

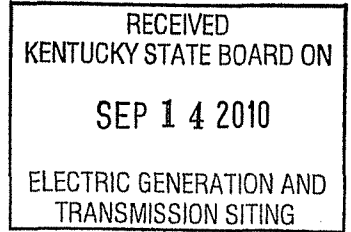
COMMONWEALTH OF KENTUCKY

BEFORE THE 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 CONSTRUCTION CERTIFICATE TO)
CONSTRUCT AN ELECTRIC TRANSMISSION)
LINE FROM ITS A.B. BROWN PLANT TO THE)
BIG RIVERS EHV STATION)

CASE NO.
2010-00223



**RESPONSE OF HENDERSON WATER UTILITY
TO VECTREN'S FIRST DATA REQUEST**

Comes Henderson Water Utility (hereinafter referred to as "HWU"), by counsel, and for its Response to Vectren's First Data Request states as follows:

1. Please produce a copy of any order or agreed order, settlement document or other similar document between the City or the Henderson Water Utility (HWU) and any federal, state or local regulatory or governmental entity that compels HWU to expands (sic) its water treatment facility. (Referring specifically to any "consent decree" cited to Vectren by various city and water utility officials.)

Person Responsible: Bruce Shipley

Response: Copies of the following documents have been filed as attachments to the Staff data request and because of the large volume they are not reproduced here. All referenced Appendices are attached to those responses:

A. Appendix A – Consent Judgment (Civil Action No. 07-CI-1250),
entered in Franklin Circuit Court on August 30, 2007

B. Appendix B – U.S. EPA Administrative Order (Docket No.: CWA-04-2008-4757) Dated December 21, 2007

C. Appendix C – U.S. EPA Administrative Order Addendum (Docket No.: CWA-04-2008-4757) Dated April 18, 2008

D. Appendix D – Henderson Water Utility – Long Term Control Plan (LTCP) submittal, Dated March 2009

E. Appendix E – Henderson Water Utility – Long Term Control Plan (LTCP) Addendum No. 1 submittal, Dated October 2009

F. Appendix F – Request for Statements of Qualifications – Engineering Services – New Headworks – North Wastewater Treatment Plant, Dated July 13, 2010

2. Please state whether such document, if any such document exists, compel a specific location for any compelled expansion.

Person Responsible: Bruce Shipley

Response: The documents mentioned in the preceding section do not compel a specific location for expansion of HWU's North Wastewater Treatment Plant (WWTP). However, location and renovation of wastewater treatment facilities face many of the same obstacles and restrictions as electrical transmission facilities (proximity to residential areas, etc.) Expansion of physical plant is limited by considerations of operational efficiency and cost effectiveness.

3. Please state the date of such requirement or compulsion was established with any such regulatory or governmental entity.

Person Responsible: Bruce Shipley

Response:

August 30, 2007 – Consent Judgment

December 21, 2007 – U.S. EPA Administrative Order

April 18, 2008 – U.S. EPA Administrative Order Addendum

June 30, 2014 – Completion date of Headworks expansion at the North WWTP (as established in our Long Term Control Plan). See Appendix D – Henderson Water Utility – Long Term Control Plan (LTCP) submittal, Dated March 2009

4. Please provide copies of any designs or construction plans related to any such requirement or compulsion and any other documentation that such design or construction has been initiated.

Person Responsible: Bruce Shipley

Response:

See Appendix D – Henderson Water Utility – Long Term Control Plan (LTCP) submittal, Dated March 2009

See Appendix F – Request for Statements of Qualifications – Engineering Services – New Headworks – North Wastewater Treatment Plant, Dated July 13, 2010

On July 13, 2010 HWU solicited requests for qualifications from engineering consultants to design the Headworks project. We received twelve (12) proposals for the design and construction of our planned Headworks to the wastewater treatment plant. Those proposals are currently being reviewed and a consultant will be selected and a contract entered into this month.

5. Please provide copies of any requests for proposals, requests for bids, or contracts for design work or construction work related to any such requirements or compulsion.

Person Responsible: Bruce Shipley

Response: See Appendix F – Request for Statements of Qualifications – Engineering Services – New Headworks – North Wastewater Treatment Plant, Dated July 13, 2010.

6. Please indicate and explain any technical or operational constraints that in HWU's opinion would prohibit the Brown-Reid line from crossing HWU property.

Person Responsible: Bruce Shipley

Response: If the Brown-Reid line is installed in a 150 foot wide easement paralleling Drury Lane it would create technical design problems and operating and maintenance issues for the proposed new Headworks.

