



LG&E Energy LLC
220 West Main Street (40202)
P.O. Box 32030
Louisville, Kentucky 40232

December 22, 2005

Elizabeth O'Donnell
Executive Director
Kentucky Public Service Commission
211 Sower Boulevard
Frankfort, Kentucky 40602-0615

RECEIVED

DEC 22 2005

PUBLIC SERVICE
COMMISSION

RE: Application of Louisville Gas and Electric Company and Kentucky Utilities Company for a Certificate of Public Convenience and Necessity for the Construction of Alternative Transmission Facilities in Jefferson, Bullitt, Meade and Hardin Counties, Kentucky
Case No. 2005-00472

Dear Ms. O'Donnell:

Enclosed please find an original and ten (10) copies of Louisville Gas and Electric Company's ("LG&E") and Kentucky Utilities Company's ("KU") Joint Application and Testimonies in the above-referenced docket.

Pursuant to 807 KAR 5:001, Section 9(2)(d) and 807 KAR 5:120, Section 2(2), the Companies are required to file maps in a scale of 1 inch equals 1,000 feet showing the proposed transmission line and alternative routes that were considered. The required maps are labeled Exhibit 2 and Exhibit 4, respectively, to this Application. Three copies of each of these maps are filed concurrently with the Commission under separate cover due to their size. Copies of these exhibits on a smaller scale are included in the bound volume for convenience.

Also filed herein is a Motion to Consolidate in which the Companies respectfully move the Commission to consolidate this proceeding with Case No. 2005-00467, *In the Matter of: Application of Louisville Gas and Electric Company and Kentucky Utilities Company for a Certificate of Public Convenience and Necessity for the Construction of Transmission Facilities in Jefferson, Bullitt, Meade and Hardin Counties, Kentucky.*

Should you have any questions concerning the enclosed, please do not hesitate to contact me at (502) 627-4110.

Sincerely,

John Wolfram
Manager, Regulatory Affairs

cc: Parties of Record, Case No. 2005-00142

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)
AND NECESSITY FOR THE CONSTRUCTION)
OF ALTERNATIVE TRANSMISSION FACILITIES)
IN JEFFERSON, BULLITT, MEADE AND)
HARDIN COUNTIES, KENTUCKY)**

**CASE NO.
2005-00472**

RECEIVED

* * * * *
MOTION TO CONSOLIDATE

DEC 22 2006

PUBLIC SERVICE
COMMISSION

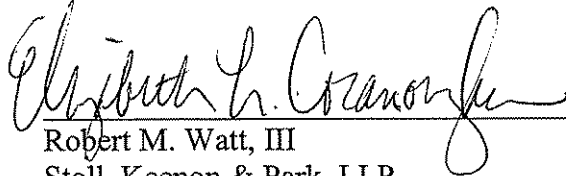
Louisville Gas and Electric Company and Kentucky Utilities Company (collectively the "Companies") respectfully move the Commission to consolidate this proceeding with Case No. 2005-00467, *In the Matter of: Application of Louisville Gas and Electric Company and Kentucky Utilities Company for a Certificate of Public Convenience and Necessity for the Construction of Transmission Facilities in Jefferson, Bullitt, Meade and Hardin Counties, Kentucky*. In support of the foregoing motion, the Companies state that this proceeding and Case No. 2005-00467 involve numerous common issues of fact and law, the same analyses of potential transmission line routes and the same witnesses for the Companies. There is a great deal of commonality between the two routes in that the primary portion of each route traverses the same line and impacts the same landowners. In Case No. 2005-00467, the Companies have made an application for a Certificate of Public Convenience and Necessity ("CCN") for a different route between the same two points as are at issue in this proceeding. In this proceeding, the Companies are requesting a CCN for an alternative route in the event the Commission

does not grant the CCN requested Case No. 2005-00467. Administrative efficiency will be enhanced if both proceedings are consolidated and proceed as one.

The Companies, therefore, pray that the Commission consolidate this proceeding with Case No. 2005-00467 for all purposes.

Dated: December 22, 2005

Respectfully submitted,



Robert M. Watt, III
Stoll, Keenon & Park, LLP
300 West Vine Street, Suite 2100
Lexington, Kentucky 40507
(859) 231-3000

J. Gregory Cornett
Ogden Newell & Welch PLLC
1700 PNC Plaza
500 West Jefferson Street
Louisville, Kentucky 40202
Telephone: (502) 582-1601

Elizabeth L. Cocanougher
Senior Regulatory Counsel
E.ON U.S. Services Inc.
220 West Main Street
Post Office Box 32010
Louisville, Kentucky 40232
Telephone: (502) 627-4850

Counsel for Louisville Gas and Electric
Company and Kentucky Utilities Company

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

RECEIVED

DEC 22 2005

In the Matter of:

