

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF KENTUCKY)	
UTILITIES COMPANY FOR A CERTIFICATE OF)	CASE NO.
PUBLIC CONVENIENCE AND NECESSITY FOR)	2022-00066
THE CONSTRUCTION OF TRANSMISSION)	
FACILITIES IN HARDIN COUNTY, KENTUCKY)	

ORDER

On March 31, 2022, Kentucky Utilities Company (KU) filed an application, pursuant to KRS 278.020(2); 807 KAR 5:001, Sections 15 and 19; and 807 KAR 5:120 seeking a Certificate of Public Convenience and Necessity (CPCN) authorizing it to construct the following transmission facilities in Hardin County, Kentucky:

1. Two new 345-kilovolt (kV) transmission lines (an Eastern line and a Western line);
2. Two new 138 kV transmission lines; and
3. Two associated substations, “Glendale South Substation” and “Glendale Industrial Substation”.

KU asserted the facilities are necessary for it to provide retail electric service to two new battery production facilities to be built by Ford Motor Company and SK Innovation (collectively, Ford) in Hardin County, Kentucky, as well to meet expected load growth due to future development in the area.¹

¹ Application at 1.

By Order issued on April 6, 2022, and amended on April 14, 2022, the Commission established a procedural schedule for the orderly processing of this matter and provided a deadline to request intervention of April 8, 2022.² Several requests for intervention were filed. Before the application was filed on March 31, 2022, Grover Berry filed a request for a public hearing and intervention.³ The Commission granted the request on April 25, 2022. On April 7, 2022, Frank and Martha Brown (the Browns) requested intervention, and the Commission granted the request on April 25, 2022. On April 4, 2022, Wade Family Farm Management, LLC (Wade Farm) requested intervention. The Commission granted the request on April 25, 2022.

On April 8, 2022, numerous requests for intervention were filed.⁴ Several persons asserted an interest in 1055 West Glendale Hodgenville Road, Glendale, Kentucky.⁵ After receiving additional information from KU,⁶ including a title opinion referencing 1055 West Glendale Hodgenville Road, the Commission granted intervention to the following individuals: Stephen Dobson, Deanna Dobson, Betty Dobson, Raymond Dobson, John Hagan, Loretta Hagan, Larry Hagan and Kay Hagan.⁷ On April 25, 2022, the Commission

² Order (Ky. PSC Apr. 6, 2022), Appendix.

³ Grover Berry's Request for Intervention and a Public Meeting (filed Mar. 18, 2022).

⁴ Leslee Wayne Ferguson, Ernest and Beverly Kerr, William and Kimberly Goodman, Larry Hagan, Edward and Rose Mary Gravell, Sheri and Dale Adams, Sandra Clark, Shirley Curry, Heather Richards, Raymond and Elizabeth Clark, Stephen Dobson and Stephen Dobson on behalf of Deanna Dobson, Raymond Dobson, and Betty Dobson.

⁵ Larry and Kay Hagan, Edward and Rose Mary Gravell, John and Loretta Hagan, Stephen Dobson and on behalf of Deanna Dobson, Raymond Dobson, and Betty Dobson.

⁶ KU's Attachment to Response to Commission Staff's First Request for Information, Item 1 (filed Apr. 8, 2022) and KU's Attachment to Response to Commission Staff's Second Request for Information (filed Apr. 21, 2022), Item 12.

⁷ Order (Ky. PSC Apr. 25, 2022) and Order (Ky. PSC Apr. 25, 2022).

denied intervention for Edward and Rose Mary Gravell based on the lack of a vested interest in that parcel of property. Two parties, Scott Hagan on behalf of Delberta Hagan and Stark House Farms, LLC, filed untimely requests for intervention. Both requests for intervention were denied in separate orders.⁸

Additionally, several form petitions were filed. The form petitions, although labeled as “Petition for Intervention”, did not present a basis for the Commission to allow for intervention. KU objected to permitting intervention based on the form petitions.⁹ The petitions were treated as public comments. The requests made by form petition were denied in three separate orders.¹⁰

In addition to Grover Berry’s request for a public comment meeting, the Commission received at least three additional requests for public comment.¹¹ On May 23, 2022, the Commission held a public comment meeting at Elizabethtown High School. One individual, Rose Mary Gravell, made a public comment.¹²

⁸ Stark House Farm, LLC’s request was denied on Apr.27, 2022. Scott Hagan on behalf of Delberta Hagan’s request was denied on May 2, 2022.

⁹ KU’s Response to Petitions to Intervene from Unaffected Landowners (filed Apr. 12, 2022) and KU’s Response to Pile and Chesser Petitions to Intervene (filed Apr. 25, 2022).

¹⁰ The following form petitions were denied in the Order issued Apr. 25, 2022: Thomas and Betty Schnieders, Leslee Wayne Ferguson, Ernest and Beverly Kerr, William and Kimberly Goodman, Larry Hagan, and Edward and Rosemary Gravell, Sherri and Dale Adams, Sandra Clark, Shirley Curry, Heather Richards, and Raymond and Elizabeth Clark, Aaron and Emily Pile, and Martin and Rebecca Chesser.

The following form petitions were denied in the Order issued May 2, 2022: Tanya Sue Hall, Charlotte Sherrard, Alfred and Lienna Priddy, Jim Perry, Ronnie and Ingrid Lanford, Kongthong Wattanakone, Shelly Clyde.

The following form petitions were denied in the Order issued May 17, 2022: Jesse Robinson and Rachel Holbrook.

¹¹ Susan Brown Summers’ Request for Public Comment (filed Mar. 30, 2022), Stephen Dobson’s Request for Public Comment (filed Apr. 8, 2022), Stark House Farms, LLC’s Request for Intervention & Public Comment (filed Apr. 13, 2022).

¹² Public Comment Meeting on May 23, 2022.

KU responded to five requests for information from the Commission.¹³ KU responded to three requests for Information from Wade Farm.¹⁴ KU responded to two requests for information from the Browns.¹⁵ KU responded to one request for information from the Hagans.¹⁶ On May 12, 2022, the Browns filed sworn testimony from Allen Summers, Michael Billings, and Gunes Demirbas. On May 12, 2022, Wade Farm filed testimony from Marty Marchaterre and Thomas Wade. The Commission ordered a hearing in this matter to be held on June 1, 2022.¹⁷

After the hearing was scheduled, Stephen Dobson filed a motion requesting a 30-day continuance of the hearing date based on a failure of KU to comply with 807 KAR 5:120, Section 2(3).¹⁸ KU responded to the motion on May 6, 2022. On May 11, 2022, the Commission denied the motion.

