grid, zone 16

1927 North American Datum

To place on the predicted North American Datum 1983 move the projection lines 3 meters south and 6 meters west as shown by dashed corner ticks

Fine red dashed lines indicate selected fence and field lines where generally visible on aerial photographs. This information is unchecked

Red tint indicates areas in which only landmark buildings are shown

Area east of the Little Miami River lies within the Virginia Military District

Area west of the Little Miami River lies within the Between the Miamis

Land lines based on the Great Miami River Base. Dotted land lines established by private subdivision of the Symmes Purchase

The state boundary as shown represents the approximate position of the low water line as determined from U. S. Corps of Engineers Ohio River charts, surveyed 1913, and supplementary information



STATE OF KENTUCKY
KENTUCKY GEOLOGICAL SURVEY
UNIVERSITY OF KENTUCKY

412 111 NE
CINCINNATI EAST 1

NEWPORT QUADRANGLE
KENTUCKY-OHIO
7.5 MINUTE SERIES (TOPOGRAPHIC)
SW/4 EAST CINCINNATI 15' QUADRANGLE

1:950,000 FEET (KV)

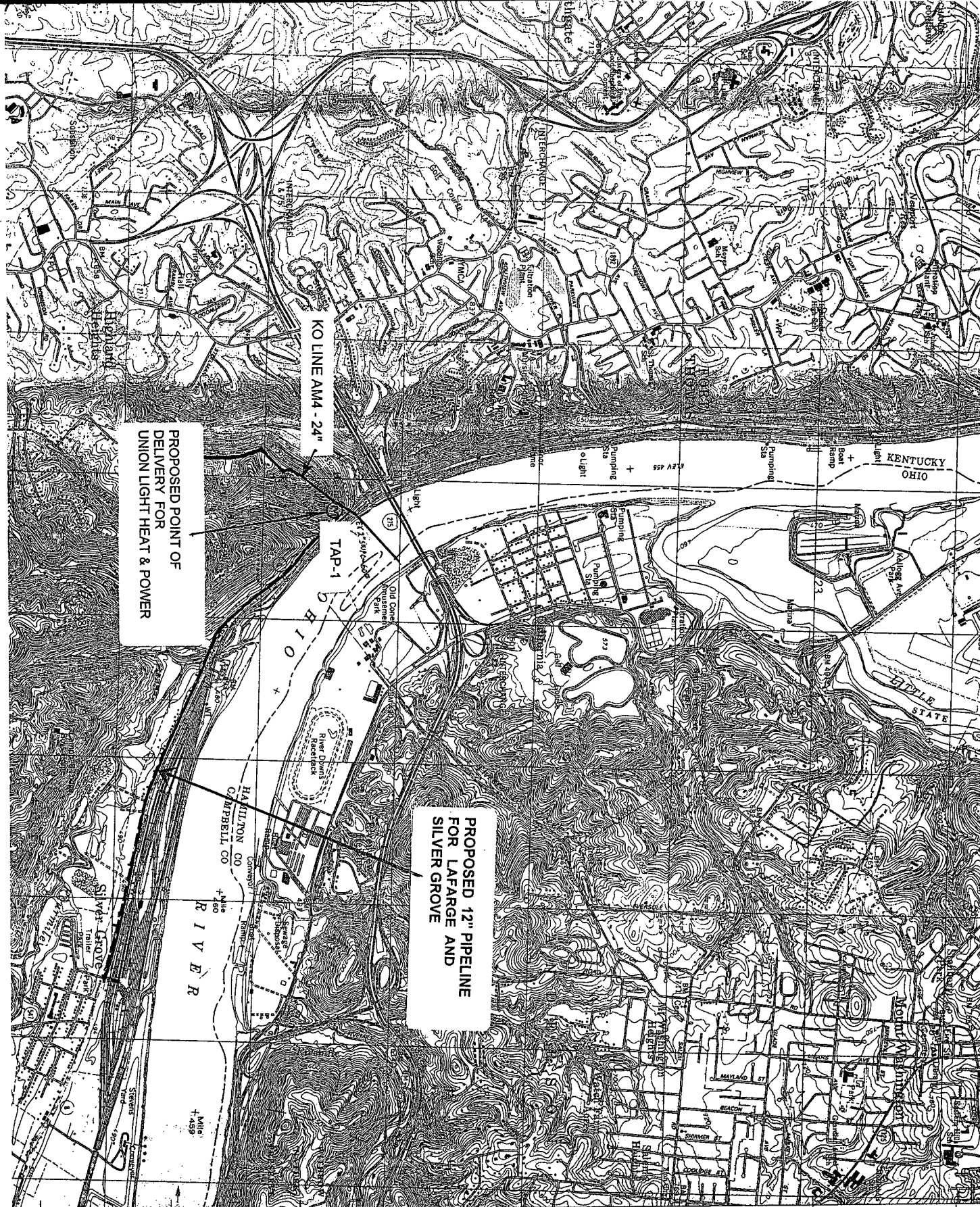
84°22'30"
-39°07'30"