PUBLIC SERVICE COMMISSION

APPLICATION OF LOUISVILLE)
GAS AND ELECTRIC COMPANY AND)
KENTUCKY UTILITIES COMPANY FOR)
A CERTIFICATE OF PUBLIC CONVENIENCE)
AND NECESSITY FOR THE CONSTRUCTION)
OF ALTERNATIVE TRANSMISSION FACILITIES)
IN JEFFERSON, BULLITT, MEADE AND)
HARDIN COUNTIES, KENTUCKY)

CASE NO. 2005-00472

* * * * *

APPLICATION IN THE ALTERNATIVE

Louisville Gas and Electric Company ("LG&E") and Kentucky Utilities Company ("KU") (collectively, the "Companies"), pursuant to KRS 278.020, et seq., 807 KAR 5:001 and 807 KAR 5:120, hereby apply to the Kentucky Public Service Commission ("Commission") for a Certificate of Public Convenience and Necessity for the construction of certain electric transmission facilities to be located in Jefferson, Bullitt, Meade and Hardin Counties, Kentucky. This filing is made in the alternative to the filing made concurrently herewith by the Companies in Case No. 2005-00467, and the relief sought here is sought only in the event that the Commission denies the Companies' Application in Case No. 2005-00467. In support of this Alternative Application, the Companies state as follows:

- 1. Address. LG&E's full name and address is: Louisville Gas and Electric Company, P.O. Box 32010, Louisville, Kentucky 40232. KU's full name and business address is: Kentucky Utilities Company, One Quality Street, Lexington, Kentucky

40507. Both LG&E's and KU's mailing addresses are: P.O. Box 32010, Louisville, Kentucky 40232.

2. Articles of Incorporation. Certified copies of the Companies' Articles of Incorporation are already on file with the Commission in Case No. 2005-00471, *In the Matter of: Application of Louisville Gas and Electric Company and Kentucky Utilities Company for Authority to Transfer Functional Control of their Transmission System*, and are incorporated herein by reference pursuant to 807 KAR 5:001, Section 8(3).

3. Description of Proposed Transmission Facilities. The Companies seek a certificate of public convenience and necessity to construct a 345 kV transmission line, approximately 43.9 miles in length, running from LG&E's Mill Creek Generating Station ("Mill Creek Station") through Jefferson County, Bullitt County, Meade County and Hardin County to KU's Hardin County Substation near Elizabethtown, Kentucky. LG&E will own that portion of the line beginning at the Mill Creek Station and running to the east boundary of the Fort Knox Military Reservation, and KU will own the remainder of the proposed line from the east boundary of the Fort Knox Military Reservation to the Hardin County Substation. 807 KAR 5:001, Section 9(2)(c).

4. Notice of Intent. The Companies filed their Notice of Intent to file this Application with the Commission on November 21, 2005, pursuant to 807 KAR 5:120, Section 1. A copy of the Notice of Intent is attached hereto as Exhibit 1.

5. Statement of Necessity. The proposed transmission facilities will be utilized to transmit electric power required by the projected load that will be served from the 750 MW nominal net (732 MW summer rating) supercritical pulverized coal fired base load generating unit, approved by the Commission in Case No. 2004-00507, to be

located at the Trimble County Generating Station ("TC2") as well as base load that will be served from other sources. The need for these facilities was established in, and approved by, the Commission in Case No. 2005-00142 and is described in more detail in the direct testimonies of Michael G. Toll and John Wolfram, submitted herewith. 807 KAR 5:001, Section 9(2)(a).

6. Statement of Convenience. The route of the transmission line is designed to serve the projected load with as little negative impact as can be reasonably afforded, while maximizing the use of existing facilities and utility corridors to the extent practicable. In deciding upon the route for this proposed alternative line, the Companies addressed the Commission's directive in its final order in Case No. 2005-00142, to thoroughly review "all reasonable alternatives, including locating the line partially or fully along existing transmission corridors." The Companies also followed the five-step route-selection process identified by Commission Staff in its October 5, 2005 Intra-Agency Memorandum in Case No. 2005-00142. The Companies' process identified over 1200 potential routes for further study, and the proposed route was determined through extensive study, conducting field surveys, evaluating the topography along the routes considered and adjusting the route as appropriate, consistent with sound engineering and regulatory principles. The direct testimonies of Mark S. Johnson and Clayton M. Doherty, submitted herewith, contain detailed discussions of the reasons that the proposed construction serves the public convenience and are incorporated herein by reference. 807 KAR 5:001, Section 9(2)(a).

7. Permits or Franchises. The Companies are not required to obtain franchises from any public authorities and, thus, none are submitted herewith as required

by 807 KAR 5:001, Section 9 (2)(b). Pursuant to 807 KAR 5:001, Section 9(2)(b), copies of all permits relating to the proposed construction that the Companies have obtained from public authorities are attached hereto. The Companies may be required to obtain FAA, highway and railroad crossing permits as well as certain environmental and construction-related permits associated with the construction of the proposed transmission line. Copies of such permits, if any, will be filed with the Commission, as obtained, to the extent required by law or requested by the Commission.

