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MAY 22 2007

PUBLIC SERVICE  
COMMISSION

**COMMONWEALTH OF KENTUCKY**  
**BEFORE THE PUBLIC SERVICE COMMISSION**

In the Matter of:

THE APPLICATION OF EAST KENTUCKY POWER )  
COOPERATIVE, INC. FOR A CERTIFICATE OF )  
PUBLIC CONVENIENCE AND NECESSITY FOR ) **CASE NO**  
THE CONSTRUCTION OF A 345 kV ELECTRIC ) **2006-00463**  
TRANSMISSION PROJECT IN CLARK, MADISON, )  
AND GARRARD COUNTIES, KENTUCKY )

**APPLICATION OF**  
**EAST KENTUCKY POWER**  
**COOPERATIVE, INC.**

**TO COMMISSION STAFF DATED MAY 22, 2007**

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TRANSMISSION PROJECT IN CLARK, MADISON,	)
AND GARRARD COUNTIES, KENTUCKY	)

**APPLICATION**

1. East Kentucky Power Cooperative, Inc., hereinafter referred to as the “Applicant”, Post Office Box 707, 4775 Lexington Road, Winchester, Kentucky 40392-0707, hereby files this Application for a Certificate of Public Convenience and Necessity for the construction of a 345 kV Electric Transmission Line in Clark, Madison, and Garrard Counties, Kentucky hereinafter referred to as “the Project”.

2. This Application is made pursuant to KRS §§278.020, 278.040 and related statutes, 807 KAR 5:120 and 807 KAR 5:001 Sections 8, 9 and related sections.

3. A copy of Applicant’s restated Articles of Incorporation and all amendments thereto were filed with the Public Service Commission (the “Commission”) in PSC Case No. 90-197, the Application of East Kentucky Power Cooperative, Inc. for a Certificate of Public Convenience and Necessity to Construct Certain Steam Service Facilities in Mason County, Kentucky.

4. A copy of the EKPC Board Resolution approving the Project is attached hereto as **Applicant’s Exhibit 1**.

5. The Project consists of a new 345 kV transmission line to be constructed from the J.K. Smith Generating Station in Clark County to the proposed West Garrard Substation near Lancaster, KY.

A physical schematic indicating the scope and location of the Project is attached hereto as **Applicant's Exhibit 2**, which depicts the Project. Nine (9) miles of the Project will be constructed on new right of way; fourteen and eight-tenths (14.8) miles will be constructed parallel to an existing transmission line; and eleven and eight-tenths (11.8) miles will consist of a rebuild of existing transmission lines. The total transmission line construction for the Project is thirty-five and six tenths (35.6) miles, which includes the twenty-six and six tenths miles of construction on shared right of way.

6. Attached as **Applicant's Exhibits 3 and 4** are the Prepared Testimony of Mary Jane Warner and Darrin Adams, respectively, dealing with the need justification for the Project.

7. Attached as **Applicant's Exhibit 5** is the Affidavit of David G. Eames, which contains an explanation of the Applicant's plans for financing the proposed Project and a statement that the Project will not involve sufficient capital outlays to materially affect the financial condition of the Applicant.

8. There will be no franchises required from any public authority for the construction of the proposed Project.

9. Routine permits and permit revisions for features such as highway, railroad, and river crossings can only be obtained when final design is complete. Copies of these permits will be furnished to the Commission when obtained. The majority of this construction will be weathered steel H-Frame structures with one or two circuits

supported by weathering steel cross-arms. In locations where the line changes direction or terminates, two or three pole structures and guys will be necessary. Typical drawings of the types of structures to be constructed as part of the Project are attached as **Applicant's Exhibit 6** (for single circuit portions of the Project) and **Exhibit 7** (for double circuit portions of the Project).

