

Case No. 2005-00467
Case No. 2005-00472

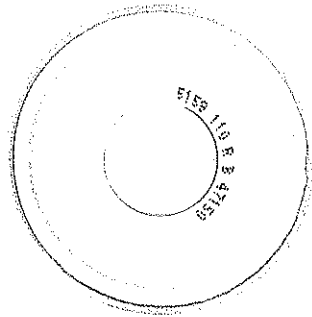


Exhibit CMD-1 (Table)
Filed - December 22, 2005

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF LOUISVILLE)	
GAS AND ELECTRIC COMPANY AND)	
KENTUCKY UTILITIES COMPANY FOR)	
A CERTIFICATE OF PUBLIC CONVENIENCE)	CASE NO.
AND NECESSITY FOR THE CONSTRUCTION)	2005-00472
OF ALTERNATIVE TRANSMISSION FACILITIES)	
IN JEFFERSON, BULLITT, MEADE AND)	
HARDIN COUNTIES, KENTUCKY)	

**DIRECT TESTIMONY OF
JOHN WOLFRAM
E.ON U.S. SERVICES INC.**

Filed: December 22, 2005

1 **Q. Please state your name, position and business address.**

2 A. My name is John Wolfram. I hold the position of Manager, Regulatory Affairs,
3 for E.ON U.S. Services, Inc. on behalf of Louisville Gas and Electric Company
4 (“LG&E”) and Kentucky Utilities Company (“KU”) (LG&E and KU are referred
5 to collectively as the “Companies”). My business address is 220 West Main
6 Street, P.O. Box 32020, Louisville, Kentucky 40202. A statement of my
7 qualifications is attached as Appendix A.

8 **Q. Have you previously testified before the Commission?**

9 A. Yes. I filed testimony on January 23, 2002, in the case entitled *In the Matter of:*
10 *Application of Louisville Gas and Electric Company and Kentucky Utilities*
11 *Company for a Certificate of Public Convenience and Necessity for the*
12 *Acquisition of Two Combustion Turbines*, Case No. 2002-00029. I also filed
13 testimony on October 18, 2002, in the case entitled *In the Matter of: Application*
14 *of Louisville Gas and Electric Company and Kentucky Utilities Company for a*
15 *Certificate of Public Convenience and Necessity for the Acquisition of Four*
16 *Combustion Turbines and a Site Compatibility Certificate for the Facility*, Case
17 No. 2002-00381. In addition, I have presented the Companies’ statement at two
18 local public hearings conducted by the Commission pursuant to KRS 278.020(8).
19 The first local public hearing was held on July 5, 2005, in Case No. 2005-00154,
20 *In the Matter of: Application of Kentucky Utilities Company for a Certificate of*
21 *Public Convenience and Necessity for the Construction of Transmission Facilities*
22 *in Franklin, Woodford and Anderson Counties*. The second local public hearing
23 was held on July 12, 2005, in Case No. 2005-00142, *In the Matter of: Joint*

1 *Application of Louisville Gas and Electric Company and Kentucky Utilities*
2 *Company for a Certificate of Public Convenience and Necessity for the*
3 *Construction of Transmission Facilities in Jefferson, Bullitt, Meade and Hardin*
4 *Counties.*

5 **Q. What is the purpose of your testimony?**

6 A. My testimony will (i) discuss the Companies' understanding of the Commission's
7 conclusion that the Companies have established a need for transmission facilities
8 from the LG&E Mill Creek Generating Station (the "Mill Creek Station") to KU's
9 Hardin County Substation as set forth in the order of September 8, 2005, in Case
10 No. 2005-00142; (ii) provide an overview of the steps taken by the Companies to
11 comply with the directions of the Commission in respect of the route selection
12 process for electric transmission facilities; (iii) describe the rate impact of
13 differing cost sensitivities relating to the transmission facilities and (iv) discuss
14 the need for the ability to make unsubstantial modifications to the route after that
15 route has been approved.

16 **Q. Has the Commission previously addressed the need for the transmission**
17 **facilities that are the subject of this proceeding?**

18 A. Yes. Although the route is slightly different, the transmission facilities proposed
19 to be constructed in this proceeding begin and end at the same points as the
20 facilities proposed to be constructed in Case No. 2005-00142. This line is one of
21 the lines needed to accommodate the addition of a 750 MW nominal net super-
22 critical pulverized coal-fired base load generating unit at the Companies' Trimble

1 County Station ("TC2"). In the order of September 8, 2005, in Case No. 2005-
2 00142, the Commission set forth the following analysis at pages 5-6:

3 LG&E/KU's witnesses testified that, if the Trimble
4 plant addition is built, the line will be required. The
5 Company further stated that the main goal of the
6 transmission project is to ensure the reliability of
7 the network at the least cost to the public. The
8 transmission planning studies by LG&E/KU and the
9 Midwest Independent Transmission System
10 Operator, Inc. ("MISO") considered this and the
11 other two proposed lines [footnote omitted] as a
12 package designed to accommodate bringing TC2
13 on-line. The transmission planning studies
14 considered the entire transmission system of both
15 KU and LG&E as a whole in searching for the best
16 way to protect the system once TC2 came on-line.
17 Liberty [Consulting Group] reviewed the
18 transmission planning processes and preliminary
19 transmission studies of LG&E/KU and the
20 additional work of MISO transmission planning
21 engineers. MISO performed all power flow and
22 short circuit studies and all transient and long-term
23 studies. LG&E/KU performed an internal short
24 circuit analysis to verify the short circuit results
25 obtained by MISO. Liberty agreed with the
26 Company that the line, in addition to the other two
27 proposed lines, will be required to carry the power
28 from TC2 and that it should be built on the
29 proposed schedule. [footnote omitted] Based on the
30 testimony and other record evidence, the
31 Commission finds that the need for the proposed
32 line has been established and will be required upon
33 commencement of operations at TC2.

34
35 The Commission made the following statement in the Conclusions portion of the
36 September 8, 2005, order at page 10:

37 Therefore, the Commission finds that the additional
38 transmission facilities are required to integrate the
39 proposed TC2 generating plant into the transmission
40 grid. We further find that LG&E/KU has
41 established a need for such a project.
42

1 As Michael G. Toll states in his testimony in this proceeding, the
2 Companies have studied the need for the transmission project, as has MISO.
3 The Commission has studied the need for the transmission project, as has its
4 consultant in Case No. 2005-00142, Liberty Consulting Group. They have all
5 concluded that there is a need for the transmission facilities.

6 **Q. Have there been any changes in circumstances since the Commission's**
7 **finding on September 8, 2005?**

8 A. There have been no changes in the circumstances surrounding the need for the
9 project since the date of the Commission's order in Case No. 2005-00142, except
10 that the Commission has granted the Companies' application for a CCN to
11 construct TC2 and granted a Site Compatibility Certificate for the expansion of
12 the Trimble County plant. The Commission granted the Companies a CCN for
13 the construction of TC2 on November 1, 2005, in Case No. 2004-00507, *In the*
14 *Matter of: Joint Application of Louisville Gas and Electric Company and*
15 *Kentucky Utilities Company for a Certificate of Public Convenience and*
16 *Necessity and a Site Compatibility Certificate for the Expansion of the Trimble*
17 *County Generating Station.* A Site Compatibility Certificate for TC2 was granted
18 by the Commission in Case No. 2004-00507 on November 9, 2005. The TC2
19 CCN removes the basis for any claim that the need for transmission facilities from
20 the Mill Creek Station to the Hardin County Substation is speculative and
21 highlights the fact that the transmission facilities at issue here are needed to
22 support the Companies' growing native load. The Companies, therefore, believe

1 that the need for the transmission facilities should be found to have been
2 established.