EXHIBIT Z-1

590,000 FEET
(KV)



WITHAMSVILLE 6 MI. S.W.
428 430 431 432 433
27°30' 120 121 122 123 125 126



PROPOSED POINT OF
DELIVERY FOR
UNION LIGHT HEAT & POWER

TAP-1

PROPOSED 12" PIPELINE
FOR LAFARGE AND
SILVER GROVE

KO LINE AM4 - 24"

ROSS 2.4 MI. MENTDR 13 MI. 4.7 MI. TO OHIO 748 NEW RICHMOND 9 MI. (WITHAMSVILLE) 4182 III SE 4927 4928 WITHAMSVILLE 6 MI. 4930



400 000 FEET
(OHIO)

PROPOSED POINT OF
DELIVERY FOR
UNION LIGHT HEAT & POWER

KO LINE AM4 - 24"

TAP-1

402 1/2 SE
(COVINGTON)

2 30'

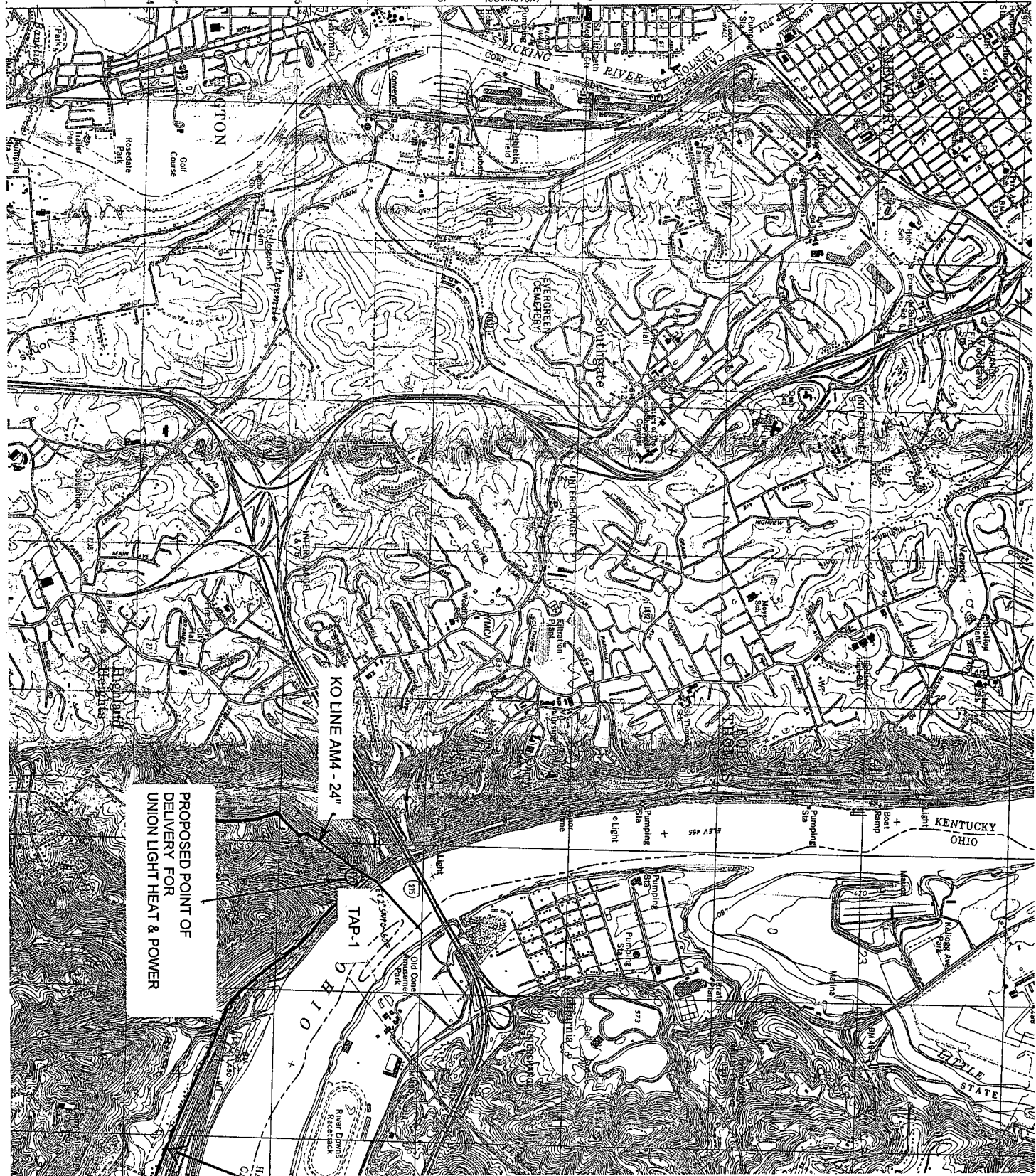
KENTUCKY
OHIO

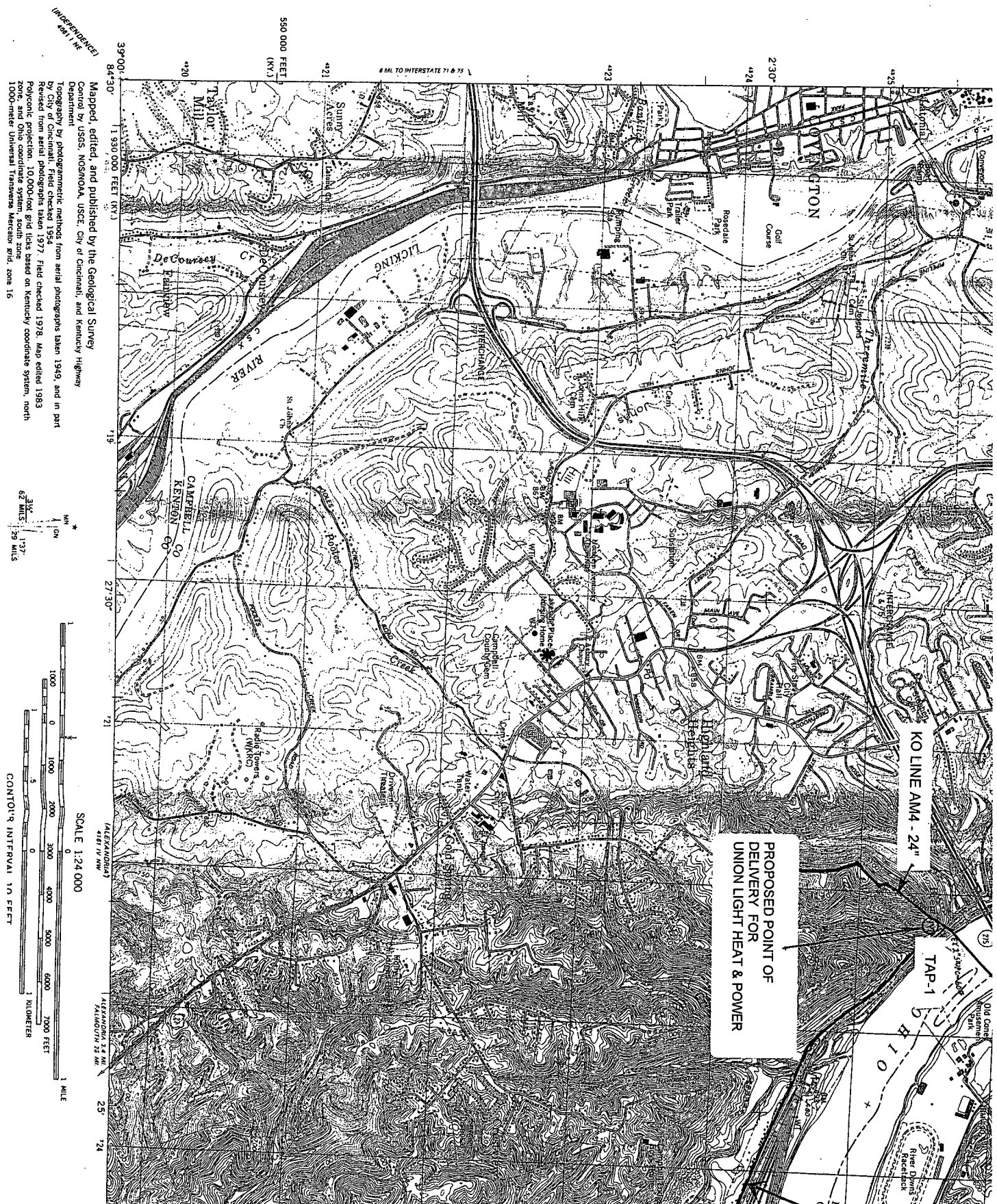
OHIO
STATE

COVINGTON

MARGARET
CAMPBELL
SOUTHGATE

River Drums
Recreation
Park



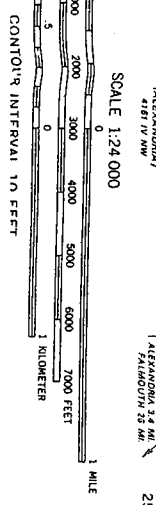
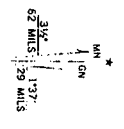