10. The proposed facilities will not compete with any public utilities, corporations or persons.

11. Attached as **Applicant's Exhibit 8.01 thru Exhibit 8.13** are maps of a scale of one inch equals five hundred feet (as indicated on the title block of each map) showing the location of the proposed centerlines, the Right of Way Boundaries, and the boundaries of all properties crossed by said Right of Way as shown on the Property Valuation Administration ("PVA") maps of the applicable counties. Attached as **Applicant's Exhibit 9.2** is a table identifying by number the owner of each property shown on Exhibit 8.01 thru Exhibit 8.13, as according to PVA records.

12. The precise location of the centerline may change with respect to the property lines depicted on said Exhibits. These changes, if the same do in fact occur, will be the result either of accommodations required to cross the facilities of other utilities or potential errors in the property lines obtained from applicable PVA offices. Any such changes could mean that specific properties shown not to be crossed by the proposed right of way on Exhibit 8.01 thru Exhibit 8.13 are actually crossed by the proposed right of way. Conversely, properties shown to be crossed may ultimately not be crossed as a result of any such changes. As a result, any properties shown within these areas previously identified could ultimately be crossed, and all owners of these properties have

been sent notification letters as set forth in paragraph 16 of this Application, and as indicated in a table attached hereto as **Applicant's Exhibit 9.1** by a label "Yes" in the column entitled "Property Crossed". All owners of record listed in Exhibit 9.1 were invited to EKPC sponsored Open House meetings in the area. Owners of parcels labeled "No" or "Maybe" in the same column received letters of notice from EKPC accordingly.

13. Attached as **Applicant's Exhibit 10** is a map showing the proposed centerline and any alternative centerline locations considered by the Applicant. The alternative centerline locations are shown in broken red lines while the proposed centerline is shown in solid red. Due to the large geographic area involved in the consideration of alternatives, a reduced scale was used so the alternative paths could be shown on the same map as the proposed centerline.

14. The first year annual cost of operation of the proposed Project after completion is \$4,492,323, based on 2009 dollars.

15. Attached as **Applicant's Exhibit 11** is an Affidavit of Bill Sharp certifying that each property owner identified by the Clark, Madison, and Garrard County PVA's as owning property to be crossed by the proposed right of way has been:

- a) Mailed notice of the proposed construction by First Class mail at such owner's address as listed in the applicable county PVA's records;
- b) Given the Commission docket number of this proceeding and a map showing the proposed route of the Project;
- c) Given the address and telephone number of the Commission's Executive Director, Elizabeth O'Donnell;

- d) Informed of their right to request a local public hearing and request to intervene; and
- e) Given a description of the proposed Project.

16. Attached as **Applicant's Exhibit 12** are sample copies of the notice letters dated December 15, 2006, that were provided to property owners pursuant to 807 KAR 5:120, Section 2(3) and referenced in Paragraph numbered 16 above. Six letters are included. One that applies to properties crossed by new right of way, one that applies to properties crossed by expanded right of way due to rebuild, one that applies to new and shared right of way due to co-location, one that applies to unaffected parcels, one that applies to parcels that may be crossed, and one that applies to property owners who have multiple parcels that are being crossed with new right of way and expanded right of way due to rebuild. Due to the delays involved in filing the Application for this Project, a second set of six notice letters dated May 1, 2007 and postcards dated May 18, 2007, have been provided to property owners. Sample copies of these notices are attached hereto as **Applicant's Exhibit 12a and Applicant's Exhibit 12b**, respectively. Additionally, two of the properties crossed were found to have been conveyed to new owners. A copy of the May 17, 2007 notice letter to these new owners is attached as **Applicant's Exhibit 12c**.

17. Applicant's Exhibit 11, Affidavit of Bill Sharp, also contains a verified statement that a notice of intent to construct the Project has appeared in the *Winchester Sun*, *Garrard County Central Record*, and *Richmond Register*, newspapers of general circulation in Clark, Madison, and Garrard Counties, Kentucky respectively, which included:

- a) A map of the proposed Project; and
- b) A statement of the right to request a local public hearing;
- c) A statement of the right to request to intervene.