On May 23, 2022, the Commission granted a request from the Browns to allow their expert witness, Gunes Demirbas to testify virtually from Turkey. On May 26, 2022,

¹³ KU's Response to Commission Staff's First Request for Information (KU's Response to Staff's First Request)(filed Apr. 8, 2022), KU's Response to Commission Staff's Second Request for Information (KU's Response to Staff's Second Request) (filed Apr. 21, 2022), KU's response to Commission Staff's Third Request for Information (KU's Response to Staff's Third Request) (filed May 6, 2022), KU's response to Commission Staff's Fourth Request for Information (KU's Response to Staff's Fourth Request)(filed May 20, 2022), KU's response to Commission Staff's Post-Hearing Request for Information (KU's Response to Staff's Post-Hearing Request (filed June 10, 2022).

¹⁴ KU's Response to Wade Farm's First Request for Information (KU's Response to Wade Farm's First Request) (filed Apr. 21, 2002), KU's Response to Wade Farm's Second Request for Information (KU's Response to Wade Farm's Second Request) (filed May 6, 2022).

¹⁵ KU's Response to Brown's First Request for Information (KU's Response to Brown's First Request) (filed Apr. 21, 2022), KU's Response to Brown's Second Request for Information (KU's Response to Brown's Second Request) (filed May 6, 2022).

¹⁶ KU's Response to Hagan's First Request for Information (KU's Response to Hagan's First Request)(filed May 6, 2022).

¹⁷ Order (Ky. PSC Apr. 25, 2022).

¹⁸ Failure of KU to Properly Notify Landowners (filed May 2, 2022).

the Commission issued an Order providing guidance to all the parties on the order of testimony and decorum for the hearing to be held on June 1, 2022. The hearing was held on June 1, 2022. Following the hearing, KU filed responses to post-hearing requests for information from Commission Staff¹⁹ and Wade Farm.²⁰ The parties filed memorandum briefs in support of their respective positions²¹, and on June 22, 2022, KU and Wade Farm filed response briefs.²²

On June 24, 2022, the Commission ordered an extension of the case until July 29, 2022, the maximum 120 days allowed by KRS 278.020(9), to allow for more time to review the record.²³ On both June 10, 2022, and June 27, 2022, KU filed updates to Staff's Fourth Request for Information, Item 1, which included additional information related to field studies and boring samples as well as permit updates.²⁴

On July 8, 2022, Governor Andy Beshear appointed Mary Pat Regan as a Commissioner for the Public Service Commission. Commissioner Regan has had the opportunity to review all of the filings and the hearing in this matter and has participated in the Commission's consideration of this application. The record is complete, and the matter stands ready for a decision.

¹⁹ KU's Response to Staff's Post-Hearing Request (filed June 10, 2022).

²⁰ KU's Response to Wade Farm's Post-Hearing Request (filed June 10, 2022).

²¹ Grover Berry's Post-Hearing Brief (filed June 7, 2022), KU's Post-Hearing Brief (filed June 15, 2022), Wade Farm's Post-Hearing Brief (filed June 15, 2022), Browns' Post-Hearing Brief (filed June 15, 2022), Hagans' Post-Hearing Brief (filed June 15, 2022).

²² KU's Post-Hearing Response Brief (filed June 22, 2022), Wade Farm's Response Brief (filed Jun. 22, 2022).

²³ Order (Ky. PSC June 24, 2022).

²⁴ KU's Updated Response to Staff's Fourth Request for Information, Item 1 (filed June 10, 2022); KU's Updated Response to Staff's Fourth Request for Information, Item 1 (filed June 27, 2022).

Having reviewed the record and being otherwise sufficiently advised, the Commission finds that KU's request for a CPCN shall be granted subject to the conditions discussed below.

BACKGROUND

KU is a corporation in good standing and organized on August 17, 1912, in accordance with the laws of the Commonwealth of Kentucky.²⁵ KU is a utility engaged in the electric business.²⁶ KU generates and purchases electricity, and distributes and sells electricity at retail in the following counties: Adair, Edmonson, Jessamine, Ohio, Anderson, Estill, Knox, Oldham, Ballard, Fayette, Larue, Owen, Barren, Fleming, Laurel, Pendleton, Bath, Franklin, Lee, Pulaski, Bell, Fulton, Lincoln, Robertson, Bourbon, Gallatin, Livingston, Rockcastle, Boyle, Garrard, Lyon, Rowan, Bracken, Grant, Madison, Russell, Bullitt, Grayson, Marion, Scott, Caldwell, Green, Mason, Shelby, Campbell, Hardin, McCracken, Spencer, Carlisle, Harlan, McCreary, Taylor, Carroll, Harrison, McLean, Trimble, Casey, Hart, Mercer, Union, Christian, Henderson, Montgomery, Washington, Clark, Henry, Muhlenberg, Webster, Clay, Hickman, Nelson, Whitley, Crittenden, Hopkins, Nicholas, Woodford, and Daviess.²⁷

²⁵ Application, at 2.

²⁶ Application, at 2.

²⁷ Application at 2-3.

THE PROPOSED TRANSMISSION PROJECTS

The Projects

KU proposed to build two new 345 kV lines, two new 138 kV lines, and two new substations to provide service to the new Ford battery plant(s) to be built at the Glendale Megasite in Hardin County, Kentucky.

KU will tap the existing Brown North-Hardin County 345 kV line that currently connects the Brown North and Hardin County 345 kV substations.²⁸ The proposed Western 345 kV Line will run from the tap, 4.9 miles, to the new 345 kV/138 kV transmission substation, "Glendale South Substation". The proposed Eastern 345 kV Line will run from the tap 3.7 miles to the Glendale South Substation.²⁹ The existing 2.7-mile line segment between the two points will be retired and removed.³⁰ Once the line segment has been removed and the 345 kV East and 345 kV West lines have been energized, KU intends to release its easements between the two tap points on the Brown North-Hardin County 345 kV line.³¹

From the Glendale South Substation, KU proposes to construct two 138 kV lines to serve both Ford and the surrounding area.³² The first proposed 138 kV line will exit the Glendale South Station running South then East for 3.8 miles to the new proposed

²⁸ Direct Testimony of Elizabeth McFarland (McFarland Direct Testimony) (filed March 31, 2022) at 3.

²⁹ McFarland Direct Testimony at 3. See also KU's Response to Staff's Second Request, Item 1a, and KU's Response to Wade Farm's Second Request, Item 1. For planned loads the size of Ford's, the potential for additional load growth and to meet customer reliability expectations, good utility practice and prudent transmission planning require more than one source of power.