3 **Q. KRS 278.020(8) permits the Commission to hire an independent firm to assist**
4 **it in reaching its decision in transmission line CCN cases. Do you believe that**
5 **the Commission should retain such an independent firm in this proceeding?**

6 A. As I indicated above, the Commission retained the Liberty Consulting Group in
7 Case No. 2005-00142 to assist it in reaching its decision on the need for the
8 proposed facilities in that proceeding. If the Commission is considering the
9 retention of an independent firm to assist it in deciding whether there is a need for
10 the facilities, then I do not believe that the Commission should hire a firm for that
11 purpose as Liberty and the Commission have both already determined that there is
12 a need for the subject facilities.

13 **Q. Have the Companies followed the Commission's directions regarding the**
14 **analysis of potential routes for these transmission facilities?**

15 A. Yes. In the Conclusions portion of the order of September 8, 2005, in Case No.
16 2005-00142, at page 10, the Commission stated,

17 Nevertheless, the Commission lacks sufficient
18 information to determine if the proposed line would
19 result in wasteful duplication of facilities.
20 Specifically, the Commission finds that LG&E/KU
21 failed to adequately consider the use of existing
22 rights-of-way, transmission lines, and corridors. As
23 such, the Commission cannot determine if approval
24 of it would violate the standards set out in the
25 *Kentucky Utilities* case.

26
27 The Companies have studied the September 8, 2005, order in detail, as well as the
28 orders in all of the transmission line CCN cases decided by the Commission since

1 the effective date of the amendments to KRS 278.020 in 2004. In addition, the
2 Companies requested and participated in an informal conference with the
3 Commission Staff and the intervenors in Case Nos. 2005-00142 and 2005-00154
4 on October 4, 2005. The Companies have studied the Informal Conference
5 Memorandum dated October 5, 2005, that was disseminated following the
6 informal conference.

7 Taking into account all the guidance and direction mentioned above, the
8 Companies undertook the route selection process for this proceeding. The process
9 was led by the Companies' Transmission Line Services personnel, who worked
10 with Photo Science, Inc. and the Companies' Regulatory Affairs personnel. As
11 Mr. Johnson describes in his testimony, they followed the five-step process
12 outlined at the October 4, 2005, informal conference as follows:

13 First, the utility should establish the need. Once
14 that is met, the utility should identify all lines that
15 could work electrically, making sure to include
16 corridors that utilize existing facilities, such as
17 substations, lines, and rights-of-way. Third, the
18 utility should identify the "least cost" alternative.
19 Fourth, the utility should consider the rate impact,
20 both overall and per customer, of alternative lines
21 that are not the "least cost." Then the utility should
22 turn to an analysis of the types of considerations
23 listed on slide 5.

24
25 "Slide 5" was attached to the Informal Conference Memorandum and contains the
26 evaluation and analysis portion of the Electric Power Research Institute ("EPRI")
27 Standardized Model of Siting Overhead Transmission Lines. It includes objective
28 route selection criteria that were utilized by the Companies in Case Nos. 2005-

1 00142 and 2005-00154 and the Companies believe that they are appropriate
2 criteria to use in the selection of routes for overhead transmission lines.

3 **Q. How did the Companies utilize the EPRI methodology?**

4 A. The Companies followed the direction of the Commission Staff at the informal
5 conference. As Mr. Johnson states in his testimony in this proceeding, the
6 Companies did not utilize the EPRI “macro-corridor” generation methodology.
7 Instead, the Companies identified the area of inquiry consistent with the
8 Commission Staff’s direction. The evaluation and analysis portion of the EPRI
9 model was utilized as recommended by the Commission as the fifth step of the
10 process. In addition, the Companies applied their expert judgment to the analysis.
11 While the step of expert judgment was not explicitly discussed at the informal
12 conference, expert judgment has traditionally been a critical element of route
13 selection for electric transmission lines and is also an important element of the
14 EPRI model.

15 **Q. What was the result of the analysis?**

16 A. The Companies identified two reasonable routes from the Mill Creek Station to
17 the Hardin County substation. The preferred route, Mill Creek to Hardin County
18 Route No. 1, is the subject of Case No. 2005-00467. The other route, Mill Creek
19 to Hardin County Route No. 2, is the alternative route for which the Commission
20 should issue a CCN if it does not issue a CCN for Route No. 1. Route No. 2 is the
21 subject of this case and is shown on Application Exhibit 2.

22 **Q. What is the rate impact if the Commission approves the Mill Creek to**
23 **Hardin County Route No. 2?**

1 A. Our preferred route, the Mill Creek to Hardin County Route No. 1 designated
2 Route AJU on Exhibit MSJ-1 and which is the subject of Case No. 2005-00467, is
3 approximately \$4.2 million less expensive than our alternative route, the Mill
4 Creek to Hardin County Route No. 2 designated Route AJW on Exhibit MSJ-1
5 and which is the subject of this proceeding. The impact to consider, then, is the
6 rate impact of the incremental \$4.2 million.

7 It is impossible to state with certainty the rate impact of this difference
8 without knowing all of the relevant information normally utilized for ratemaking
9 purposes. A full cost of service study and complete rate design within a rate case
10 are also required to accurately estimate the effect on any particular class of
11 customers.

12 However, it is possible to estimate the overall impact on the Companies'
13 total revenue requirement. Given that the Companies' cost of capital is
14 approximately 7.5%, every \$1 million of capital expenditure translates into
15 approximately a \$125,000 increase to the Companies' annual revenue requirement
16 (grossed up for taxes). Thus the \$4.2 million incremental construction cost would
17 increase the overall revenue requirement of the Companies by approximately
18 \$525,000. The Companies have approximately 887,000 end use Kentucky
19 customers. If applied equally across all customers, this would equate to an annual
20 increase of \$ 0.60 per customer. This does not reflect the way the ratemaking
21 really works, but it does properly indicate that the rate impact per customer per
22 month for this comparison is de minimis.

1 **Q. Do the Companies believe that cost should be ignored if the difference in rate**
2 **impact between route alternatives is negligible?**

3 A. No. Total cost is a very important factor in utility resource planning, even when
4 the rate impact of cost differences is negligible. Utilities in Kentucky have
5 engaged in least cost planning for system expansion (generation and transmission)
6 for many years. The Integrated Resource Planning process in Kentucky
7 encourages consideration of least-cost alternatives for meeting projected needs
8 without explicit consideration of rate impact. From a policy standpoint, “least
9 cost planning” provides well-understood criteria for making decisions. Of course
10 the Companies acknowledge that total project cost should not be the sole factor in
11 transmission route selection; numerous factors warrant thorough consideration, as
12 Mr. Johnson explains in his testimony. Given the Commission’s emphasis of
13 collocation for consideration and de-emphasis of cost in that context, the route
14 selection process has become more challenging for utilities. As the Companies
15 understand it, however, utilities have not been directed to ignore cost differences
16 altogether when the rate impact is de minimis. The utility must decide how much
17 of a cost difference – and thus how much of a rate impact – is the appropriate
18 amount for effecting the route selection. For this reason, it is important to review
19 collocation possibilities thoroughly, while continuing to emphasize total project
20 cost for competing routes and also consider other factors, even when the
21 incremental impact on customer rates is negligible.