8. Description of Locations and Routes. A full description of the proposed location and route of the transmission facilities and a description of the manner in which the same will be constructed is contained in the direct testimony of Mark S. Johnson, as required by 807 KAR 5:001, Section 9(2)(c). The route for the line proposed in this Alternative Application, referred to as "Mill Creek to Hardin County Route No. 2", differs from Route 1 proposed in Case No. 2005-00467 in that Route 2 follows a different path for approximately 10 miles on the southern portion of the line as it approaches the Hardin County Substation. The proposed transmission line will not compete with any public utilities, corporations or persons. The Companies are also seeking the authority to make modifications to the specific route of the proposed line, within the corridor of properties identified herein, so long as the property owner on whose property the modification has been made agrees to the change, without the need to seek any further approval from this Commission.

9. Route Maps. Pursuant to 807 KAR 5:001, Section 9(2)(d) and 807 KAR 5:120, Section 2(2), maps in a scale of 1 inch equals 1,000 feet showing the proposed transmission line, including the affected property boundaries as indicated on the counties'

property valuation administrators' maps, and the location of all facilities, rights of way and easements are submitted herewith as Exhibit 2. Sketches of proposed typical transmission line support structures are attached as Exhibit 3. Separate maps showing any alternative routes that were considered are attached as Exhibit 4.

10. Financing of Construction. The Companies expect to initially finance the cost of construction of the proposed facilities with internally-generated cash and short-term debt. Ultimately, the costs will be consolidated into the capital structure and funded consistent with the Companies' overall mix of debt and equity. The debt is expected to be a combination of short-term debt, in the form of commercial paper notes, loans from affiliates via the money pool, bank loans, and/or long-term intercompany loans from E.ON affiliates. The Companies will seek the Commission's approval of any debt instruments as necessary. The additional equity will come in two forms: retaining current earnings and equity contributions from LG&E Energy. The mix of debt and equity used to finance the project will be determined so as to allow the Companies to maintain their strong investment-grade credit ratings. The Companies will continue to evaluate financing alternatives during construction of the project and will seek the approval of the Commission before entering into any alternative financing as necessary. 807 KAR 5:001, Section 9(2)(e).

11. Cost of Operation. The estimated cost of operation of the proposed transmission facilities is anticipated to be de minimis in the first six years of operation; thereafter, based on historical averages, operations and maintenance expense attributable to the transmission line is estimated to be approximately \$150,000-160,000 per year. 807 KAR 5:001, Section 9(2)(f).

12. Notice to Landowners. The undersigned hereby verifies that, according to property valuation administrator records in each of the counties in which the proposed construction will be located, each property owner over whose property the transmission line is proposed to cross has been sent by first-class mail, addressed to the property owner at the owner's address as indicated by the county property valuation administrator records, a notice containing the information set forth in 807 KAR 5:120, Section 2(3). A sample copy of each such notice is attached hereto pursuant to 807 KAR 5:120, Section 2(4) and designated Exhibit 5. A list of the names and addresses of the landowners to whom such notice was sent is attached hereto pursuant to 807 KAR 5:120, Section 2(4) and designated Exhibit 6.

13. Newspaper Notice. Notices of the intent to construct the proposed transmission lines have been published in newspapers of general circulation in Jefferson, Bullitt, Meade and Hardin Counties, Kentucky, which notices included the information set forth in 807 KAR 5:120, Section 2(5). Copies of the newspaper notices for the transmission line are attached hereto pursuant to 807 KAR 5:120, Section 2(6) and designated, collectively, Exhibit 7

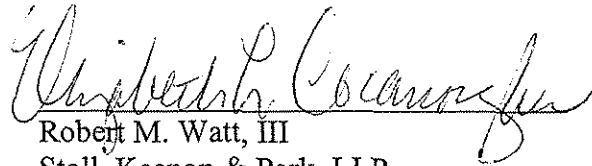
14. Effect on Financial Condition of Utility. The proposed project does not involve sufficient capital outlay to materially affect the financial condition of the Companies. 807 KAR 5:120, Section 2(7).

WHEREFORE, Louisville Gas and Electric Company and Kentucky Utilities Company, in the alternative to the relief requested in Case No. 2005-00467 and only in the event that the relief requested in Case No. 2005-00467 is denied, respectfully request

the Commission to issue an order granting them: (1) a certificate of public convenience and necessity for the construction of a 345 kV transmission line in Jefferson, Bullitt, Meade and Hardin Counties along the Mill Creek to Hardin County Route No. 2 as proposed herein; (2) the authority to make modifications to the specific route of the proposed line, within the corridor of properties identified herein, so long as the property owner on whose property the modification has been made agrees to the change, without the need to seek any further approval from this Commission; and any and all other relief to which they may be entitled.