³⁰ KU's Response to Staff's Second Request, Item 1a.

³¹ KU's Response to Staff's Post-Hearing Request, Item 3c

³² McFarland Direct Testimony at 3.

“Glendale Industrial Substation”.³³ The other proposed 138 kV line will exit the Glendale South Substation run East and then South and terminate at the Glendale Industrial Substation.³⁴

For the 345 kV line project, approximately fifty 345 kV single shaft and H-frame structures and fifteen 345 kV lattice towers (and associated conductor and hardware assemblies and insulators) will be installed for support.³⁵ For the 138 kV line project, approximately sixty-one 138 kV single shaft structures (and associated conductor and hardware assemblies and insulators) will be installed for support.³⁶ All new towers, structures, and electrical conductor will be installed using conventional construction equipment and methods.³⁷

The Glendale South Substation will consist of two 345 kV/138 kV substation power transformers and the associated power circuit breakers, disconnect switches, buswork, steel structures, and other substation components, including equipment protection and control, to provide bulk electric power to the area.³⁸ The Glendale Industrial Substation is a 138 kV/24.7 kV substation that will transform 138 kV transmission level voltage to Ford’s required 24.7 kV at its load center.³⁹ The Glendale Industrial Substation will also support future 138 kV transmission line network interconnections that may be required

³³ McFarland Direct Testimony at 3.

³⁴ McFarland Direct Testimony at 3.

³⁵ McFarland Direct Testimony at 4.

³⁶ McFarland Direct Testimony at 4.

³⁷ McFarland Direct Testimony at 4.

³⁸ McFarland Direct Testimony at 4.

³⁹ McFarland Direct Testimony at 4.

under annual Transmission Expansion Plan (TEP) system studies or a Transmission Service Request (TSR) to support continued load growth and/or system network integrity and reliability.⁴⁰

The total project cost is estimated to be \$121 million.⁴¹ The cost is broken down as follows: (1) The Glendale South Station, \$48 million; (2) The Glendale Industrial Station, \$25 million; and (3) The 345 kV lines and the 138 kV lines, \$48 million.⁴² The cost of removal of the 2.7-mile segment between the two tap points on the Brown North-Hardin County 345 kV line is included in the total project cost estimate.⁴³ The estimated annual cost of operation after the proposed transmission facilities are in service is \$240,000.⁴⁴

Financing

KU expects to finance the cost of construction of the proposed facilities with internally generated funds. KU's application stated that Ford would be responsible for the "behind the meter" construction expenses.⁴⁵ Specifically, Ford will be responsible for the 138 kV transformers, 24.7 kV breakers, 24.7 kV reactors, 24.7 kV disconnects, 24.5 kV CTs/PTs, control house, grounding materials, steel, aluminum bus and connectors,

⁴⁰ McFarland Direct Testimony at 4, line 18-21. See also KU's Response to Staff's Second Request, Item 7. When a transmission customer desires to serve new load on KU's transmission system, a transmission service request (TSR) must be submitted to KU's Independent Transmission Organization (ITO). The ITO is responsible for granting new transmission service and performs a series of studies to determine the impact of the requested service on the transmission system.

⁴¹ Application at 3-4.

⁴² Application at 3-4.

⁴³ KU's Response to Staff's Third Request, Item 7.

⁴⁴ Application at 7.

⁴⁵ McFarland Direct Testimony at 6, footnote 5.

control cables and labor costs related to those items.⁴⁶ The expenses attributed to Ford are approximately \$39 million and will be billed to Ford pursuant to the Excess Facilities Rider in KU's tariff.⁴⁷ KU and Ford are negotiating a special contract⁴⁸ that will require Commission approval but that contract is four to six months away from being finalized.⁴⁹

Request to Move the Centerline

KU requested permission to move the proposed centerline 500 feet on either side to account for property owner preferences or unexpected conditions encountered during construction provided that no new property owners are affected.⁵⁰ However, KU stated, on several different occasions, that KU did not give notice to a landowner unless the proposed transmission facilities directly impacted the owner.⁵¹ The 345 kV lines require a 200-foot corridor based on National Electrical Safety Code (NESC).⁵²

Intervenors' Positions

The intervenors share one common concern, placement of the transmission line on their respective properties. Mr. Berry expressed his opposition to the placement of the line on his property at the hearing held on June 1, 2022. Mr. Berry filed a post-hearing

⁴⁶ KU's Response to Staff's Post-Hearing Request, Item 1.

⁴⁷ KU's Response to Staff's Post-Hearing Request, Item 1.

⁴⁸ Hearing Video Transcript (HVT) of June 1, 2022 Hearing at 14:40:20.

⁴⁹ HVT of June 1, 2022 Hearing at 14:41:30.

⁵⁰ Application at 6.

⁵¹ See Application at 7 and KU's Response to Staff's Third Request, Item 1.

⁵² KU's Response to the Browns' First Request, Item 4.

brief stating that he does not want the line to run as proposed and has refused to accept KU's financial offer.⁵³

The Browns own land that has been affected by the Glendale Megasite previously.⁵⁴ According to the Browns, they have attempted to maximize the value of their land for development purposes.⁵⁵ Based on the rebuttal testimony filed by KU from Ms. McFarland, the Browns, with the assistance of Gunes Demirbas, have proposed that KU build the portion of Alternative Route C across the Browns' property,⁵⁶ and KU has agreed, pending geotechnical analysis.⁵⁷

The Browns' post-hearing brief reiterated their desire for KU to construct the Western 345 kV transmission line proposed Alternative Route C across their property. The Browns requested that the Commission allow a 500-foot deviation from the proposed centerline in order to allow for Alternative Route C.⁵⁸ However, if the Commission did not allow for the deviation, the Browns argued that the Commission should order KU to construct Alternative Route C on the Browns property.⁵⁹

Wade Farm owns land that has also been affected by the development of the Glendale Megasite.⁶⁰ The Wade Farm is used as a residential and farming property.

⁵³ Grover Berry's Brief (filed June 7, 2022).

⁵⁴ The Brown's Motion for Leave to Intervene (filed Apr. 7, 2022) at 3-4.

⁵⁵ Direct Testimony of Allen Summers (Summers Direct Testimony) (filed May 12, 2022) at 3-5.

⁵⁶ Direct Testimony of Gunes Demirbas (Demirbas Direct Testimony) (filed May 12, 2022) at 4-5.