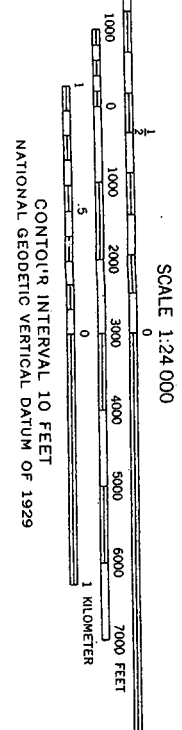
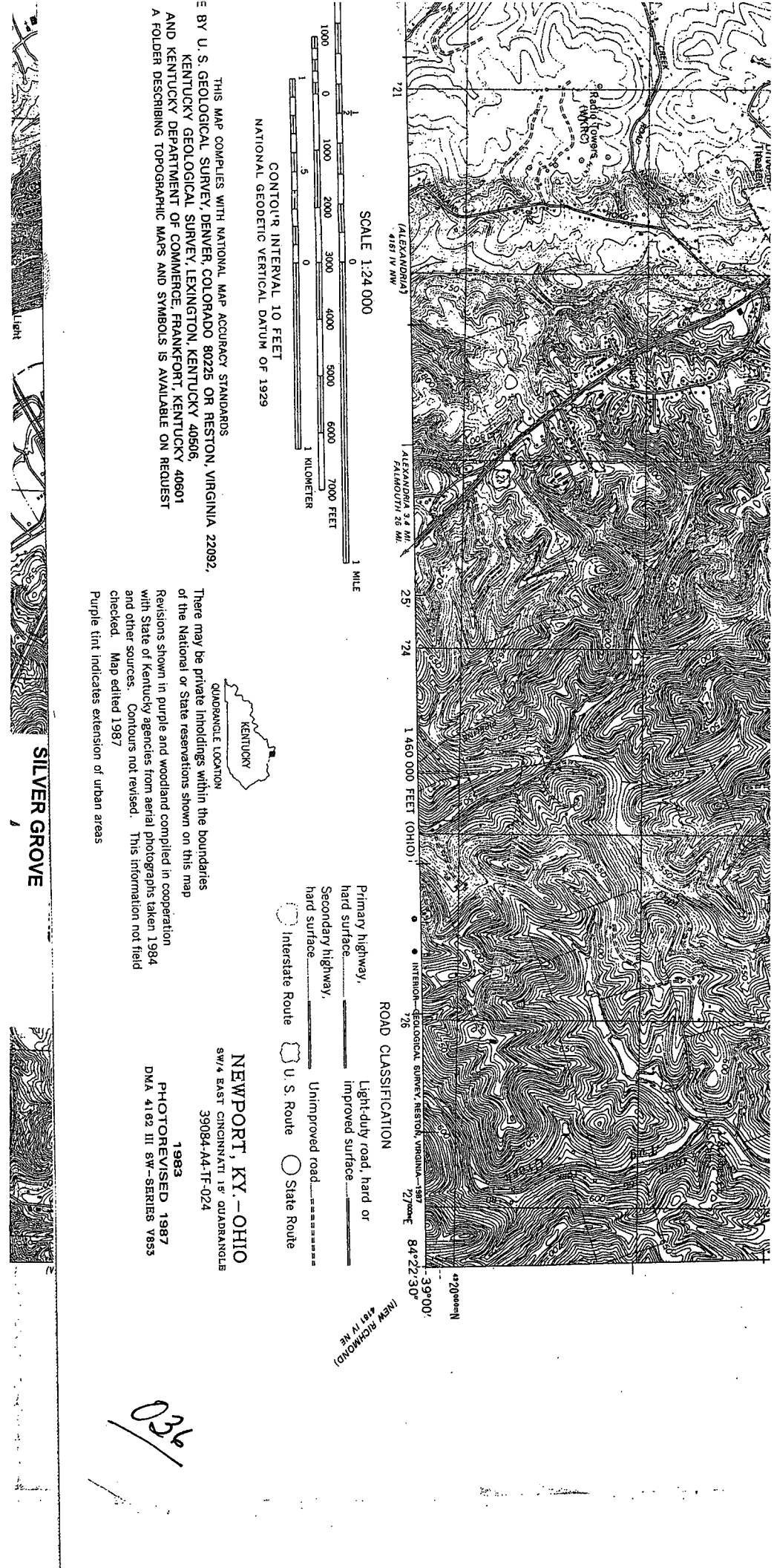
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Photocentric projection, 10,000-foot grid ticks based on Kentucky coordinate system, north
1000-meter Universal Transverse Mercator grid, zone 18





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QUADRANGLE LOCATION
 KENTUCKY