Dated: December 22, 2005

Respectfully submitted,



Robert M. Watt, III
Stoll, Keenon & Park, LLP
300 West Vine Street, Suite 2100
Lexington, Kentucky 40507
(859) 231-3000

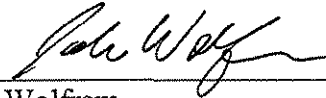
J. Gregory Cornett
Ogden Newell & Welch PLLC
1700 PNC Plaza
500 West Jefferson Street
Louisville, Kentucky 40202
Telephone: (502) 582-1601

Elizabeth L. Cocanougher
Senior Regulatory Counsel
E.ON U.S. Services Inc.
220 West Main Street
Post Office Box 32010
Louisville, Kentucky 40232
Telephone: (502) 627-4850

Counsel for Louisville Gas and Electric
Company and Kentucky Utilities Company

VERIFICATION

The undersigned, John Wolfram, Manager, Regulatory Affairs for E.ON U.S. Services Inc. on behalf of Louisville Gas and Electric Company and Kentucky Utilities Company, hereby states that he has read the foregoing Application and that the statements contained therein are true and correct to the best of my knowledge and belief this 22nd day of December, 2005.

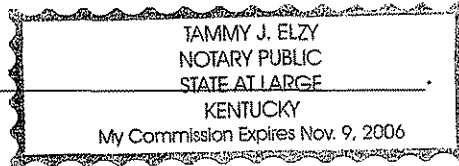


John Wolfram

STATE OF KENTUCKY)
COUNTY OF JEFFERSON)

The foregoing verification was subscribed and sworn to before me by John Wolfram as Manager, Regulatory Affairs for E.ON U.S. Services Inc., on this 22nd day of December, 2005.

My commission expires: _____



NOTARY PUBLIC



Kent W. Blake
Director
State Regulation and Rates

LG&E Energy LLC
220 West Main Street
Louisville, Kentucky 40202
502-627-2573
502-217-2442 FAX
kent.blake@lgeenergy.com

November 21, 2005

RECEIVED

Ms. Elizabeth O'Donnell
Executive Director
Kentucky Public Service Commission
211 Sower Boulevard
Frankfort, Kentucky 40601

NOV 22 2005

PUBLIC SERVICE
COMMISSION

RE: In the Matter of: Application of Louisville Gas and Electric Company and Kentucky Utilities Company for a Certificate of Public Convenience and Necessity for the Construction of Alternative Transmission Facilities in Jefferson, Bullitt, Meade and Hardin Counties, Kentucky
Case No. 2005-00472

Dear Ms. O'Donnell:

Please take notice that, pursuant to KRS 278.020 and 807 KAR 5:120, Louisville Gas and Electric Company and Kentucky Utilities Company plan to file, on or after December 21, 2005, an application for a certificate of public convenience and necessity for the construction of an alternative 345 kV transmission line in portions of Jefferson, Bullitt, Meade and Hardin Counties in Kentucky. Specifically, that proposed line will run from the Mill Creek Generating Station in Jefferson County to the Hardin County Substation in Hardin County.

Please note that this proposed line is *not* identical to the line proposed in the Companies' Notice of Intent that was filed with the Commission on November 18, 2005¹. This proposed line follows a different proposed route between the Mill Creek and Hardin County substations. The route happens to span the same four counties. Thus, the Companies are filing a separate, alternative Application.

Please assign this matter a case number and style (unique from that assigned in the November 18, 2005 matter) and advise us of the same so that it can be incorporated into the application and supporting testimony before it is filed with the Commission.

¹ *In the Matter of: Application of Louisville Gas and Electric Company and Kentucky Utilities Company for a Certificate of Public Convenience and Necessity for the Construction of Transmission Facilities in Jefferson, Bullitt, Meade and Hardin Counties, Kentucky, Case No. 2005-_____*


Ms. Elizabeth O'Donnell
Page 2
November 21, 2005

The business address and telephone number for these utilities are:

220 West Main Street
Louisville, Kentucky 40202
Telephone: (502) 627-2000

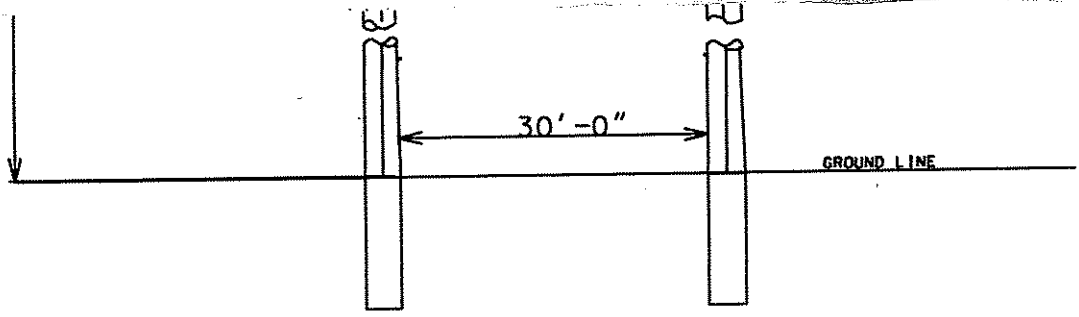
Should you have any questions, please telephone me at your earliest convenience.