⁵⁷ McFarland Rebuttal Testimony (filed May 27, 2022) at 12-13.

⁵⁸ The Browns' Post-Hearing Brief at 9-10.

⁵⁹ The Browns' Post-Hearing Brief at 10-11.

⁶⁰ Wade Farm's Motion to Intervene (filed Apr. 4, 2022).

According to Wade Farm testimony, the land has historical value as well.⁶¹ Wade Farm argued that an alternative proposed route, Route D, existed that would minimize the impact on their land.⁶²

In its post-hearing brief, Wade Farm argued that KU did not establish the need for two 345 kV transmission lines and the KU proposal resulted in wasteful duplication.⁶³ Specifically, Wade Farm stated that KU presented no evidence of future growth to support the second 345 kV line as well as no evidence of current reliability issues.⁶⁴ Wade Farm acknowledged that a CPCN should be issued but for only one 345 kV transmission line.⁶⁵ In addition, Wade Farm highlighted its position that the Team Spatial study lacked transparency, and therefore, it lacked credibility. Wade Farm requested that, if the Commission granted a CPCN for both proposed 345 kV transmission lines, the Commission require KU to build the Western transmission line using proposed Western Route D instead of proposed Western Route A.⁶⁶

Wade Farm's Response Brief re-stated the argument that KU should only be granted a CPCN for one 345 kV line, the proposed Eastern Route, and should the Commission grant a CPCN for both lines, the Commission should order the particular route to be constructed.⁶⁷

⁶¹ Direct Testimony of Thomas Wade (Wade Direct Testimony) (filed May 12, 2022) at 4-6.

⁶² Direct Testimony of Marty Marchaterre (Marchaterre Direct Testimony) (filed May 12, 2022) at 11-12, 14.

⁶³ Wade Farm's Post-Hearing brief at 2-3.

⁶⁴ Wade Farm's Post-Hearing Brief at 12-16.

⁶⁵ Wade Farm's Post-Hearing Brief at 27.

⁶⁶ Wade Farm's Post-Hearing Brief at 20, 27.

⁶⁷ Wade Farm's Response Brief at 4.

Stephen Dobson filed a brief on behalf of the Hagan property owners.⁶⁸ The filing contained several maps proposing alternative routes for the proposed KU transmission lines.⁶⁹ Mr. Dobson argued that KU should consider running the transmission lines on two other adjacent properties.⁷⁰ Mr. Dobson also criticized the Team Spatial study and the conclusion drawn in the report.⁷¹ He asked the Commission to consider that the Hagan property had already been affected by eminent domain for the Glendale Megasite and to require KU to modify the proposed transmission line routes to minimize or eliminate the effect on the Hagan Property.⁷²

KU's Response

KU stated, in its post-hearing brief, that it has demonstrated both a need for the proposed facilities and a lack of wasteful duplication, and that a CPCN should be issued. KU argued that the evidence of record demonstrated that it had no infrastructure in the area to support the load demand of the Ford plants⁷³ and that prudent transmission planning and reliability concerns require the load to be served by two sources as a networked solution rather than via a single radial feed.⁷⁴ In defense of the route chosen and the Team Spatial study, KU argued that it evaluated several routes and based on all

⁶⁸ Although the Commission has reminded Mr. Dobson on at least two occasions that he cannot represent other intervenors, no additional parties signed on to this filing.

⁶⁹ Stephen Dobson's Post-Hearing Brief at 2, 10-15.

⁷⁰ Stephen Dobson's Post-Hearing Brief at 8. These property owners were not included in KU's Application Exhibit 20 as property owners given notice.

⁷¹ Stephen Dobson's Post-Hearing Brief at 6-8.

⁷² Stephen Dobson's Post-Hearing Brief at 9.

⁷³ KU's Post-Hearing Brief (filed Jun. 15, 2022) at 5.

⁷⁴ KU's Post-Hearing Brief (filed Jun. 15, 2022) at 5-6.

the evidence, chose the best route for the transmission lines considering all the appropriate factors and in accord with accepted siting standards.⁷⁵ KU's Response Brief focused on defending the Team Spatial study and reiterating that KU carefully considered all proposed alternatives and chose the most reasonable, practicable route.⁷⁶

LEGAL STANDARD

The Commission's standard of review regarding a CPCN is well settled. Under KRS 278.020(1), no utility may construct or acquire any facility to be used in providing utility service to the public until it has obtained a CPCN from this Commission. To obtain a CPCN, the utility must demonstrate a need for such facilities and an absence of wasteful duplication.⁷⁷

"Need" requires:

[A] showing of a substantial inadequacy of existing service, involving a consumer market sufficiently large to make it economically feasible for the new system or facility to be constructed or operated.

[T]he inadequacy must be due either to a substantial deficiency of service facilities, beyond what could be supplied by normal improvements in the ordinary course of business; or to indifference, poor management or disregard of the rights of consumers, persisting over such a period of time as to establish an inability or unwillingness to render adequate service.⁷⁸

"Wasteful duplication" is defined as "an excess of capacity over need" and "an excessive investment in relation to productivity or efficiency, and an unnecessary

⁷⁵ KU's Post-Hearing Brief (filed Jun. 15, 2022) at 6-19.

⁷⁶ KU's Response Brief.

⁷⁷ *Kentucky Utilities Co. v. Pub. Serv. Comm'n*, 252 S.W.2d 885 (Ky. 1952).

⁷⁸ *Kentucky Utilities Co.* at 890.

multiplicity of physical properties.”⁷⁹ To demonstrate that a proposed facility does not result in wasteful duplication, the Commission has held that the applicant must demonstrate that a thorough review of all reasonable alternatives has been performed.⁸⁰ Selection of a proposal that ultimately costs more than an alternative does not necessarily result in wasteful duplication.⁸¹ All relevant factors must be balanced.⁸²

DISCUSSION AND FINDINGS

Need

In September of 2021, Governor Andy Beshear, in conjunction with Ford and SK Innovations, announced a \$5.8 billion investment in Hardin County.⁸³ Ford and SK Innovations anticipated building two new battery plants for Ford at the Glendale Megasite in Hardin County, Kentucky.⁸⁴ Each battery plant will require 160 MW of power, for a total requirement of 320 MW.⁸⁵ The investment would create approximately 5,000 new jobs in the area.⁸⁶

⁷⁹ *Kentucky Utilities Co.* at 890.

⁸⁰ Case No. 2005-00142, *Joint Application of Louisville Gas and Electric Company and Kentucky Utilities Company for the Construction of Transmission Facilities in Jefferson, Bullitt, Meade, and Hardin Counties, Kentucky* (Ky. PSC Sept. 8, 2005).