22 **Q. In his testimony, Mr. Johnson requests the Commission to permit the**
23 **Companies to make unsubstantial modifications to the approved route**

1 **without the need for further orders from the Commission. Please explain in**
2 **more detail the Companies' request in this respect.**

3 A. The Companies made this same request in Case Nos. 2005-00142 and 2005-
4 00154. It has been our experience that in the construction of transmission
5 facilities the need arises to make slight adjustments to transmission line routes
6 because of the existence of constraints that were not known when the route was
7 finalized, requests by landowners or to address measures to avoid, minimize or
8 mitigate for potential impacts that may be identified as a result of the
9 environmental review and consultation processes required for the Fort Knox
10 segment of the line under the National Environmental Policy Act of 1969, Section
11 106 of the National Historic Preservation Act or other such laws, if and as
12 applicable. We would like to make such minor modifications without the need for
13 further approval by the Commission in order to promote administrative efficiency.
14 The Companies are aware of the manner in which the Commission addressed this
15 issue in East Kentucky Power Cooperative's Case No. 2005-00207. There the
16 Commission permitted East Kentucky Power to move the approved centerline 500
17 feet in either direction as long as the move does not shift the line or its right-of-
18 way onto the property of a different landowner and the property owner who is
19 subject to the move agrees in writing to the requested move. The Companies are
20 concerned that a slight move occasioned by a physical constraint, such as a
21 geological problem, may be necessary but a landowner may refuse consent. In
22 those instances, we believe that the matter should be taken up with a motion in
23 this proceeding rather than with a new application. Therefore, the Companies

1 support the Commission's approach to movement of the line set forth in the order
2 of October 31, 2005, in Case No. 2005-00207, subject to the different procedure
3 to deal with refusal of landowner consent.

4 **Q. Does this conclude your testimony?**

5 **A. Yes, it does.**

Appendix A

John Wolfram

Manager, Regulatory Affairs
E.ON U.S. Services, Inc.
220 West Main Street
P.O. Box 32010
Louisville, Kentucky 40202

Education

University of Notre Dame, B.S. in Electrical Engineering - 1990
Drexel University, M.S. in Electrical Engineering - 1997
Leadership Louisville 2005-2006

Previous Positions

LG&E Energy LLC, Louisville, Kentucky
2001 – 2004 Manager, Regulatory Policy & Strategy
1998 – 2001 Lead Planning Engineer, Generation Planning
1997 – 1998 Trader, Energy Marketing

PJM Interconnection, Norristown Pennsylvania
1994 – 1997 Senior Engineer, Operations Planning
1990 – 1993 Engineer, Operations Planning

Cincinnati Gas & Electric Company
1993 – 1994 Project Consultant, Energy Management System

Other Associations

Greater Louisville Regional Board for Commonwealth Fund for KET
Edison Electric Institute, Economic Regulation & Competition Committee
Institute of Electrical & Electronics Engineers and IEEE Power Engineering Society

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF LOUISVILLE)	
GAS AND ELECTRIC COMPANY AND)	
KENTUCKY UTILITIES COMPANY FOR)	
A CERTIFICATE OF PUBLIC CONVENIENCE)	CASE NO.
AND NECESSITY FOR THE CONSTRUCTION)	2005-00472
OF ALTERNATIVE TRANSMISSION FACILITIES)	
IN JEFFERSON, BULLITT, MEADE AND)	
HARDIN COUNTIES, KENTUCKY)	

DIRECT TESTIMONY OF
KATHLEEN A. SLAY
E.ON U.S. SERVICES INC.

Filed: December 22, 2005

1 **Q. Please state your name, position, and business address.**

2 A. My name is Kathleen A. Slay. I am the Director of Operating Services for E.ON U.S.
3 Services Inc., providing service to Louisville Gas and Electric Company ("LG&E") and
4 Kentucky Utilities Company ("KU") (collectively "the Companies"). My business
5 address is 820 West Broadway, Louisville, Kentucky 40232. A complete statement of my
6 professional experience and education is attached to this testimony as Appendix A.

7 **Q. Are you sponsoring any exhibits?**

8 A. Yes. I am sponsoring the following exhibits:

9 Exhibit KAS-1 Landowners to whom communications letters were sent

10 Exhibit KAS-2 Sample letter to landowners with existing right of way

11 Exhibit KAS-3 Sample letter to landowners requiring new right of way

12 Exhibit KAS-4 Comment form for landowners with existing right of way

13 Exhibit KAS-5 Comment form for landowners with new right of way

14 **Q. What is the purpose of your testimony?**

15 A. My testimony addresses the public communications efforts the Companies have
16 undertaken to advise affected landowners of the alternative transmission project which is
17 the subject of this proceeding and to obtain input from those landowners about property-
18 specific concerns regarding the project.

19 **Q. Please provide a broad overview of the public communications process which the
20 Companies have utilized in connection with this proceeding.**

21 A. The Companies began the communications process by reviewing the comments received
22 by landowners as part of the local public hearing held in Case No. 2005-00142, which
23 case involved a transmission project similar to, and affecting many of the same

1 landowners as, the alternative project proposed in this proceeding. Then, the Companies
2 engaged in a detailed pre-filing process of individual contact with landowners in order to
3 learn their concerns about the proposed transmission line and to obtain information about
4 any property-specific features that the property owners believe should be known to us in
5 connection with our planning for this line.

6 **Q. How did the Companies go about the process of making individual contact with the**
7 **landowners?**

8 A. Beginning in late November, the Companies mailed letters, including a map of the route,
9 to landowners affected by the proposed alternative route for the transmission facilities at
10 issue in this case. Those letters were mailed to the address of record for each landowner
11 per the local property valuation administrator's files. A list of all property owners to
12 whom letters were sent is attached as Exhibit KAS-1. The letters were tailored to fit the
13 two types of landowners affected by this project: those landowners whose property has
14 existing right of way which will be utilized for the project, and those from whom the
15 Companies will require new right of way for the project. Samples of both letters are
16 attached as Exhibits KAS-2 and KAS-3, respectively.

17 **Q. Were the letters just referred to used to comply with the regulatory notice**
18 **requirement set forth in 807 KAR 5:120, Section 2 (3)?**

19 A. No. The letters shown in Exhibits KAS-2 and KAS-3 were utilized as a pre-filing
20 communications effort by the Companies to inform affected landowners about the
21 proposed alternative project and to seek information from those landowners about their
22 property-specific concerns, as explained in more detail below. The Companies

1 subsequently sent further letters to affected property owners pursuant to 807 KAR 5:120,
2 Section 2 (3), as referenced in their Application at paragraph 12.

3 **Q. This proceeding involves the Companies' Application for a CCN for an alternative**
4 **route for the Mill Creek to Hardin County Line. What changes, if any, were made**
5 **to the communications process in this case due to the fact that the route at issue is**
6 **an alternative one?**

7 A. No changes were made. Although the two communications efforts did not proceed on
8 exactly the same timeline, the substance of the communications process for the
9 alternative route in this proceeding was the same as that for the preferred route.

10 **Q. Please describe in more detail the communications process for the first type of**
11 **landowner, those whose property has existing right of way that will be used.**

12 A. As can be seen from the sample letter attached as Exhibit KAS-2, the Companies advised
13 these landowners of the proposed alternative project, and then asked that they complete
14 and return a form advising the Companies of any specific concerns they had about the
15 project and informing us of any unique features of their property. A sample of this
16 comment form is attached as Exhibit KAS-4. All returned forms were reviewed with our
17 transmission department for consideration of any changes within the existing utility
18 corridor and assisting with formulating responses to landowner comments. In addition,
19 any phone or e-mail comments received by landowners were reviewed with our
20 transmission department for their consideration. As the transmission department
21 considered those comments, the Companies then sent written responses to the landowners
22 who had provided the comments. That process is ongoing as we continue to receive and
23 consider comments.