18. Attached as **Applicant's Exhibit 13** is a copy of the Notice of Intent to Construct Proposed Transmission Lines which was published in the *Winchester Sun* on December 21, 2006 and March 14, 2007 pursuant to the requirements of 807 KAR 5:120 Section 2(5) and referenced in Paragraph numbered 18 above.

19. Attached as **Applicant's Exhibit 14** is a copy of the Notice of Intent to Construct Proposed Transmission Lines which was published in the *Garrard County Central Record* on December 21, 2006 and March 15, 2007 pursuant to the requirements of 807 KAR 5:120 Section 2(5) and referenced in Paragraph numbered 18 above.

20. Attached as **Applicant's Exhibit 15** is a copy of the Notice of Intent to Construct Proposed Transmission Lines which was published in the *Richmond Register* on December 21, 2006 and March 14, 2007 pursuant to the requirements of 807 KAR 5:120 Section 2(5) and referenced in Paragraph numbered 18 above.

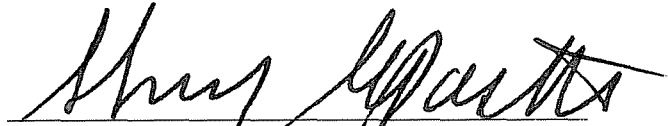
21. Attached as **Applicant's Exhibit 16** is a copy of a press release relating to this project that was issued by the Applicant on May 10, 2007. Attached as **Applicant's Exhibit 17** is a copy of the press release issued by the Applicant on the date of the filing of this Application.

22. In previous Orders, the Commission has indicated its desire that an Application provide information regarding concerns expressed by property owners and others relative to the Project and the Applicant's Responses thereto. As a result, the Applicant has included with its Application as Appendices A, B & C to Warner Exhibit

2, summaries of concerns expressed to the Applicant thus far and the Applicant's Responses thereto.

WHEREFORE, Applicant respectfully requests the Commission to grant a Certificate of Public Convenience and Necessity for the EKPC Project to be constructed in Clark, Madison, and Garrard Counties, Kentucky.

Respectfully submitted,

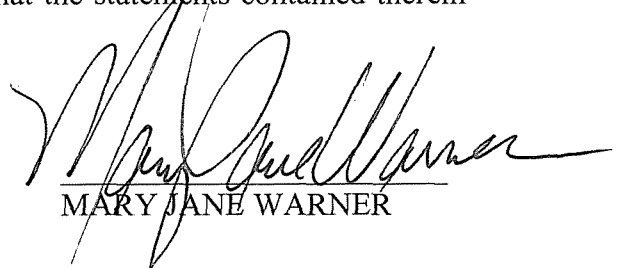


DAVID A. SMART  
SHERMAN GOODPASTER III  
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ATTORNEYS FOR EAST KENTUCKY  
POWER COOPERATIVE, INC.  
PO BOX 707  
WINCHESTER, KY 40392-0707  
859-744-4812

VERIFICATION

STATE OF KENTUCKY    )  
  ) SCT.  
COUNTY OF CLARK    )

The affiant, Mary Jane Warner, states that she is the Manager of Power Delivery Expansion for the Plaintiff, East Kentucky Power Cooperative, Inc., and that this affiant has read the foregoing Application and that the statements contained therein are true to the best of her knowledge and belief.



MARY JANE WARNER



Subscribed and sworn to before me in the aforesaid state and county by  
Mary Jane Warner this the 22<sup>nd</sup> day of May, 2007.

My notarial commission expires: 12/20/08

Jeri K. Isaacs (Combs)  
NOTARY PUBLIC, KY  
STATE-AT-LARGE.