NEWPORT, KY.-OHIO
 SW/4 EAST CINCINNATI 15' QUADRANGLE
 39084-44-1F-024

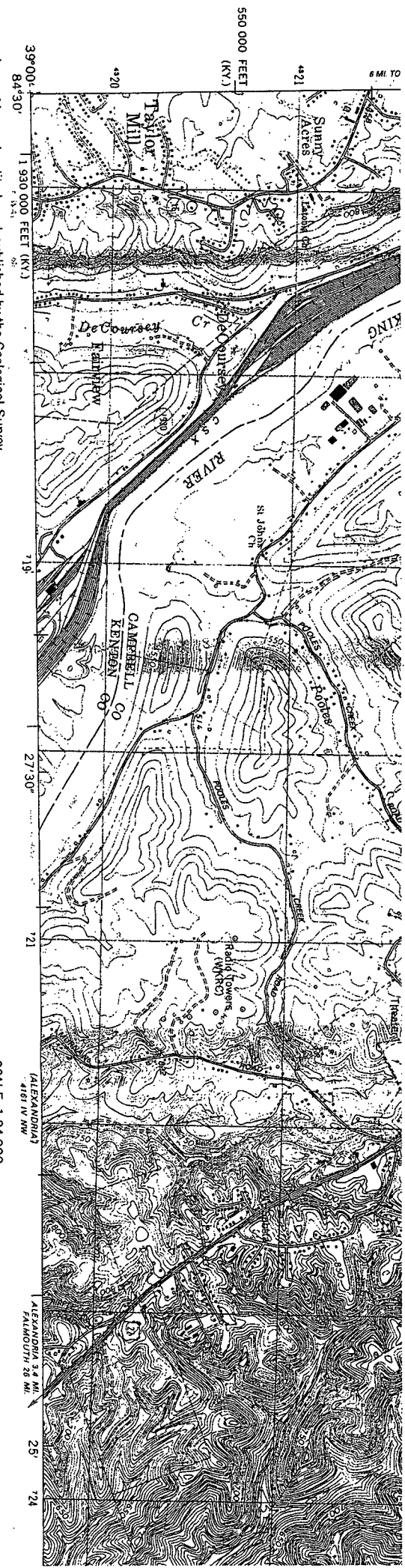
1983
 PHOTOREVISED 1987
 DMA 4182 III 6W-SERIES V853

ROAD CLASSIFICATION

Primary highway, hard surface
 Light-duty road, hard or improved surface
 Secondary highway, hard surface
 Unimproved road
 Interstate Route
 U. S. Route
 State Route

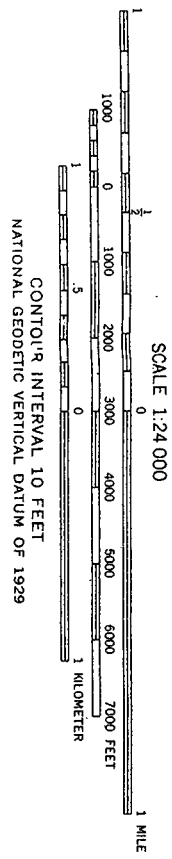
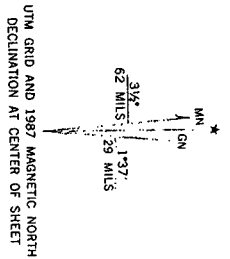
SILVER GROVE

036/



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 1000-meter Universal Transverse Mercator grid, zone 16
 1927 North American Datum
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There may be private in
 of the National or State
 Revisions shown in purf
 with State of Kentucky,
 and other sources. Cor
 checked. Map edited:
 Purple tint indicates ex



CASE NUMBER:

PRD-410
4-83

99-339

VII-J-237; Box 44

HISTORY INDEX FOR CASE: 1999-339
THE UNION LIGHT, HEAT AND POWER COMPANY
Franchises Construct

KY. PUBLIC SERVICE COMMISSION
AS OF : 04/27/00

PAGE 1

IN THE MATTER OF THE UNION LIGHT, HEAT AND POWER COMPANY'S
APPLICATION FOR CERTIFICATE OF PUBLIC CONVENIENCE AND
NECESSITY

SEQ NBR	ENTRY DATE	REMARKS