⁸¹ See *Kentucky Utilities Co. v. Pub. Serv. Comm’n*, 390 S.W.2d 168, 175 (Ky. 1965). (See also Case No. 2005-00089, *The Application of East Kentucky Power Cooperative, Inc. for a Certificate of Public Convenience and Necessity to Construct a 138 kV Electric Transmission Line in Rowan County, Kentucky* (Ky. PSC Aug. 19, 2005)).

⁸² Case No. 2005-00089, Aug. 19, 2005 final Order at 6.

⁸³ McFarland Direct Testimony at 2.

⁸⁴ McFarland Direct Testimony at 2.

⁸⁵ McFarland Direct Testimony at 2.

⁸⁶ McFarland Direct Testimony at 2.

KRS 278.016 through KRS 278.018 provide for the Commonwealth of Kentucky to be divided into geographical areas, and each retail electric service provider is assigned a certified territory in which it has the exclusive right and obligation to provide adequate retail electric service. KRS 278.030(2) requires every utility shall furnish adequate, efficient and reasonable service to all customers within its certified service territory, including Ford.⁸⁷ KU currently does not have existing transmission infrastructure in close proximity to the Glendale Megasite with the available capacity to transmit the amount of power Ford requires.⁸⁸ Ford has requested an August 2023 in-service date for electric service and anticipates starting full-scale production in the first battery facility in early 2024.⁸⁹ KU's existing Brown North-Hardin County 345 kV line is nearby and can be rerouted to provide the Glendale Megasite and surrounding area with the required transmission capacity and reliable service from KU's system.⁹⁰

KU initially considered serving the new load by constructing new 138 kV lines from either the Hardin County substation or the Bonnieville substation. However, KU found that the additional load would depress voltages to unacceptable levels and the new load had to be served from the 345 kV system.⁹¹ KU's December 2021 request for transmission service (TSR) to its independent transmission operator (ITO) to serve

⁸⁷. The service territory for the Glendale Megasite was agreed upon in Case No. 2021-00462, *Electronic Joint Application of Kentucky Utilities Company, Nolan Rural Electric Cooperative Corporation and East Kentucky Power Cooperative Inc., for an Approval of an Agreement Modifying an Existing Territorial Boundary Map and Establishing the Retail Electric Supplier for Glendale Megasite in Hardin County, Kentucky* (Ky. PSC Jan. 27, 2022).

⁸⁸ McFarland Direct Testimony at 2,

⁸⁹ McFarland Direct Testimony at 2.

⁹⁰ McFarland Direct Testimony at 5.

⁹¹ KU's Response to Staff's Second Request, Item 8.

construction load was approved. On March 11, 2022, KU submitted a TSR for serving the permanent load at the Glendale Megasite, the results of which are expected by October 2022.⁹² However, the current capacity of the existing Brown North-Hardin County 345 kV line is 931.6 megavolt-amperes (MVA) summer and 851.3 MVA winter.⁹³ Once the planned 345 kV Western route is built and the Ford load is added to KU's system, the planned available capacity on the Hardin County-Glendale South 345 kV line will be 785.8 MVA summer and 769.9 winter.⁹⁴ Similarly, the planned available capacity on the proposed 345 kV Eastern route, the Brown North-Glendale South 345 kV line after the Ford load is added will be 1,022.3 MVA summer and 1,088.5 MVA winter.⁹⁵ The planned available capacity of the Glendale South Substation depends on the power factor of the additional load.

At a 99 percent power factor, with the Ford load, the total available capacity is estimated to be 400 MW, 320 MW of which is the Ford load.⁹⁶ At a 95 percent power factor, the total estimated available capacity is estimated to be 380 MW, 320 MW of which is Ford.⁹⁷ Once full service is provided to the Ford battery plants, Ford will have the highest load demand of any KU customer.⁹⁸ KU stated that, although no special contract

⁹² KU's Response to Staff's Second Request, Item 7.

⁹³ KU's Response to Staff's Post-Hearing Request, Item 5b.

⁹⁴ KU's Response to Staff's Post-Hearing Request, Item 5c.

⁹⁵ KU's Response to Staff's Post-Hearing Request, Item 5d.

⁹⁶ KU's Response to Staff's Post-Hearing Request, Item 5f.

⁹⁷ KU's Response to Staff's Post-Hearing Request, Item 5f.

⁹⁸ HVT of the June 1, 2022 Hearing at 13:15:00 to 13:16:44.

has been signed yet, it is hopeful to have a contract in place with Ford within four to six months.⁹⁹

KU's need for the proposed projects is rooted in its obligation to provide Ford with sufficient power to operate its facilities at maximum load. Without Ford, these projects would not have been proposed.¹⁰⁰ Ford, as a customer, is uniquely situated. Ford's demand does not fit in any current KU customer class. When fully operational, Ford will have the highest load requirement of any customer on KU's system,¹⁰¹ and Ford's power consumption is estimated to account for 60 percent of KU's annual load delivered to Hardin County, Kentucky in Ford's first full year of operation.¹⁰² KU expects that when Ford operates at peak load it will represent approximately 75 percent of Hardin County's annual power consumption from KU.¹⁰³ KU has a statutory obligation to serve Ford, and meet Ford's needs for retail electric service, even though Ford will require more power than any other customer on KU's system when Ford becomes fully operational. KU's obligation to serve is not altered or diminished in any way simply because Ford is uniquely situated and meeting Ford's needs for power will require KU to construct transmission facilities.¹⁰⁴ Based on the evidence of record, including study results that indicate the current transmission system could not adequately serve Ford's demand, not to mention

⁹⁹ HVT of the June 1, 2022 Hearing at 14:41:30.

¹⁰⁰ McFarland Rebuttal at 1 and 2, and HVT of the June 1, 2022 Hearing at 09:38:30 through 09:39:06.

¹⁰¹ HVT of the June 1, 2022 Hearing at 14:41:00

¹⁰² KU's Response to Hagan's First Request, Item 4.

¹⁰³ KU's Response to Hagan's First Request, Item 5.

¹⁰⁴ HVT of the June 1, 2022 Hearing at 14:41:00.

future demand in the area, the Commission finds that KU has demonstrated a need for additional transmission to provide service to the Ford facilities and the Glendale Megasite.¹⁰⁵

Lack of Wasteful Duplication

Because KU has an obligation to furnish adequate, efficient and reasonable service,¹⁰⁶ to the Ford battery plants, and KU's current facilities are inadequate, the Commission finds that KU has demonstrated a need for these proposed facilities. Initially, transmission facilities of any amount or voltage do not exist that can readily serve the Ford battery plants. As such, the proposed facilities are not duplicative of existing facilities.