Sincerely,

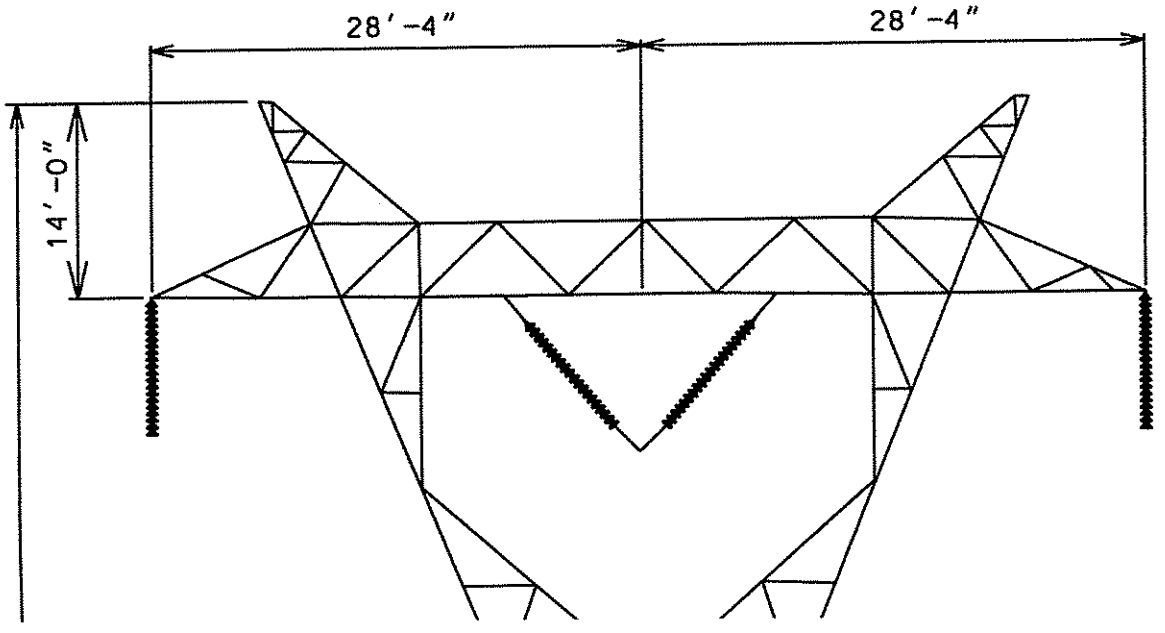
A handwritten signature in cursive script that reads "Kent W. Blake".

Kent W. Blake

D. LINE



Typical Tangent
H-Frame Structure



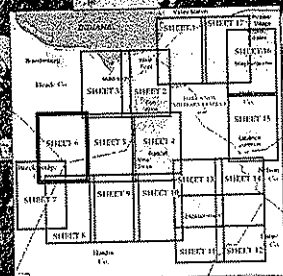
Mill Creek - Hardin Co 345 KV Line
Proposed Typical Structures