1 **Q. Please further describe the communications process for the landowners whose**
2 **property will require new right of way.**

3 A. As with landowners with existing right of way, the landowners from whom the
4 Companies will require new right of way were sent letters describing the proposed
5 project. However, as can be seen from Exhibit KAS-3, the letters to this set of
6 landowners also requested a personal meeting to discuss each landowner's concerns about
7 the proposed alternative transmission line and to learn more about any unique features of
8 the landowner's property before plans for the line were finalized. A team of
9 representatives from the Companies, acting under my direction, then followed up on that
10 letter by attempting to reach each landowner by phone and set up a personal meeting. In
11 most instances, we were able to make contact with the landowner by phone. With those
12 landowners, we either discussed the project in more detail on the phone, mailed a form to
13 be completed and returned to the Companies, or sent out one or more representatives to
14 meet in person with the landowner, depending upon the landowners' preference and
15 availability. A copy of the referenced comment form is attached as Exhibit KAS-5. That
16 same form was also used in the personal meetings that were held with certain
17 landowners. In some cases we were unable to reach the landowner in person despite our
18 initial letter and repeated phone calls. In those instances, a representative of the
19 Companies left a comment form at the property, along with a self-addressed stamped
20 envelope and a business card, in a weather-protected bag. Again, all comments received
21 from landowners were reviewed with the Companies' transmission department, which
22 then took those comments into consideration and assisted with formulating responses to
23 landowner comments. As the transmission department considered the landowner

1 comments, the Companies sent written responses to the landowners who had provided the
2 comments. That process is also ongoing as we continue to receive and consider
3 comments.

4 **Q. Why did the Companies choose the above-described method for communicating**
5 **with landowners in this proceeding?**

6 A. In choosing the method used in this case, the Companies were mindful of the
7 Commission's directive to all jurisdictional utilities, in its Order of October 31, 2005 in
8 Case No. 2005-00207, that they should attempt to identify and address specific
9 landowner concerns "at least initially, before the application [for a CCN] is filed" in order
10 to minimize the need for any post-CCN adjustments to the line's design and placement.
11 And, as explained in the testimony of Mark S. Johnson filed herein, the Companies also
12 had a need to seek the Commission's approval for this project with as much owner input
13 as possible on a timeline that would allow the needed facilities to be in place on schedule.
14 The Companies chose to contact each landowner individually because we believed this
15 method would accomplish our goal of seeking input about specific landowner concerns to
16 see whether anything could be done to resolve the issue more thoroughly and more
17 efficiently than other methods of communication, such as holding an open house.
18 However, it is important to recognize that this specific method of communication, which
19 involved a number of personal visits with landowners, was very time-intensive and
20 unprecedented in comparison to the communications efforts on other public use projects
21 in the Commonwealth. In addition, we discovered that the number of individuals who
22 were interested in a personal meeting with representatives of the Companies was no
23 greater than the number of attendees at the open house or local public hearing held in

1 Case No. 2005-00142. The Companies will assess their communications process on an
2 ongoing basis and may well utilize different methods of communications, where
3 practicable, in future proceedings, including those where time is less of the essence.

4 **Q. You mentioned an open house being one method of communication with**
5 **landowners. Will an open house be held for the alternative proposed project that is**
6 **the subject of this proceeding?**

7 A. No, for two reasons. First, an open house was held for a similar proposed transmission
8 line in Case No. 2005-00142, and many of the landowners affected by this project
9 attended that meeting. Second, and most importantly, the communications process the
10 Companies utilized this time was such that it provided an opportunity for each landowner
11 to obtain at least the same level of information as did the open-house format. For those
12 reasons, the Companies determined that an open house was not needed in this instance.

13 **Q. Why was the communications process different depending upon whether or not new**
14 **right of way was required on the landowner's property?**

15 A. As noted earlier, one of the key goals of the communications process was to comply with
16 the Commission's directive to seek landowner comments as early in the process as
17 *feasible to try and minimize the need for any post-CCN adjustments to the line's design*
18 *and placement.* The Companies recognize the importance of public communication in
19 this regard, because there may be some *information about certain properties that does not*
20 *appear in any of the maps or records available to the Companies, and the Companies*
21 *want to understand landowner concerns about their specific properties.* Those portions of
22 the proposed line designed to utilize existing right of way are less susceptible to change
23 because the line would be located in an existing utility corridor. For that reason, the

1 Companies sought written comments from landowners for that portion of the line. The
2 Companies sought personal meetings with landowners on that portion of the line
3 designed to be located in new right of way because those segments of the line lend
4 themselves to the possibility of more significant design or placement changes to
5 accommodate landowner requests, and the Companies wanted to try and address those
6 issues as early in the process as possible.

7 **Q. Please further describe the Companies' efforts to respond to landowner comments.**

8 A. As noted above, landowner comments were shared with the Companies' transmission
9 department, which then made the decision on whether any of those comments impacted
10 the line's design or placement. Most of the comments received were either general (such
11 as not wanting the line on their property in any circumstances) in nature, or sought
12 information (such as regarding right of way clearing, easement acquisition or property
13 valuation). As discussed above, the Companies wrote a response addressing the specific
14 comments as best we could. Those response letters also included contact information if
15 the landowner still had questions or concerns. In a limited number of instances, however,
16 specific questions were raised by landowners that either directly requested a change in
17 line location on the landowner's property, or which discussed a specific feature of the
18 landowner's property which warranted further inquiry. In both of those instances, the
19 Companies' transmission department investigated the matter further, as discussed in the
20 testimony of Mark S. Johnson in this proceeding. It is important to note, though, that
21 the Companies view the landowner communications process as one that will continue
22 through the time that the proposed line is actually constructed.

23 **Q. Do you have a recommendation for the Commission?**

1 A. Yes. It is my recommendation that the Commission grant the Companies the relief
2 requested in this proceeding and that, in doing so, the Commission recognize the
3 Companies' positive efforts to communicate with affected landowners and to respond to
4 their concerns about this project.

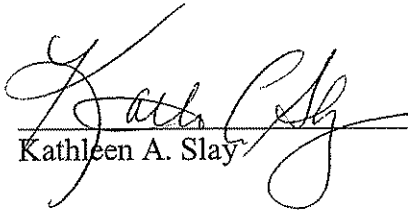
5 **Q. Does this conclude your testimony?**

6 A. Yes it does.

VERIFICATION

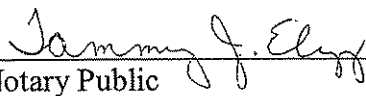
COMMONWEALTH OF KENTUCKY)
) SS:
COUNTY OF JEFFERSON)

The undersigned, Kathleen A. Slay, being duly sworn, deposes and says she is Director of Operating Services for E.ON U.S. Services Inc., that she has personal knowledge of the matters set forth in the foregoing testimony, and the answers contained therein are true and correct to the best of her information, knowledge and belief.

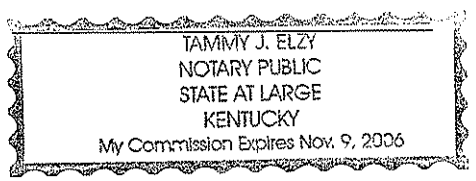


Kathleen A. Slay

Subscribed and sworn to before me, a Notary Public in and before said County and State, this 22nd day of December 2005.