The two support structures which we understand will be constructed on HWU property will restrict, if not negate, the ability of the HWU to construct its expanded facilities. HWU has requested details of the location and design of those structures but has not received that information from the Applicant. A request for an extension of time to respond to this request has been made to the Board.

We are sure that Vectren would not allow, nor would we wish to locate our new facilities directly under Vectren's lines.

Location and placement of wastewater treatment facilities face many of the same obstacles and restrictions that electrical transmission facilities do, such as being too close to residential areas, etc. Given an existing plant location, any expansion of that facility must be located as close as possible to the existing plant to optimize engineering design for efficient operation and cost effectiveness.

The current location for the expanded Headworks is the only obvious choice. Good design practice dictates that the Headworks (primary treatment) be located at the front of the treatment plant and as close as possible to the secondary treatment and remainder of the treatment process. Furthermore, good design practice also dictates that the wastewater stream flow by gravity to the next step in the process instead of having to be pumped.

If the transmission line is allowed to encroach upon HWU property, we will be forced to move the Headworks farther away from the current treatment plant or perhaps

to relocate the Headworks at another location altogether. Prudent stewardship of our publicly owned treatment plant dictates that we must plan for future expansion as our community grows and future expansions and other ancillary uses will be restricted by this line dissecting our properties. The result will be inefficient operation and increased cost to the public. Moving the required Headworks expansion to another location would require the addition of major wastewater pumping systems to the facility.

Adding pumping systems to a Headworks facility adds significantly to capital cost, operating expenses, and preventative and long term maintenance. HWU lines going from the new Headworks to the existing wastewater treatment plant would pass directly under the Brown-Reid line and would have to be designed and constructed to protect against potential increased corrosion.

Depending on where the transmission line structures are placed, there could be access problems with the structures in reference to the Wastewater Treatment Plant and the new Headworks. There is a possibility of additional piping, fiber and other communication and electrical wiring that would have to be routed around the structure. This could add additional expense, and further cause an issue with the elevation of the head-works facility. The towers would also potentially interfere with the line of sight for UHF repeaters at our Vine Street Tank.

Any changes to the current plan will impact our design and construction schedules. That will impact upon our required completion date of June 30, 2014, as specified in our Long Term Control Plan (LTCP). Changes caused by allowing Vectren to encroach on our property will at the very least require a more-expensive facility and increased operating costs; and potentially subject us to substantial fines and penalties for

failing to meet our project completion deadline. Each of these items will have an impact upon our rate-paying customers.

7. Please list the names and qualifications of any experts consulted by HWU related to HWU's evaluation of the impacts, if any, of the Brown-Reid's current design on HWU's operations, facilities, expansion plans, etc.

Person Responsible: Bruce Shipley

Response: We only recently learned of Vectren's plan to cross our property. We have initiated one telephone conference call with the J.R. Wauford Company of Nashville, TN to determine their availability and expertise related to these issues. To date, no consultants or experts have been retained to evaluate the impacts of the Brown-Reid's current design on HWU's operations, facilities, expansion plans, etc.

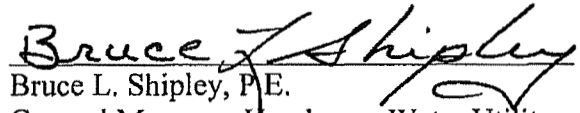
8. Please list the names and qualifications of any experts or consultants engaged, retained, hired or otherwise involved in this matter and a synopsis of each such expert or consultant's expected testimony and any reports, studies, or other documentation which he or she will cite or upon which he or she will rely.

Person Responsible: Bruce Shipley

Response: HWU has not retained any experts related to HWU's evaluation of the impacts of the Brown-Reid transmission line. HWU will provide that information if such experts are retained.

CERTIFICATE

I certify that the responses set out above are true and accurate to the best of my knowledge, information and belief, formed after reasonable inquiry.


Bruce L. Shipley, P.E.
General Manager, Henderson Water Utility

RESPECTFULLY SUBMITTED,

By: 
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CERTIFICATE OF SERVICE

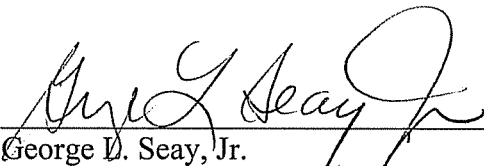
This is to certify that the original and ten true and correct copies of the foregoing has been served upon the following, by hand delivery, at the filing office of the Kentucky Public Service Commission, on this the 14th day of September, 2010:

Hon. Richard W. Bertelson, III
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Public Service Commission
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Frankfort, KY 40602-0615

Mr. Jeff Derouen
Executive Director
Public Service Commission
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and via U.S. Mail, postage prepaid to:

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