**COMPOSITE MAP
(ALL ROUTES CONSIDERED)
MILL CREEK - HARDIN COUNTY
345 KV TRANSMISSION LINE**

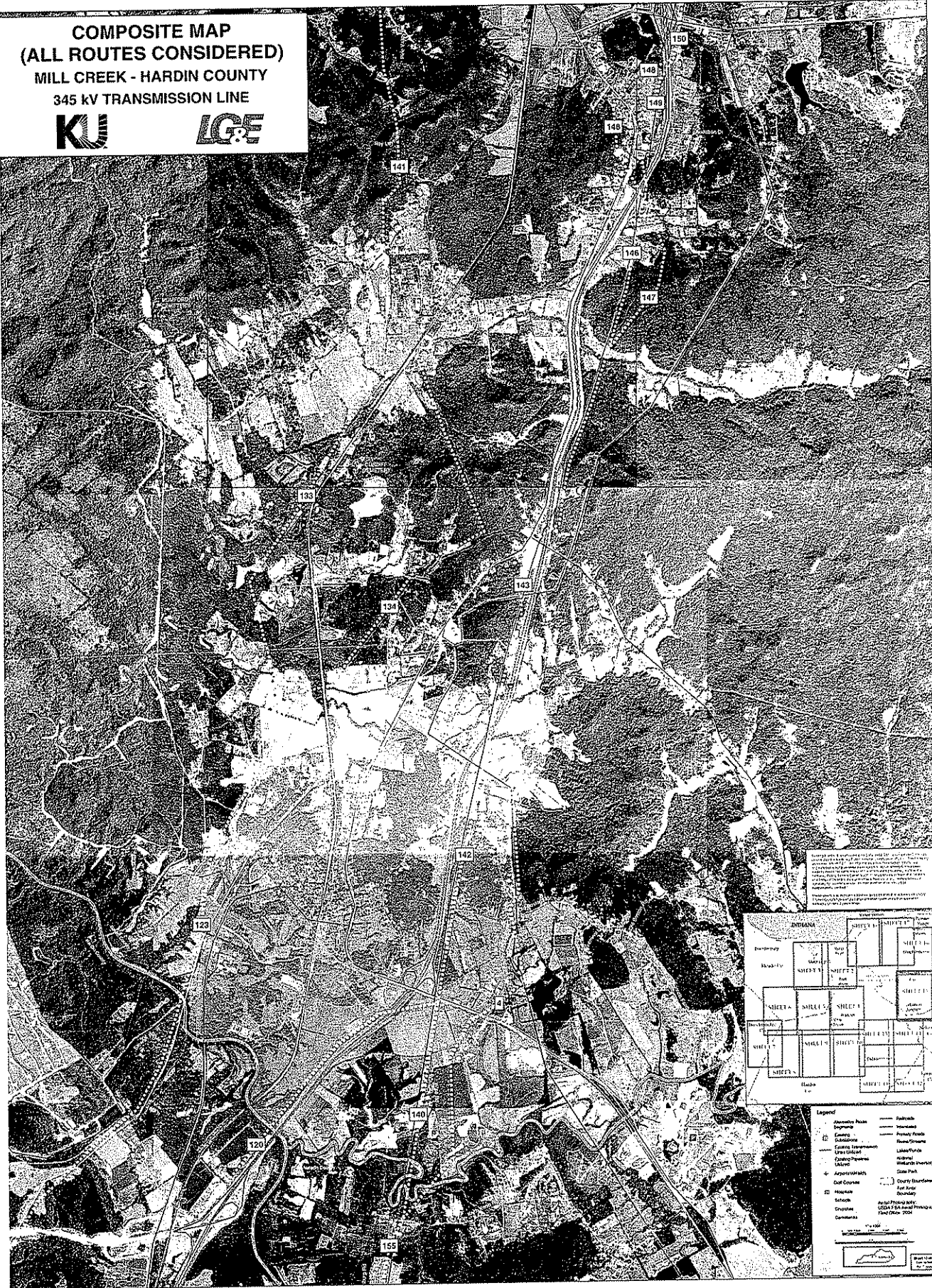


Legend
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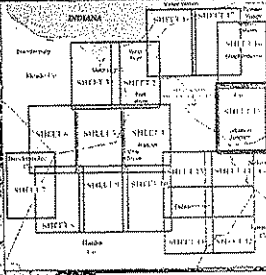
Proprietary Data	Public Data
Survey Data	Survey Data
Utility Data	Utility Data
Other Data	Other Data
...	...



**COMPOSITE MAP
(ALL ROUTES CONSIDERED)
MILL CREEK - HARDIN COUNTY
345 kV TRANSMISSION LINE**



Legend
 1. All rights reserved by the owner of the land shown on this map. No part of this map may be reproduced, stored in a retrieval system, or transmitted in any form or by any means, electronic, mechanical, photocopying, recording, or by any information storage and retrieval system, without the prior written permission of the owner of the land shown on this map.
 2. This map is a composite map of all sheets of the project. It is not intended to be used as a legal document. For legal purposes, refer to the individual sheets of the project.
 3. The information on this map is based on the best available information at the time of preparation. The owner of the land shown on this map is not responsible for any errors or omissions on this map.



Legend

Alternative Route	Subgrade
Right-of-Way	Structure
Existing Substation	Proposed Fence
Existing Transmission Line (138 kV)	Power Structure
Existing Pipelines (Water, Gas, Electric)	Line/Pole
Appropriation	Utility Right-of-Way
City/County	State Park
Highway	County Road/Highway
Intersect	Water Body
City/County	Water Priority
Comments	

Scale: 1" = 1000'

North Arrow

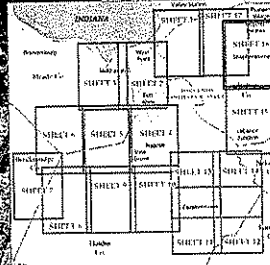
Map Date: 10/20/08



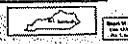
**COMPOSITE MAP
(ALL ROUTES CONSIDERED)**
MILL CREEK - HARDIN COUNTY
345 kV TRANSMISSION LINE



This map is based on a map made for the project by the Texas A&M University System, Department of Geomatics and Surveying, and the Texas A&M University System, Department of Geomatics and Surveying. The map is a composite map of the project area. The map is a composite map of the project area. The map is a composite map of the project area.