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## EXHIBIT 1

**FROM THE MINUTE BOOK OF PROCEEDINGS  
OF THE BOARD OF DIRECTORS OF  
EAST KENTUCKY POWER COOPERATIVE, INC.**

At a regular meeting of the Board of Directors of East Kentucky Power Cooperative, Inc. held at the Headquarters Building, 4775 Lexington Road, located in Winchester, Kentucky, on Tuesday, July 12, 2005, at 11:35 a. m., EDT, the following business was transacted:

J. K. Smith Transmission Expansion Projects

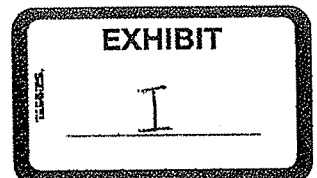
After review of the applicable information, a motion was made by Fred Brown, seconded by Mike Adams, and, following further discussion, passed to approve the following:

**Whereas**, East Kentucky Power Cooperative, Inc., ("EKPC") engineering studies have confirmed the necessity and advisability of the following projects included in the July 12, 2005 Amendment to the EKPC Rural Utilities Service ("RUS") approved Three-Year Work Plan (November 2002-October 2005):

J.K. Smith CTs #8-12 Terminal Facility Additions	\$4,740,000
Two new J.K. Smith 345-138 kV Autotransformer Additions	\$5,836,000
New J.K. Smith CFB Substation	\$2,257,000
Two new 345 kV J.K. Smith CT-J.K. Smith CFB Lines	\$10,231,000
J.K. Smith-Sideview 345 kV Line <i>K. Clark</i>	\$14,299,000
<i>North Clark</i> Sideview 345 kV Substation	\$3,385,000
J.K. Smith-Stanford 345 kV Line <i>W. Garrison</i>	\$38,419,000
<i>W. Garrison</i> Stanford 345 kV Substation	\$3,470,000
LGEE's Addition of 345 kV Terminal Facilities at Brown and Pineville	\$2,313,000
Enlarge Dale 138-69 kV Autotransformer	\$984,000
LGEE's Alcalde-Elihu 161 kV, Fawkes-Clark County 138 kV, Shelby City-Stanford 69 kV, and Waco-Rice 69 kV Operating Upgrades	\$636,000
LGEE's Boonesboro North 69 kV Breaker Replacements (2)	\$266,000
LGEE's Fawkes-Clark County 138 kV Switch Replacements	\$58,000

**Whereas**, Review by the Power Delivery ("PD") Committee and approval of the EKPC Board of Directors ("Board") is required for the construction and financing of these projects pursuant to Board Policies No. 103 and 106;

**Whereas**, The current EKPC Three-Year Work Plan (November 2002-October 2005) dated October 2002, has been submitted to RUS for approval, which requires that any amendment thereto be approved by the Board;



Whereas, EKPC management and the PD Committee recommend that the Board amend the current EKPC RUS approved Three Year Work Plan and approve construction of these projects, the acquisition of all real property and easement rights, by condemnation if necessary, and the obtaining of permits and approvals necessary and desirable for these projects and include the financing of these projects with general funds, subject to reimbursement from construction loan funds should they become available and the Board will act upon said recommendation this date; and

Whereas, This recommendation supports the delivery of facilities at a competitive cost, on time, and of good quality; now, therefore, be it


Resolved, That EKPC management is authorized to amend the current EKPC RUS approved Three-Year Work Plan to include the above projects summarized in more detail in the attached Executive Summary;

Resolved, That approval is hereby given for construction of said projects included in the April 12, 2005 Amendment to the EKPC Three-Year Work Plan (November 2002-October 2005), at an estimated total cost of \$86,894,000 and for the acquisition of all real property and easement rights, by condemnation if necessary, as well as all necessary permits and approvals for these projects; and