0002	08/17/1999	Acknowledgement letter.
0003	08/31/1999	Final Order denying req. to construct, own & oper., & gr. C/N to bid on franchise
M0001	03/24/2000	JOHN FINNIGAN CINERGY-RESPONSE TO ORDER OF AUG 31,99

Cinergy Corp.
139 East Fourth Street
Rm 25 AT II
P.O. Box 960
Cincinnati, OH 45201-0960
Tel 513.287.3601
Fax 513.287.3810
jfinnigan@cinergy.com

JOHN J. FINNIGAN, JR.
Senior Counsel



March 22, 2000

Honorable Martin J. Huelsmann
Executive Director
Public Service Commission
211 Sower Boulevard
P. O. Box 615
Frankfort, KY 40602

Re: Case No. 1999-339
In the Matter of: THE UNION LIGHT, HEAT AND POWER COMPANY
APPLICATION FOR APPLICATION FOR CERTIFICATE OF PUBLIC
CONVENIENCE AND NECESSITY

RECEIVED
MAR 24 2000
PUBLIC SERVICE
COMMISSION

Dear Executive Director Huelsmann:

Pursuant to Commission Order issued August 31, 1999 and First Reminder Letter received March 22, 2000, enclosed for filing in the above captioned case are two copies of the franchise agreement granted to The Union Light, Heat and Power Company by the City of Silver Grove. Please date stamp and return the extra copy of this letter in the enclosed self-addressed envelope.