_____ (SEAL)
Notary Public

My Commission Expires:



APPENDIX A

Kathleen A. Slay

Director of Operating Services
E.ON Services Services Inc.
820 W. Broadway
Louisville, Kentucky 40202

Education:

University of Rhode Island BA
Graduate Studies at Providence College and University of Louisville

Previous Positions with LG&E Energy Corp.:

Manager, Real Estate & Right of Way
Account Executive, Economic Development

Prior Employment

Assistant Director, Louisville Jefferson County Office for Economic Development
35 years in the land use and development profession

Professional Memberships:

International Right of Way Association- Past Member
Kentucky Industrial Development Association- Past Member

Route 1 New

Last Name 1	Name 2	Name 3	Address				
			Address One	Two	City	State	Zip
Addington	Alice		7743 St John Rd		Elizabethtown	KY	42701
Addington	Phillip G	Doris	880 Harris Sch Rd		Rineyville	KY	40162
Beard	Ronald C	Tamberly	10032 St John Rd		Cecilia	KY	42724
Bewley	Lizzie Mae		5131 Salt River Rd		Rineyville	KY	40162
Blevens	Avery W	Marion	936 Cow Branch Rd		West Point	KY	40177
Bodine	Robert W		695 Bratcher Ln		Vine Grove	KY	40175
Brewer	Gary W	Lesia A	1065 Katherine Station Rd		West Point	KY	40177
Bush	Michael E	Terry L	8706 St John Rd		Cecilia	KY	42724
Clarkson Farm, Inc.	C/O Robert Griffith		400 West Market St, Suite 1800		Louisville	KY	40202
Cowherd	W D		81 Spring Dr		Elizabethtown	KY	42724
Coyle	Elwood		1171 Blueball Ch Rd		Elizabethtown	KY	42701
Coyle (2 Parcels)	Samuel E		1481 Blueball Ch Rd		Elizabethtown	KY	42701
Cunningham	Dennis	Cathy	2530 N Highway 11 SE		Elizabeth	IN	47117
Davis	Dennis	Laura	1747 Blueball Ch Rd		Elizabethtown	KY	42701
Detweiler	Nevin		1164 C Mansfield Rd		Horse Cave	KY	42749
Distler	Anthony	Julie	11006 West Highway 44		West Point	KY	40177
DLC, Inc. (Cunningham's own this parcel)			2530 N Highway 11 SE		Elizabeth	IN	47117
Dodson	Floyd		1788 Bethlehem Academy Rd		Cecilia	KY	42724
Edelen	Larry	Margarita	2806 Big Spring Rd		Vine Grove	KY	40175
Estes	Bobby N	Mary S	538 Yates Chapel Rd		Cecilia	KY	42724
Farmwald	Jonas		231 Harper Cemetery Rd		Munfordville	KY	42765
French	Marion		933 Blueball Ch Rd		Elizabethtown	KY	42701
Gathof	James K		4133 Flintlock Dr	Apt F 45	Louisville	KY	40216
Gibson	Sabe	Leatrice H	974 Cow Branch Rd		West Point	KY	40177
Gossett, et.al	William		550 St Andrews Dr		Vine Grove	KY	40175
Graas	George H	Willie	7363 N Long Grove Rd		Elizabethtown	KY	42701
Grant	William		453 Cow Branch Rd		West Point	KY	40177
Hager	George A		700 Flaherty Rd		Ekron	KY	40117
Harrison	Roy		2352 New Salem Ch Rd		Vine Grove	KY	40175
Hicks	George W		345 Sand Ridge Ln		Vine Grove	KY	40175
Hobbs	Linda		1575 Bee Knob Hill Rd		Ekron	KY	40117

Hobbs	Kelly, Kevin and Susan	1664 St Martin Rd	Vine Grove	KY	40175
Hobbs	Joe L	1664 St Martin Rd	Vine Grove	KY	40175
Holloway & Son Construction	Gene Holloway	13115 Aiken Rd	Louisville	KY	40223
Holston, et.al	Glenn	8803 Grand Ridge Ct	Louisville	KY	40214
Hoskins	Leonard F	800 Nichols Hill Rd	West Point	KY	40177
Huffer (2 Parcels)	Curtis B	8998 Rineyville Big Springs Rd	Rineyville	KY	40162
Jent	James L	9796 Rineyville Big Springs Rd	Rineyville	KY	40162
Jent	Richard B	2045 S Blackbranch Rd	Cecilia	KY	42724
Jones	Charles D	1475 Flaherty Rd	Ekron	KY	40117
Kephart	William R	10840 Rineyville Big Springs Rd	Rineyville	KY	40162
Kosmos Cement Co.	C/O Darrell Wiley	Post Office Box 1500	Houston	TX	77251-1500
Kueber	Frances K	415 Redmon Rd	Vine Grove	KY	40175
Losey	Pat	4573 Salt River Rd	Rineyville	KY	40162
Lovelace	Todd	1723 Blueball Ch Rd	Elizabethtown	KY	42701
Marshall Realty Co.		Post Office Box 7066	Louisville	KY	40207
Mathews	Joe T	10777 West Highway 44	West Point	KY	40177
McGehee	Gene M	525 North Dixie Boulevard	Radcliff	KY	40160
Monroe	Violet W	1708 Bethlehem Academy Rd	Cecilia	KY	42724
Pace	Randell E	648 Cow Branch Rd	West Point	KY	40177
Padgett	Judy	420 Padgett Rd	Elizabethtown	KY	42701
Pearl, Jr.	Quinn F	2223 Blueball Ch Rd	Elizabethtown	KY	42701
Perry	Gina	7310 Grand Isle Way	Prospect	KY	40059
PGL Builders		129 Ables Mountain Ln	West Point	KY	40177
Puckett	James H	Post Office Box 966	Elizabethtown	KY	42702
Reinhardt	William D	9405 Hi-View Ln	Louisville	KY	40272
Renfro	Thomas L	1733 Weavers Run Rd	West Point	KY	40177
Rosenberger	August L	11851 Rineyville Big Springs Rd	Rineyville	KY	40162
Seagraves (2 Parcels)	Ronald	10035 St. John Rd	Cecilia	KY	42724
Sheeran	Paul Eugene II	1945 Shot Hunt Rd	Vine Grove	KY	40175
Sipes	Jerry D	1299 Bee Knob Hill Rd	Ekron	KY	40117
Snyder	Edwin W	12356 Rineyville Big Springs Rd	Rineyville	KY	40162
Straney Farms, LLC (2 Parcels)	C/O Kenny Straney	2021 St Martin Rd	Vine Grove	KY	40175
Summer	Winfred Lee	13305 Dixie Highway	Louisville	KY	40272
Thomas	Charles D	7569 N Long Grove Rd	Elizabethtown	KY	42701

Thomas	Raymond E	Donna	6770 St John Rd	Elizabethtown	KY	42724
Thompson	Charles E	Geraldine	394 Bethlehem Academy Rd	Cecilia	KY	42724
Thompson	James K	Sandra	2162 Bethlehem Academy Rd	Cecilia	KY	42724
Tunis	Bradley Malcolm	Cathy Jean	1835 Weavers Run Rd	West Point	KY	40177
Walker	Wayne C		796 Cow Branch Rd	West Point	KY	40177
Warner	Norman E	Sue	1000 Cow Branch Rd	West Point	KY	40177
William Edelen Estate	Joseph L Edelen		2806 Big Spring Rd	Vine Grove	KY	40175
Wimp	Kenneth W	Joann	106 Wimp Ln	Cecilia	KY	42724
Wood	William R	Kimberly R	1436 Brizendine Rd	Rineyville	KY	40162
Woodring	Anthony M		275 Blueball Ch Rd	Elizabethtown	KY	42701