The Daviess County-Hardin County 345 kV line runs parallel to the proposed 345 kV Western line prior to the Brown North-Hardin Count 345 kV tap point. KU stated that it would not be Good Utility Practice to interconnect the two lines at the point they run parallel because that would create a three-terminal point. KU's proposed configuration creates two terminal points.¹⁰⁷ Because three terminal transmission lines can create reliability issues, KU and Louisville Gas & Electric (LG&E) avoid constructing three-terminal lines, if possible.¹⁰⁸ KU cites to several studies and papers to support the

¹⁰⁵ KU's Response to Staff's Second Request, Item 8.

¹⁰⁶ KRS 278.030(2).

¹⁰⁷ KU's Response to Staff's Second Request, Item 5a and KU's Response to Staff's Post-Hearing Request, Item 4.

¹⁰⁸ KU's Response to Staff's Post-Hearing Request, Item 4(c) and footnotes 1 and 2.

creation of the proposed 345 kV Western route.¹⁰⁹ The two 345 kV lines that run parallel, the Daviess County-Hardin County 345 kV and the Hardin County – Glendale South 345 kV are two independent circuits.¹¹⁰ Even as they run parallel for a distance, the lines terminate at two separate substations with independent circuit breakers, increasing reliability and providing the increased megawatts needed by Ford.¹¹¹

KU stated that the configuration of two separate 345 kV lines and two separate substations creates a loop feed to the Ford facilities and increases reliability.¹¹² For example, constructing only the proposed Eastern 345 kV line would result in there being only one transmission source into the substation and any line fault or failure, or any planned maintenance outage would leave the substation without a backup source resulting in a loss of power. KU further averred that having two 345 kV sources will reliably serve the load. In the event of an outage on one line, KU argued that the other line can serve the entire load, and that no single line event will interrupt the load.¹¹³ KU further noted that each of the two sources will be able to serve the entire load without

¹⁰⁹ KU's Response to Staff's Post-Hearing Request Item 4(c) "Application Considerations for Protecting Three-Terminal transmission Lines" by Schweitzer Engineering Laboratories (Pub. 2021) and "The Complexity of Protecting Three-Terminal Transmission Lines" by North American Electric Reliability Council (Pub. Sept. 13, 2006) and footnote 1 citing IEEE Std C37.113TM-2015 "IEEE Guide for Protective Relay Applications to Transmission Lines", The Institute of Electrical and Electronics Engineers, Inc.: NY.P. 96 (see Attachment 4), footnote 2 citing Blackburn, J. Lewis, & Domin, Thomas, J. (2007). *Protective Relaying: Principles and Applications, Third Edition*. CRC Press (see Attachment 5).

¹¹⁰ KU's Response to Staff's Post-Hearing Request, Item 4(b).

¹¹¹ KU's Response to Staff's Post-Hearing Request, Item 4(c).

¹¹² KU's Response to Staff's Second Request, Item 1a.

¹¹³ HVT of the June 1, 2022 Hearing at 14:11:34.

overloading any other facilities.¹¹⁴ As noted before, Wade Farm argued that only one 345 kV transmission line is needed to serve Ford's load.¹¹⁵

Reliability is part of the Commission's consideration in analyzing whether facility duplication is wasteful. For instance, the Commission has approved CPCNs for transmission facilities that include looped service, in order to reduce the likelihood of customer interruptions stemming from outages on radially fed transmission lines, and separately has approved double circuit transmission lines to address reliability concerns.¹¹⁶ Here, it would appear to the Commission that if only one 345 kV transmission line is built, KU will be serving Ford's load, and any other customers served by this line, with a radial feed, meaning that any maintenance outage, line fault, or failure on the line will result in a sustained loss of power for the customers. As such, the Commission finds that although serving the area with two 345 kV lines may appear as duplication, the lines traverse different areas, and due to legitimate reliability interests, are not wasteful. KU could of course have proposed, as many utilities in front of the Commission in recent years have, to serve the new load via double circuit 345 kV lines

¹¹⁴ KU's Response to Staff' Second Request, Item 1(a).

¹¹⁵ Wade Farm Brief at 2 and 10-15.

¹¹⁶ See Case No. 2021-00346, *Electronic Application of Kentucky Power Company for a Certificate of Public Convenience and Necessity to Construct a 138 kV Transmission Line and Associated Facilities in Breathitt, Floyd and Knott Counties, Kentucky (Garrett Area Improvements 138 kV Transmission Project)* final Order (Ky. PSC Mar. 8, 2022), see also Kentucky Power's Response to Staff's First Request (filed Dec. 7, 2021), Item 9 for an explanation of why a looped feed was proposed. Case No. 2020-00062, *Electronic Application of Kentucky Power Company for a Certificate of Public Convenience and Necessity to Construct a 138 kV Transmission Line and Associated Facilities in Pike and Floyd Counties, Kentucky*, (Ky. PSC Dec. 29, 2020), final Order; see also, Application (filed Sep. 3, 2020), Direct Testimony of Nicholas C. Koehler at 4-5 for an explanation of the double circuit proposed; Case 2019-00361, *Electronic Application of Duke Energy Kentucky, Inc. for a Certificate of Public Convenience and Necessity to Construct a 138 kV Transmission Line and Associated Facilities in Boone County, Kentucky (Woodspoint to Aero Transmission Line Project)* (Ky. PSC Feb. 27, 2020); See also, Application, Exhibit 11, Direct Testimony of Bloutwell (filed Oct. 31, 2019) at 4-6 for an explanation of why Duke determined it needed a looped feed.

along either proposed 345 kV route to ensure that a single outage on either circuit, for whatever reason, does not necessarily lead to an outage on the other circuit. However, the Commission, due to the nature of the load to be served finds no fault with instead serving this substation and load with two single 345 kV lines. The Commission finds this proposal reasonable, in no small part to the evidence and argument before us that serving the new load via a single line configured with double 345 kV circuits runs the risk of creating a reliability problem, because any event occurring in the right-of-way would affect both circuits equally. For instance, storm damage, including vegetation in the right of way or ice on the lines, would cause an outage on both circuits, leaving the area without a source of power.¹¹⁷

Further substantial evidence supports the Commission's finding that the presence of two lines serving the load from different directions instead of a single, double circuit lines, is not wasteful, even if it is considered duplication. For example, KU stated that in its entire 345 kV transmission system it only has one customer that is served by the radial feed model, rather than a looped feed.¹¹⁸ KU stated that this customer's load is "curtailable," meaning that KU has the ability and contractual authority to reduce the amount of power it makes available to this customer.¹¹⁹ KU also stated that it only supplies power to this customer to serve one of the customer's processes, and the customer has other electric and transmission and distribution circuits that supply the rest

¹¹⁷ HVT of June 1, 2022 Hearing at 14:11:28 through 14:12:35 and KU's Response to Staff's Second Request, Item 1a

¹¹⁸ KU's Response to Wade Farm's Second Request, Item 4.