Please call me at 513-287-3601 if you have any questions.

Very truly yours,

A handwritten signature in cursive script that reads "John J. Finnigan, Jr.".

John J. Finnigan, Jr.
Senior Counsel

JJF/nlb

Enclosures

ORDINANCE NO. 99-10-01

GRANTING TO THE UNION, LIGHT, HEAT AND POWER COMPANY A 20-YEAR FRANCHISE TO PLACE GAS TRANSMISSION AND DISTRIBUTION FACILITIES IN PUBLIC STREETS AND PLACES OF THE CITY OF SILVER GROVE, KENTUCKY.

THE COUNCIL OF THE CITY OF SILVER GROVE, COMMONWEALTH OF KENTUCKY, DOES ORDAIN AS FOLLOWS:

SECTION 1. The City hereby grants to The Union, Light Heat and Power Company (Company), its successors and assigns, a franchise, consent, right and privilege for a period of 20 years starting from the date of passage and acceptance of this Ordinance to construct, reconstruct, erect, extend, operate, maintain, repair, replace, and remove (collectively called install or installation) gas mains, pipelines, service lines, valves regulators, apparatus, fixtures, and equipment for the transmission and distribution of natural gas (collectively called facilities) within, along, over, under and across the public streets, alleys, ways, places, lands and ground of the City (Collectively called public property). Such transmission and distribution shall include the transmission and distribution of gas into, through, and out of the City. The Company shall not encumber public property by temporary obstructions or excavations any longer than shall be necessary in the accomplishment of such purposes.

If during the franchise period the City constructs or relocates public property, sewer lines, water lines, or other utilities owned by it and located within the boundaries of any public property, and such construction or relocation interferes with the facilities of the company, the Company shall, within a reasonable time after receiving written request from the City Administrator, move or relocate the same within public property so as not to interfere therewith; but the Company shall not be required to terminate any service provided by its facilities.

Where such moving or relocation of the Company's facilities is required, the Company's right to be reimbursed for such moving or relocation will be determined by the applicable law concerning reimbursement on the basis of governmental and proprietary activities of the City or any then current law. The Company shall have the right, without payment of fees, to remove any obstructions on public property which, in the opinion of the appropriate engineer of the Company, may endanger the safety of or interfere with the efficient installation, operation, and maintenance of the Company's facilities.

SECTION 2. The Company shall defend and indemnify the City against any suit or claim for any expense or liability whatsoever by reason of maintenance, or operation of its facilities.

SECTION 3. The word City means City of Silver Grove, Kentucky, its successors and assigns, as it now exists or as changed through annexation, reduction of its boundaries, merger, consolidation, or other similar proceedings.

SECTION 4. This Ordinance shall take effect and be in force from and after the earliest period allowed by law, and upon written acceptance by The Union Light, Heat and Power Company filed with the Clerk of Council, shall become a binding contract according to its terms between the City and the Company.

1st
PASSED: *reading 10-5-99*
2nd reading 10-6-99

Jerry A. Dishman
MAYOR PRO-TEM

ATTEST: *Katherine Wright*
CLERK

AUTHENTICATION

I, *Katherine Wright*, Clerk of the Council of the City of Silver Grove, Kentucky do hereby certify that the foregoing is a true and correct copy of Ordinance No. *99-10-01* passed by Council of said City on the *6th* day of *October*, 199*9*, and recorded in the official journal of said City.

Katherine Wright
CLERK