- Legend**
- Alternative Route
 - Right-of-Way
 - Existing Transmission Lines
 - Proposed Transmission Lines
 - Appurtenant Easements
 - Highway
 - School
 - Church
 - Commuter
 - Public
 - Industrial
 - Residential
 - Commercial
 - State Park
 - County Boundary
 - Town Boundary
 - 2004 File and Photography
 - File Date: 02/04



December 19, 2005

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

RE: Notice of Proposed Construction of Electric Transmission Line

Dear [Mr./Ms. _____]:

[Kentucky Utilities Company (KU)] plans on constructing a 345,000 volt electric transmission line from the Mill Creek generating station in Jefferson County to our Hardin County substation. This line is part of our continuing efforts to meet the increasing energy needs of our customers. Part of the planned line would cross your property. The route of this planned line is shown on the map enclosed with this letter.

This line was the subject of a public communications effort by [KU] during the past few weeks. You may be wondering why we are writing to you again. [KU] is sending this letter to officially notify you that [KU] has notified the Kentucky Public Service Commission that we plan to apply for regulatory approval for construction of the planned line. The Commission has assigned the case docket number 2005-00467.

We have also notified the Commission that [KU] plans to apply for regulatory approval of an alternative line that varies somewhat from the preferred line. The alternative line was also the subject of a public communications effort by [KU] in recent weeks. The Commission has assigned this case docket number 2005-00472. A map of the route that the alternative line would take is also enclosed with this letter. The alternative route is [KU]'s second choice and would only be approved by the Commission if the Commission declines approval of [KU]'s preferred route. While only one of the routes can be approved, either one would cross your property the same way. The portions of the routes that differ are not on your property.

If the Commission approves construction of either line, representatives of [KU] will contact you to discuss purchasing an easement allowing us to build the planned line across a portion of your property.

In addition, under Kentucky law, after [KU] has filed its application with the Commission, you have the right to request that the Kentucky Public Service Commission hold a local public hearing regarding the planned line. You also have the right to ask to intervene in the case. If you would like to request a local public hearing, the request must be made in writing to the Executive Director of the Kentucky Public Service Commission. The Executive Director's address is:

Executive Director

[property owner (per PVA)]
December 19, 2005
Page 2

Public Service Commission
211 Sower Boulevard
P.O. Box 615
Frankfort, Kentucky 40602

Any written request for a hearing must be made no later than thirty (30) days after [KU] has filed an application for a certificate of public convenience and necessity for the planned line. We have not filed that application yet but will file it on or after December 22, 2005. Any written request for a hearing will need to include the following:

1. the docket number of the case (the docket number for the preferred route is 2005-00467 and the docket number for the alternative route is 2005-00472);
2. the name, address, and telephone number of the person requesting the hearing; and,
3. a statement as to whether the person requesting the hearing wishes to participate in an evidentiary hearing or to make unsworn public comment.

If you wish to participate in an evidentiary hearing, you will also need to intervene in the case. You may request to intervene by filing a motion pursuant to 807 KAR 5:001, Section 3(8). If you would like to contact the Executive Director's office by telephone, the number is (502) 564-3940.

The planned line is very important to the continued reliability of our electric transmission system. We welcome any further comments you have regarding the line. You are welcome to call our Right-of-Way Department collect at (502) 627-3160.

Sincerely,

Mark S. Johnson
Director - Transmission

December 19, 2005

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

RE: Notice of Proposed Construction of Electric Transmission Line

Dear [Mr./Ms. _____]:

[Kentucky Utilities Company (KU)] plans on constructing a 345,000 volt electric transmission line from the Mill Creek generating station in Jefferson County to our Hardin County substation. This line is part of our continuing efforts to meet the increasing energy needs of our customers. Part of the planned line would cross your property. The route of this planned line is shown on the map enclosed with this letter.

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We have also notified the Commission that [KU] plans to apply for regulatory approval of an alternative line that varies somewhat from the preferred line. The alternative line was also the subject of a public communications effort by [KU] in recent weeks. The Commission has assigned this case docket number 2005-00472. A map of the route that the alternative line would take is also enclosed with this letter. The alternative route is [KU]'s second choice and would only be approved by the Commission if the Commission declines approval of [KU]'s preferred route. While only one of the routes can be approved, either one would cross your property the same way. The portions of the routes that differ are not on your property.

If the Commission approves construction of either line, [KU] will build the line in an existing utility easement crossing your property.

In addition, under Kentucky law, after [KU] has filed its application with the Commission, you have the right to request that the Kentucky Public Service Commission hold a local public hearing regarding the planned line. You also have the right to ask to intervene in the case. If you would like to request a local public hearing, the request must be made in writing to the Executive Director of the Kentucky Public Service Commission. The Executive Director's address is:

Executive Director
Public Service Commission

[property owner (per PVA)]
December 19, 2005
Page 2

211 Sower Boulevard
P.O. Box 615
Frankfort, Kentucky 40602

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1. the docket number of the case (the docket number for the preferred line is 2005-00467 and the docket number for the alternative line is 2005-00472);
2. the name, address, and telephone number of the person requesting the hearing; and,
3. a statement as to whether the person requesting the hearing wishes to participate in an evidentiary hearing or to make unsworn public comment.