¹¹⁹ KU's Response to Wade Farm's Second Request, Item 4.

of its facility.¹²⁰ There is no evidence in the record that KU will provide Ford with curtailable service. KU presented substantial, credible evidence that two 345 kV circuits running along separate rights of way are needed to serve the proposed and expected load,¹²¹ and the Commission gives great weight and deference to this evidence.

However, the analysis to determine whether the proposed facilities result in wasteful duplication requires additional consideration. It must be determined that all reasonable alternatives were considered, and that the alternative chosen is the most reasonable alternative, considering all relevant factors.

In conducting this review, the Commission must determine whether the proposed route is reasonable, given the totality of the circumstances, including but not limited to, cost. For example, when presented with a proposed route that is longer, but the alternative would require the utility to purchase and destroy a number of residences or other facilities, the Commission may, in consideration of timely constructability, conclude that the proposed route was the more reasonable choice. In such a hypothetical scenario, the Commission may find that there was no wasteful duplication of plant, equipment, or facilities even though the proposed route was merely more costly than an identified alternative.

The Commission's consideration of proposed routes of transmission lines, and in CPCN proceedings generally, is limited to its review of the evidence provided to determine whether a utility met its burden of proof that, after finding the presence of need, a proposal does not result in wasteful duplication. This evidence may be offered by the

¹²⁰ KU's Response to Wade Farm's Second Request, Item 4.

¹²¹ HVT of June 1, 2022 Hearing at 14:08:28 and 14:09:20

applicant or intervenors, and may be presented in support or opposition of the proposal. There is no legislative directive or administrative regulation that requires a strict showing that a proposal minimizes the number of landowners affected by utility construction, or consideration of the impact of eminent domain resulting from a proposed facility, in the determination of whether or not a utility has met its burden of proof regarding the lack of wasteful duplication.

Furthermore, the Commission has no statutory authority to select the specific route of a proposed transmission line. KRS 278.020(1)(b) gives the Commission authority to issue a CPCN, refuse a CPCN, or issue a CPCN, in part and refuse it, in part. In prior cases where the Commission found that a utility had demonstrated a need for a proposed transmission line but found insufficient evidence to determine whether the utility adequately evaluated alternative routes before selecting a preferred route, the Commission found that need existed, but that the utility had not demonstrated a lack of wasteful duplication, and therefore denied the CPCN application.¹²² In performing its review, the Commission must determine whether the utility has meaningfully considered alternatives (including alternate routes) and made a reasonable choice, given the totality of the circumstances and evidence.

¹²² See Case No. 2005-00089, *The Application of East Kentucky Power Cooperative, Inc. for a Certificate of Public Convenience and Necessity to Construct a 138 kV Transmission Line in Rowan County, Kentucky* (Ky. PSC Aug. 19, 2005); Case No. 2005-00142 *Joint Application of Louisville Gas and Electric Company and Kentucky Utilities Company for the Construction of Transmission Facilities in Jefferson, Bullitt, Meade, and Hardin Counties, Kentucky* (Ky. PSC Sept. 8, 2005); Case No. 2005-00154, *Application of Kentucky Utilities Company for a Certificate of Public Convenience and Necessity for the Construction of Transmission Facilities in Anderson, Franklin, and Woodford Counties, Kentucky* (Ky. PSC Sept. 8, 2005). In these cases, the Commission found that the proposed facilities were needed, but that the utility had not adequately explored alternatives, specifically alternate routes for the proposed transmission lines. The Commission denied the applications because the utilities had not demonstrated that the proposed projects would not result in wasteful duplication.

Here, KU has considered alternatives to the proposed project and has considered alternate routes for the proposed transmission lines. KU does not have sufficient current transmission facilities to provide the power required by the Ford facilities.¹²³ As part of the proposed project, KU intends to remove a portion of a 345 kV line to eliminate wasteful duplication.¹²⁴ Once the removal of the line is complete and the new lines energized, KU intends to release the easements related to that removed portion of line.¹²⁵ Furthermore, given the particular demands required to serve the Ford facility, as well as any future growth in the area, as additionally explained below, the Commission finds that a review of the record indicates that KU's proposal, that is the two 345 kV lines, two 138 kV lines and two associated substations, are the least cost most reasonable alternative to satisfy KU's need, particularly within the timeframe necessary. This determination turns in large part on the Commission's finding, below, regarding the route selection of the 345 kV lines.

In an effort to explore alternate routes for the proposed transmission line and determine the preferred route, KU hired Team Spatial to conduct a siting study to consider alternate routes for the proposed transmission line. The study selected a route based on the application of a methodology previously used by a utility where the Commission approved a CPCN.¹²⁶

¹²³ McFarland Direct Testimony at 5, lines 6-18.

¹²⁴ KU's Response to Staff's Second Request, Item 1.

¹²⁵ KU's Response to Staff's Post-Hearing Request, Item 3.

¹²⁶ See Case No. 2019-00417, *Electronic Application of Big Rivers Electric Corporation for a Certificate of Public Convenience and Necessity to Construct and Acquire a 345 kV Transmission Line in Meade County, Kentucky* (Ky. PSC May 1, 2020); and Case No. 2022-00012, *Electronic Application of Big Rivers Electric Corporation for a Certificate of Public Convenience and Necessity to Construct a 161 kV Transmission Line in Henderson County, Kentucky* (Ky. PSC June 6, 2022) and Application at Exhibit 2, at 7. The EPRI (Electric Power Research Institute) - GTC (Georgia Transmission Corporation) Siting Methodology and the Kentucky Siting Model were used in these proceedings.