Route 1 Existing

Aldridge	Howard	Lovonda	156 Sycamore St	Cecilia	KY	42724
Armstrong, Jr.	Carl Lee		95 Warren Ct	Vine Grove	KY	40175
Ashby	Wayne R	Marisa D. Creech	8011 Northern Spy Dr	Louisville	KY	40228
Barragan	Pamela		35 Woodside Dr	Vine Grove	KY	40175
Boak	Ingrid		6240 Russell Cave Rd	Lexington	KY	40511
Board	Gordon		1180 Hillgrove Rd	Guston	KY	40142
Bowman	Timothy E		Post Office Box 47	Muldraugh	KY	40155
Broughton, Jr.	Kenneth W		680 Lee Rd	Vine Grove	KY	40175
Brown	Tyrone	Jennifer L	270 Kinkead Rd	Vine Grove	KY	40175
Burnett	Francis R		210 Thompson Ln S	Vine Grove	KY	40175
Bush	Charles W	Imogene	733 Bacon Crk Rd	Elizabethtown	KY	42701
Bush	W R		634 Bacon Crk Rd	Elizabethtown	KY	42701
City Of Elizabethtown			Post Office Box 550	Elizabethtown	KY	42701
Clair	Michael		149 Shot Hunt Rd	Vine Grove	KY	40175
D B K Properties, LLC	C/O David Kueber		700 Shady Ln	Louisville	KY	40223
Dawes	Mark A		149 Thompson Ln S	Vine Grove	KY	40175
Delaven	Michael		140 Wooddale Ct	Vine Grove	KY	40175
Denton	Dea	Leslie R	215 Shot Hunt Rd	Vine Grove	KY	40175
Dill	Kenneth L		12221 Sholic Rd	Apple Valley	CA	92308
Doll	James A	Brigid	7249 Heatherly Square	Louisville	KY	40202
Douglas	David		155 Warren Ct	Vine Grove	KY	40175
Edwards	Edith M		Post Office Box 112	Cecilia	KY	42724

42701	Elizabethtown/Hardin Co.		111 W Dixie Ave	Elizabethtown	KY
42701	Elizabethtown/Hardin Co.		200 W Dixie Ave	Elizabethtown	KY
40175	Flory		405 Warren Ct	Vine Grove	KY
40175	Fuller	Wilma Louise	90 Thompson Ln S	Vine Grove	KY
40175	Fuller	Douglas	95 Finch Ct	Vine Grove	KY
40160	Fuller	Jason D	63 Center	Radcliff	KY
40175	Gardner	Brett	165 Fort Ave	Vine Grove	KY
42701	Hardin County Building Commissions		Post Office Box 568	Elizabethtown	KY
40175	Hatfield	Theima Mae	3705 Highway 60	Vine Grove	KY
42724	Hayden, Jr., et al	Jacob B	2138 Hayden Sch Rd	Cecilia	KY
40175	Higgs	Shelby E	130 Rays Rd S	Vine Grove	KY
40175	Higgs	Shelby D	121 Rays Rd S	Vine Grove	KY
40175	Hobbs	David W	364 Kinkoad Rd	Vine Grove	KY
42701	Humble	John B	4318 Leitchfield Rd	Cecilia	KY
40175	Jameson	Johnny	230 Boak Mountain Rd	Vine Grove	KY
40175	Jennings	Kenneth D	440 Warren Ct	Vine Grove	KY
40177	Karnes	Brenda J	234 Skyview Ct	West Point	KY
40175	Kiefer	Robert N	139 Finch Ct	Vine Grove	KY
40175	Kirk	Joyce	210 Whispering Ct	Vine Grove	KY
40175	Lowe	Billy W	70 Warren Ct	Vine Grove	KY
40175	Lusk Properties, LLC		2099 Hobbs-Reesor Rd	Vine Grove	KY
40175	Martin	Nathan D	235 Kinkoad Rd	Vine Grove	KY
40175	Mason	Michael L	110 Redbird Ct	Vine Grove	KY
40108	McGehee	Chris	Post Office Box 309	Brandenburg	KY
40160	McGehee	Gene M	525 N Dixie Blvd	Radcliff	KY
40159	McKinney, Jr	Thomas N	Post Office Box 806	Radcliff	KY
42724	Miller	Elta Castile	2450 Hayden Sch Rd	Cecilia	KY
40175	Morris	Richard	460 Warren Ct	Vine Grove	KY
40175	Mowry, Sr.	Harry	70 Woodside Dr	Vine Grove	KY
40175	Nott, Jr.	Jeffrey A	150 Woodside Dr	Vine Grove	KY
40175	Pogue	Henry	254 Kinkoad Rd	Vine Grove	KY
40175	Pugh	Bonnie Sue	455 Warren Ct	Vine Grove	KY
40175	Richardson	Barton L	56 Wooddale Ct	Vine Grove	KY
42724	Richardson	Frances	3347 Leitchfield Rd	Cecilia	KY

Scalf	Tyrus M	Diana	140 Kinkead Rd	Vine Grove	KY	40175
Sepulveda	Ray	Martha	4395 Highway 60	Vine Grove	KY	40175
Sexton	William P		460 Redbird Ct	Vine Grove	KY	40175
Shultz	Oscar G		95 Fort Ave	Vine Grove	KY	40175
Sipes	Thomas B		145 Woodside Dr	Vine Grove	KY	40175
Soliner, Jr.	Richard F		61 Warren Ct	Vine Grove	KY	40175
Stanley	Frank	Doris	185 Rays Rd S	Vine Grove	KY	40175
Thompson	John R		982 Penny Royal	Brandenburg	KY	40108
Vachon	Donald S		425 Redmon Rd	Vine Grove	KY	40175
Wade	CM Estate C/O Alice Wade		229 Bob Wade Rd	Elizabethtown	KY	42701
Walker	Adrienne		5385 Highway 60	Vine Grove	KY	40175
Ware	Arthur		355 Shot Hunt Rd	Vine Grove	KY	40175
Warren	Robert A		125 Wooddale Ct	Vine Grove	KY	40175
Watkins	Paul		160 Redbird Ct	Vine Grove	KY	40175
Whelan	Joseph A	Susan M	357 Kinkead Rd	Vine Grove	KY	40175
Whelan, Jr.	John L		240 Rays Rd	Vine Grove	KY	40175
Wimp	Joyce		309 Wimp Ln	Cecilia	KY	42724
Wimp	Mayme		308 Wimp Ln	Cecilia	KY	42724
Winchester	Janice F.		140 Kinkead Rd	Vine Grove	KY	40175

Route 2 New

Adkins	Thomas	Cornelia	CMR 449 Box 1074, APOAE 09031			
Campbell, Jr	Raymond	Anna	291 Gray Ln	Cecilia	KY	42724
Dohn	Fred	Nannie	481 Meredith Rd	Rineyville	KY	40162
Gossett	William, et.al		550 St Andrews Dr	Vine Grove	KY	40175
Harper, et.al	Roy		614 Gray Ln	Cecilia	KY	42724
House	Charley	Karen	Post Office Box 243	Rineyville	KY	40162-0243
House	James E	Georgia	Post Office Box 86	Rineyville	KY	40162-0086
Jenkins	Hildred	Marlene A	7936 Hardinsburg Rd	Cecilia	KY	42734
Morris	Lillian		410 Sun Valley Terrace	Hazard	KY	41701
Morris	Loetta Glenn		612 Cherrywood Dr	Elizabethtown	KY	42701
Pile	Hansell G	Frances	12045 St John Rd	Cecilia	KY	42724
Sampson	Harold J	Lana	493 Gray Ln	Cecilia	KY	42724
Saylor	Robert T	Yvonne	1196 Howevalley Rd	Cecilia	KY	42724