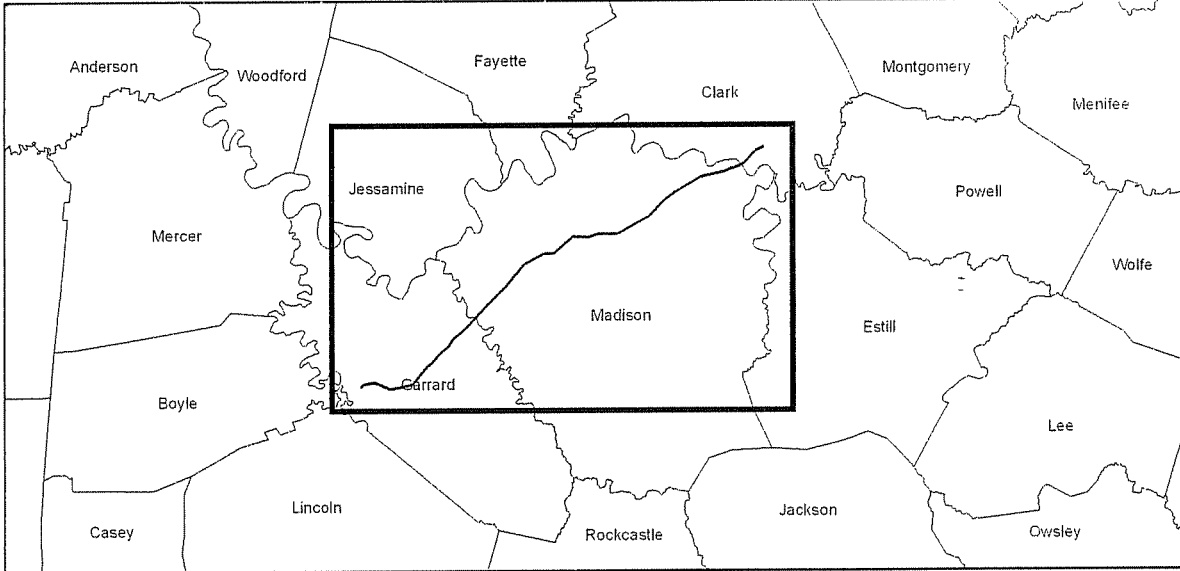
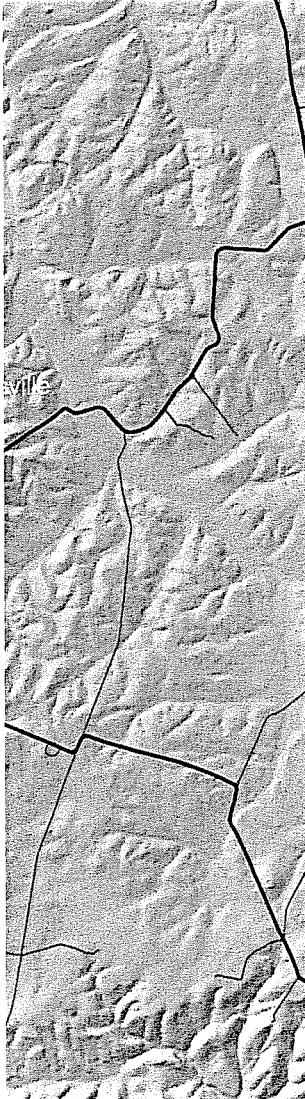
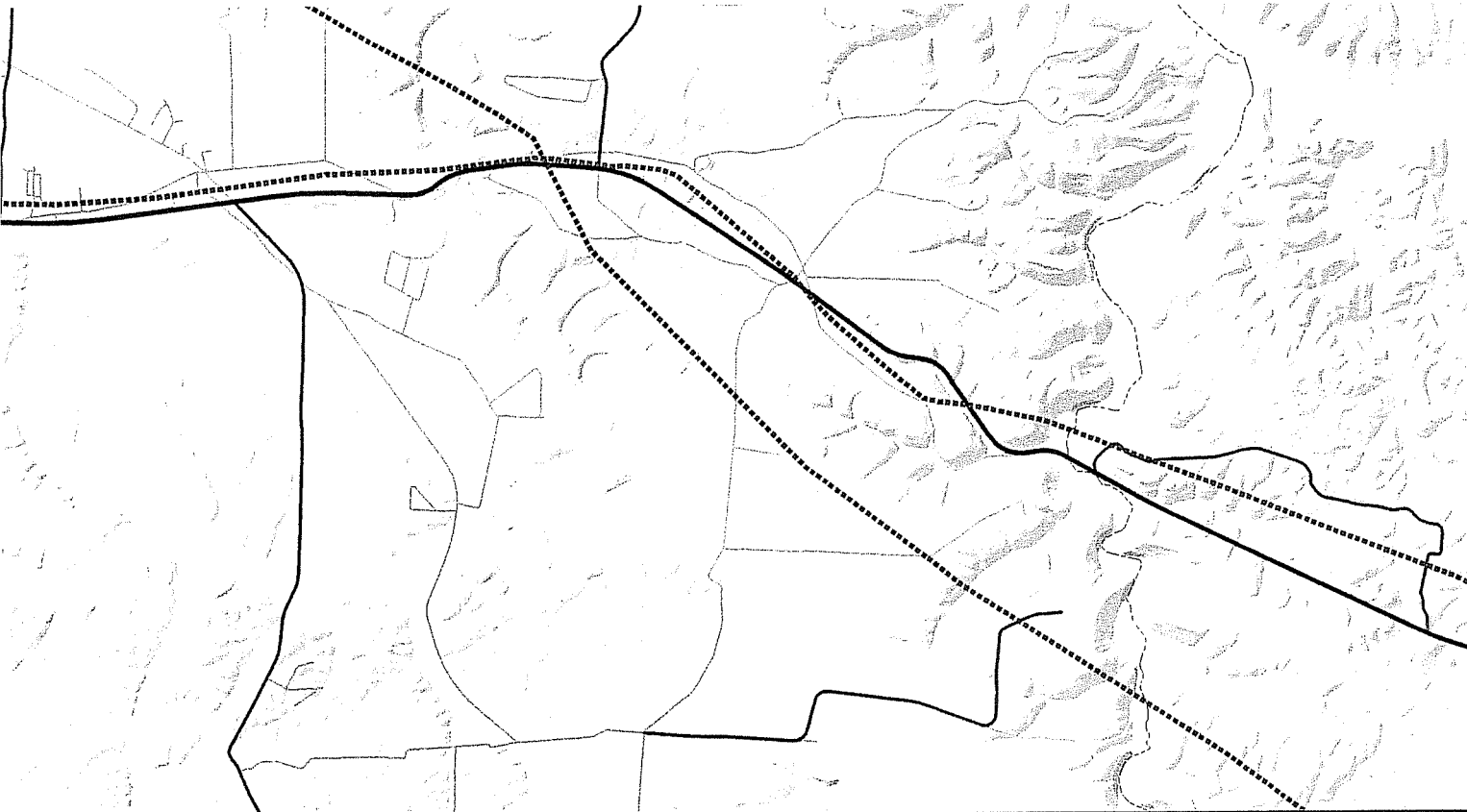
Resolved, That approval is hereby given to amend the EKPC Annual Budget and Work Plan to include the projects and to finance them with general funds, subject to reimbursement from construction loan funds should they become available.

The foregoing is a true and exact copy of a resolution passed at a meeting called pursuant to proper notice at which a quorum was present and which now appears in the Minute Book of Proceedings of the Board of Directors of the Cooperative, and said resolution has not been rescinded or modified.

Witness my hand and seal this 12th day of July 2005.

  
A. L. Rosenberger, Secretary






- Legend**
- Proposed Centerline, New R/W
  - Proposed Centerline, Parallel Existing Line
  - Proposed Centerline, Rebuild Existing Line
  - Proposed EKPC Substation
  - Existing EKPC Substation
  - Existing EKPC Transmission
  - Existing KU Transmission

Scale: 1" = 1 mile



# EXHIBIT 2

Case #2006-00463  
 EKPC Proposed  
 Smith - West Garrard  
 345kv Transmission Line

 East Kentucky Power Cooperative  
 4775 Lexington Road, PO Box 707  
 Winchester, Kentucky 40392  
 Phone (859)744-4812 www.ekpc.coop Fax (859)744-6008