In support of proposed Route A, KU stated that alternative proposed Route D's centerline runs within 300 feet of 14 residences and the chosen Route A's centerline is 300 feet from only seven residences.¹²⁷ Alternate proposed Route D is the least expensive route although KU did not choose this route.¹²⁸ However, the Commission has noted that cost is not the only factor in where a transmission line, substation, or appurtenances should be located. In this case, KU is working with a specific contractual timeline as well as a unique load capacity requiring high voltage lines that require a right-of-way of 200 feet. As such, the Commission finds that KU provided ample evidence that it considered all the options prior to selecting a route, and the company chose a reasonable route, given all considerations and evidence. The Commission finds that KU's proposed construction of two 345 kV transmission lines, two 138 kV transmission lines and two associated substations as set forth in the application will not result in wasteful duplication.

Wade Farm implied that KU did not actually utilize a prior approved methodology and instead, manipulated the Team Spatial study to suit the company's needs.¹²⁹ Although the Commission would appreciate forthcoming responses when a utility is questioned about a feasibility study, the totality of the evidence indicates that KU did, in fact, consider all reasonable alternatives and chose the most suitable one for the customers' needs and the company's requirements. Wade Farm objected to the different weights assigned to criteria in the Expert Judgment Model portion of the siting study, and

¹²⁷ McFarland Rebuttal Testimony at 5.

¹²⁸ Application, Exhibit 2 at 53.

¹²⁹ Direct Testimony of Marty Marchaterre (Marchaterre Direct Testimony) (filed May 12, 2022).

pointed out that this scoring methodology differs from the scoring methodology used by Team Spatial in the Expert Judgment Model used in Case No. 2019-00417.¹³⁰ However, KU has met its burden of showing the proposed facilities are needed and that their construction will not result in wasteful duplication. The fact that criteria in this case were weighted differently than criteria in another case, does not change the fact that alternatives were meaningfully explored, and KU chose the most suitable one to meet the customer's need and its obligation to provide adequate, efficient, and reasonable service.

Request to Move Centerline

The Commission finds that KU's request to move the location of the proposed transmission line up to 500 feet on either side of the centerline, as shown on the maps filed with the application so long as no new property owners are affected, to be excessive without conditions. KU stated in its responses that it requested the corridor in order to accommodate a property owner's preference for line location.¹³¹ KU has completed almost all of the boring samples and did not foresee any geotechnical issues that would require the line to be moved.¹³²

The Commission understands that some degree of flexibility is needed and therefore finds that KU shall have the authority to move the proposed transmission line up to 100 feet in either direction from the centerline, as it appears on the maps that accompanied KU's application, for any reason so long as it does not affect a new property owner. Additionally, the Commission finds that, if KU discovers a constructability need to

¹³⁰ Case No: 2019-00417, May 1, 2020 Order.

¹³¹ McFarland Direct Testimony at 9, lines 12-17. See also KU's Response to the Browns' First Request Item 5, and KU's Response to Wade Farm's First Request, Item 5.

¹³² HVT of June 1, 2022 Hearing at 12:01:55.

move the location of the transmission line more than 100 feet from the centerline, and no additional property owners are affected by the move, then KU shall file a motion in this proceeding to request approval for such a move.

The motion shall identify the proposed location of the centerline, the affected landowner(s), and state in detail and with technical specificity the need for the proposed modification. KU shall serve the motion for approval to move the centerline on any affected landowner(s), even if not a party to this proceeding. Upon receiving adequate information to thoroughly consider the request, the Commission will use its best efforts to rule upon such motions within 14 days.

However, the Commission does find that additional flexibility is necessary in the event KU proposes to move the transmission line at the request of affected landowners. Therefore, in the event KU proposes to move the line within the proposed 1,000-foot corridor, for the sole purpose and in response to an affected landowner's request, it shall have the authority to do so without any requirement to seek Commission approval, so long as no additional property owner is affected by the move. KU shall notify the Commission of any move in excess of 50 feet that is made in order to accommodate affected landowners' requests by filing a notice in the post-hearing correspondence file of this matter. Any notice should identify the landowner's request, the new route, and any other relevant information KU seeks to provide to the Commission as part of its notice.¹³³

If KU discovers a need to move the location of the transmission line more than 500 feet in either direction of the centerline as proposed in this application, or if KU discovers

¹³³ Based on the rebuttal testimony of Elizabeth McFarland on behalf of KU (filed May 27, 2022) at 12, and 13, the Commission is aware that KU is going to work with the Browns to move the proposed transmission line route. KU still has obligation to file the information required in this paragraph.

a need to move the transmission line on a path that will affect the property of an additional property owner, either by including the additional property in the path of the line or in the right of way, then KU must file a new application for a CPCN.

IT IS THEREFORE ORDERED that:

1. KU is granted a CPCN to construct the transmission facilities, as requested.
2. KU is permitted to move the line up to 100 feet in either direction of the centerline so long as, including the required right of way, no new property owners are affected.
3. KU shall follow the process set forth in this Order if constructability concerns require that the location of the proposed transmission line be moved more than 100 feet in any direction from the location identified in the application so long as, including the required right of way, no new property owners are affected.
4. KU is granted authority to move the location of the proposed transmission lines up to 500 feet in either direction from the centerline as proposed for the sole purpose of responding to a landowner request so long as, including the required right of way, no new property owners are affected.
5. KU shall notify the Commission of any move of the transmission line(s) that is greater than 50 feet and made in response to a land-owner request by filing a notice into the post-case correspondence file of this proceeding as set forth in the Order.
6. KU shall file a survey of the final location of the transmission facilities after any modifications are finalized as authorized by this Order and before construction begins.

7. KU shall file as built drawings and maps within 60 days of the completion of the construction authorized by this Order.

8. KU shall furnish documentation of the total costs of this project including the cost of construction and all other capitalized costs, including, but not limited to, engineering, legal and administrative expenses, within 60 days of the date construction is substantially completed. Construction costs shall be classified into appropriate plant accounts in accordance with the Uniform System of Accounts for electric utilities prescribed by the Commission.

9. KU shall file with the Commission any permits acquired in connection with this project within 30 days of issuance of the permit.

10. KU shall file the ITO study for the TSR for serving the permanent load at the Glendale Megasite when they receive it.

11. KU shall apply for a CPCN for a modified route if another agency requires an alteration of the line that does not meet all of the conditions in this Order.

12. Any documentation filed in the future pursuant to ordering paragraph 2 through 10 shall reference this case number and shall be retained in the post case correspondence file.

13. This case is closed and removed from the Commission's docket.

PUBLIC SERVICE COMMISSION

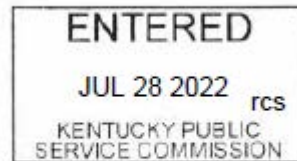


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