Swan	Robert M		1617 2nd St		Southport	FL	32409
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Route 2 Existing

Angeline	Richard	Janis M.	5518 N Long Grove Rd		Cecilia	KY	42724
Atherton	Lanny	Rebecca	1155 Tabb Rd		Cecilia	KY	42724
Basham	Ronnie C		295 Basham Ln		Cecilia	KY	42724
Bush	Joseph P		647 James Duvall Ln		Cecilia	KY	42724
Cherry Tree Coon Club, Inc.			Post Office Box 64		Cecilia	KY	42724
Coogle	Marvin		6829 Hardinsburg Rd		Cecilia	KY	42724
Cowherd	Paul E	Bonnie	5628 N Long Grove Rd		Cecilia	KY	42724
Dixon	Steven	Teresa	5549 N Long Grove Rd		Cecilia	KY	42724
Edwards	Carl H.	Wanda J.	6370 Hardinsburg Rd		Cecilia	KY	42724
Goodman	Lyle Wayne		190 Wright Lane		Cecilia	KY	42724
Goodman	Richard M	Anita	6756 Hardinsburg Rd		Cecilia	KY	42724
Gosselin	Steven M	Angela C.	324 Willyard Ln		Cecilia	KY	42724
Harris	J. T.		3130 Sora		Louisville	KY	40213
Henson	Kenneth	Sandra	6324 Hardinsburg Rd		Cecilia	KY	42724
Highbaugh	George A	Virginia	4515 N Long Grove Rd		Cecilia	KY	42724
Hodges	Wesley W		5786 N Long Grove Rd		Cecilia	KY	42724
Johnson	John L.		742 James Duvall Ln		Cecilia	KY	42724
Lewis	Patricia		6532 Hardinsburg Rd		Cecilia	KY	42724
Lohden, Jr.	Patrick E	Charlotte	1612 Hardinsburg Rd		Cecilia	KY	42724
Maulden	Dickie	Elaine	580 James Duvall Rd		Cecilia	KY	42724
McDevitt	Deborah L.		6434 Hardinsburg Rd		Cecilia	KY	42724
Miller	Thomas L	Janet R.	127 Eastview Rd		Cecilia	KY	42724
Perkins	Carl D	Sandra D.	6988 Hardinsburg Rd		Cecilia	KY	42724
Peterson	Charles D	Mary A.	325 Berrytown Rd		Rineyville	KY	40162
Ready	Naomi		1291 Bethlehem Academy Rd		Cecilia	KY	42724
Reesor	Phillip		575 James Duvall Ln		Cecilia	KY	42724
Richardson	Michael L	Michelle L.	804 Jefferson Pl		Elizabethtown	KY	42701
Roby	Rickey	Shelley	5487 N Long Grove Rd		Cecilia	KY	42724
Taul Revocable Trust	Philip		3142 Hardinsburg Rd		Cecilia	KY	42724
Thomas, et.al	Raymond E		6770 St John Rd		Elizabethtown	KY	42701
Thompson	Charles D	Geraldine	394 Bethlehem Academy Rd		Cecilia	KY	42724

Van Home	Joan S	1070 Tabb Rd	Cecilia	KY	42724
Van Horne	Jo Ann	936 Tabb Rd	Cecilia	KY	42724
Wickersham	Bradley H	7090 Hardinsburg Rd	Cecilia	KY	42724
	Theresa				

November 30, 2005

[property owner (per PVA)]
[owner's address (per PVA)]

RE: Request for Your Comments Regarding Planned Electric Transmission Line

Dear Mr./Ms. [property owner (per PVA)]:

Kentucky Utilities Company ("KU") plans on constructing a 345 kV electric transmission line from the Mill Creek generating station in Jefferson County to our Hardin County substation. One possible route of the line would include an upgrade of an existing transmission line crossing your property in an existing easement. We want to learn about any concerns you have regarding the possible route of the planned line and any unique features of your property. KU will then take your comments into consideration before finalizing its plans for this line. Please assist us by completing the enclosed form and returning it in the enclosed self-addressed stamped envelope. We ask that you return the form by December 16, 2005.

If you have any questions regarding the enclosed form or would like to discuss your concerns by telephone, please call Jeff Kuriger at 502-627-4522.

We recognize that your time is valuable. We would greatly appreciate you taking the time to complete and return the enclosed form. This is also the opportunity for you to advise KU of any concerns before line plans are finalized and regulatory approval for the planned line is sought. After this stage in the process it will be more difficult to make any changes to the planned line. Thank you in advance for your time.

Sincerely,

Mark S. Johnson
Director - Transmission

November 30, 2005

[property owner (per PVA)]
[owner's address (per PVA)]

RE: Request for Meeting Regarding Planned Electric Transmission Line

Dear [Mr./Ms. _____]:

Kentucky Utilities Company ("KU") plans to construct a 345 kV electric transmission line from the Mill Creek generating station in Jefferson County to our Hardin County substation. As presently planned, one possible route for the line would cross your property. As representatives of KU, we want to discuss any concerns you may have regarding the possible route of the planned line and learn more about any unique features of your property. KU will then take your comments into consideration before finalizing its plans for this line. In that regard, we would like to arrange an in person meeting between you and a KU representative where such information could be shared.

In the next few days a KU representative will telephone you to schedule a meeting at a time convenient for you. Hopefully, we can schedule a meeting time that falls within the next few weeks. We will gladly schedule the meeting at your home, office or other location convenient for you.

We recognize that your time is valuable. We would greatly appreciate you taking the time to speak with our representative. Please bear in mind that the requested meeting also provides the opportunity for you to advise KU of any concerns before line plans are finalized and regulatory approval is sought. After this stage in the process it will be more difficult to make any changes to the planned line.

Thank you in advance for meeting with us in order to discuss your concerns. We look forward to the opportunity to meet with you. Should you have any questions at this time please telephone Jeff Kuriger at 502-627-4522.

Sincerely,

Mark S. Johnson
Director - Transmission

KENTUCKY UTILITIES COMPANY
Real Estate & Right of Way Department

DATE _____

PROPERTY
OWNER NAME _____
(PRINT)

PROPERTY OWNER COMMENTS

ADDRESS _____

Kentucky Utilities would appreciate the opportunity to obtain your input concerning the proposed transmission line project from Mill Creek power plant to Hardin County substation.

Part I

Items that concern me about this project are:

Part II

Any specific features of your property we should know about? Yes No (If yes, please describe below)

FORM 1

AGENT INITIALS _____

TIME _____

DATE _____

KENTUCKY UTILITIES COMPANY
Real Estate & Right of Way Department

PROPERTY
OWNER NAME _____
(PRINT)

PROPERTY OWNER INTERVIEW

ADDRESS _____

Part I

KENTUCKY UTILITIES WOULD APPRECIATE THE OPPORTUNITY TO OBTAIN YOUR INPUT CONCERNING THE PROPOSED TRANSMISSION LINE PROJECT FROM MILL CREEK POWER PLANT TO HARDIN COUNTY SUBSTATION.

Did a representative do the following: (Please select all that apply)

- Call you
- Visit your home
- Leave behind project information
- Other

Did the representative show you a map showing the route across your property? Yes No

Did the representative explain the route approval process? Yes No

Part II

Items that concern me about this project are:

Part III

Any specific features of your property we should know about? Yes No (If yes, please describe below)

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF LOUISVILLE)	
GAS AND ELECTRIC COMPANY AND)	
KENTUCKY UTILITIES COMPANY FOR)	
A CERTIFICATE OF PUBLIC CONVENIENCE)	CASE NO.
AND NECESSITY FOR THE CONSTRUCTION)	2005-00472
OF ALTERNATIVE TRANSMISSION FACILITIES)	
IN JEFFERSON, BULLITT, MEADE AND)	
HARDIN COUNTIES, KENTUCKY)	

DIRECT TESTIMONY OF
MICHAEL G. TOLL
E.ON U.S. SERVICES INC.

Filed: December 22, 2005

1 **Q. Please state your name, position, and business address.**

2 A. My name is Michael G. Toll. I am the Manager of Transmission Planning and
3 Substations for E.ON U.S. Services Inc., providing service to Louisville Gas and Electric
4 Company ("LG&E") and Kentucky Utilities Company ("KU"). My business address is
5 220 West Main Street, Louisville, Kentucky 40202.

6 **Q. Have you previously testified before this Commission?**

7 A. Yes. I testified before this Commission in Case No. 2005-000142, *In the Matter of:*
8 *Joint Application of Louisville Gas and Electric Company and Kentucky Utilities*
9 *Company for a Certificate of Public Convenience and Necessity for the Construction of*
10 *Transmission Facilities in Jefferson, Bullitt, Meade and Hardin Counties, Kentucky* and
11 *in Case No. 2005-00154, In the Matter of: Application of Kentucky Utilities Company*
12 *for a Certificate of Public Convenience and Necessity for the Construction of*
13 *Transmission Facilities in Franklin, Woodford and Anderson Counties, Kentucky.*

14 **Q. What is the purpose of your testimony?**

15 A. My testimony addresses the need for additional 345 kV transmission facilities between
16 LG&E's Mill Creek Generating Station in Jefferson County and KU's Hardin County
17 Substation in Hardin County (the "Alternative Mill Creek to Hardin County Line"). My
18 testimony does not address the specific routing of the facilities between those two points.

19 **Q. This proceeding involves the Companies' Application for a CCN for an alternative**
20 **route for the Mill Creek to Hardin County Line. Does the analysis of need for new**
21 **transmission facilities change in any way based on whether the line is constructed as**
22 **the preferred route sought in Case No. 2005-00467 or the alternative route which is**
23 **the subject of this proceeding?**

1 A. No. The studies discussed below identified a need for an additional 345 kV line between
2 LG&E's Mill Creek Generating Station in Jefferson County and KU's Hardin County
3 Substation in Hardin County. Both the preferred route in Case No. 2005-00467 and the
4 alternative route in this proceeding involves 345 kV facilities between the Mill Creek
5 Generating Station and the Hardin County Substation, and thus both meet the identified
6 need in Jefferson, Bullitt, Meade and Hardin counties.

7 **Q. Why are the Companies proposing to construct the Mill Creek to Hardin County**
8 **Line?**

9 A. The Companies are proposing to construct this line because it is needed for them to be
10 able to deliver reliable service to their growing native loads. In Case No. 2004-00507,
11 the Commission granted the Companies a certificate of public convenience and necessity
12 ("CCN") to construct a 750 MW nominal net super-critical pulverized coal-fired base
13 load generating unit at the Trimble County Generating Station ("TC2"). TC2 will be
14 utilized to provide base load capacity to the Companies' native customers beginning in
15 2010. The Mill Creek to Hardin County Line is necessary to accommodate the addition
16 of TC2 to the Companies' generation fleet and to allow the Companies to continue
17 providing reliable, low-cost power to their native customers.

18 **Q. How was the need for the Mill Creek to Hardin County Line determined?**

19 A. The need for the line was determined through detailed studies performed by the Midwest
20 Independent Transmission System Operator, Inc. ("MISO") at the Companies' request
21 and with the Companies' input. Specifically, MISO performed a Transmission Service
22 System Impact Study ("System Impact Study") to identify constraints on the transmission
23 system that might limit the delivery of power from TC2, and to make recommendations

1 to address system limitations. A copy of the System Impact Study was attached as
2 Exhibit MSJ-1 in Case No. 2005-00142, and is incorporated herein by reference. MISO
3 also performed a Generation Interconnection Evaluation Study ("Interconnection Study")
4 to determine the impact of a TC2 interconnection on power system stability, short circuit
5 interruption requirements and potential contingency cascading problems. A copy of the
6 Interconnection Study was attached as Exhibit MSJ-2 in Case No. 2005-00142, and is
7 incorporated herein by reference. In addition, MISO conducted a Facility Study Report
8 for the options identified in the System Impact Study. A copy of that Report is attached
9 as Exhibit MSJ-3 in Case No. 2005-00142, and is incorporated herein by reference. The
10 Companies reviewed the MISO studies and concurred with the findings set forth therein.
11 Indeed, the MISO studies were consistent with an earlier, high-level study the Companies
12 performed to evaluate potential system needs to support the integration of TC2. That
13 internal study was attached in response to PSC Data Request 10(1) in Case No. 2005-
14 00142, and is incorporated herein by reference.

15 **Q. What were the results of the MISO studies?**

16 A. The studies determined that additional transmission facilities would be needed to
17 alleviate thermal issues and provide for continued system stability with the addition of
18 TC2, and identified four different options to provide for those additional facilities. Each
19 of those four options included the construction of several transmission lines in different
20 areas of the Commonwealth. The Companies chose to pursue Option 4, which includes
21 the construction of the Mill Creek to Hardin County Line.

22 **Q. Did the MISO studies need to be updated in any way for this filing?**

1 A. No. The studies evaluated the impact of the addition of TC2 on the existing transmission
2 system, and identified a number of additional facilities that would be needed, including
3 the Mill Creek to Hardin County Line, and there have been no changes to the
4 transmission system since those studies which would change the need for the Mill Creek
5 to Hardin County Line. Accordingly, there was no need to update or otherwise revisit the
6 studies in any way.

7 **Q. Do you have a recommendation for the Commission?**

8 A. Yes. It is my recommendation that the Commission affirm its previous finding in Case
9 No. 2005-00142 that there is a need for the Mill Creek to Hardin County Line, and
10 approve the relief requested in this proceeding.

11 **Q. Does this conclude your testimony?**

12 A. Yes it does.

VERIFICATION

COMMONWEALTH OF KENTUCKY)
) SS:
COUNTY OF FAYETTE)

The undersigned, Michael G. Toll, being duly sworn, deposes and says he is Manager of Transmission Planning and Substations for E.ON U.S. Services Inc., that he has personal knowledge of the matters set forth in the foregoing testimony, and the answers contained therein are true and correct to the best of his information, knowledge and belief.

Michael G. Toll

Michael G. Toll

Subscribed and sworn to before me, a Notary Public in and before said County and State, this 20th day of December, 2005.

Brenda J White

(SEAL)
Notary Public

My Commission Expires:
5-30-06

OS - 2

(10/84)

KENTUCKY PUBLIC SERVICE COMMISSION

MAIN CASE FILE NOTES

Case No. 2005-00472 Maps received 12/22/05 are located in file room
in map area

SH