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The planned line is very important to the continued reliability of our electric transmission system. We welcome any further comments you have regarding the line. You are welcome to call our Right-of-Way Department collect at (502) 627-3160.

Sincerely,

Mark S. Johnson
Director - Transmission

December 19, 2005

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

RE: Notice of Proposed Construction of Electric Transmission Line

Dear [Mr./Ms. _____]:

[Kentucky Utilities Company (KU)] plans on constructing a 345,000 volt electric transmission line from the Mill Creek generating station in Jefferson County to our Hardin County substation. This line is part of our continuing efforts to meet the increasing energy needs of our customers. Part of the planned line would cross your property. *The route of the proposed line is shown on the map enclosed with this letter.*

This line was the subject of a public communications effort by [KU] during the past few weeks. You may be wondering why we are writing to you again. [KU] is sending this letter to officially notify you that [KU] has notified the Kentucky Public Service Commission that we plan to apply for regulatory approval for construction of the planned line. The Commission has assigned the case docket number 2005-00472.

The route of the proposed line that would affect your property has been offered to the Commission as an alternative to [KU]'s preferred route. [KU] is also seeking approval of another, preferred route, for this line. If the preferred route of the line is approved, your property will not be impacted. The alternative route, which would impact your property, is [KU]'s second choice and therefore would only be approved by the Commission if the Commission declines approval of [KU]'s preferred route. If the Commission does approve construction of the alternative route, [KU] will build the line in an existing utility easement crossing your property.

In addition, under Kentucky law, after [KU] has filed its application with the Commission, you have the right to request that the Kentucky Public Service Commission hold a local public hearing regarding the planned line. You also have the right to ask to *intervene in the case*. If you would like to request a local public hearing, the request must be made in writing to the Executive Director of the Kentucky Public Service Commission. The Executive Director's address is:

Executive Director
Public Service Commission
211 Sower Boulevard
P.O. Box 615
Frankfort, Kentucky 40602

[property owner (per PVA)]
December 19, 2005
Page 2

Any written request for a hearing must be made no later than thirty (30) days after [KU] has filed an application for a certificate of public convenience and necessity for the planned line. We have not filed that application yet but will file it on or after December 22, 2005. Any written request for a hearing will need to include the following:

1. the docket number of the case (the docket number for this case is 2005-00472);
2. the name, address, and telephone number of the person requesting the hearing; and,
3. a statement as to whether the person requesting the hearing wishes to participate in an evidentiary hearing or to make unsworn public comment.

If you wish to participate in an evidentiary hearing, you will also need to intervene in the case. You may request to intervene by filing a motion pursuant to 807 KAR 5:001, Section 3(8). If you would like to contact the *Executive Director's office* by telephone, the number is (502) 564-3940.

The planned line is very important to the continued reliability of our electric transmission system. We welcome any further comments you have regarding the line. You are welcome to call our Right-of-Way Department collect at (502) 627-3160.

Sincerely,

Mark S. Johnson
Director - Transmission

December 19, 2005

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

RE: Notice of Proposed Construction of Electric Transmission Line

Dear [Mr./Ms. _____]:

[Kentucky Utilities Company (KU)] plans on constructing a 345,000 volt electric transmission line from the Mill Creek generating station in Jefferson County to our Hardin County substation. This line is part of our continuing efforts to meet the increasing energy needs of our customers. Part of the planned line would cross your property. The route of the proposed line is shown on the map enclosed with this letter.

This line was the subject of a public communications effort by [KU] during the past few weeks. You may be wondering why we are writing to you again. [KU] is sending this letter to officially notify you that [KU] has notified the Kentucky Public Service Commission that we plan to apply for regulatory approval for construction of the planned line. The Commission has assigned the case docket number 2005-00472.

The route of the proposed line that would affect your property has been offered to the Commission as an alternative to [KU]'s preferred route. [KU] is also seeking approval of another, preferred route, for this line. If the preferred route of the line is approved, your property will not be impacted. The alternative route, which would impact your property, is [KU]'s second choice and therefore would only be approved by the Commission if the Commission declines approval of [KU]'s preferred route. If the Commission does approve the alternative route, representatives of [KU] will contact you to discuss purchasing an easement allowing us to build the planned line across a portion of your property.

In addition, under Kentucky law, after [KU] has filed its application with the Commission, you have the right to request that the Kentucky Public Service Commission hold a local public hearing regarding the planned line. You also have the right to ask to intervene in the case. If you would like to request a local public hearing, the request must be made in writing to the Executive Director of the Kentucky Public Service Commission. The Executive Director's address is:

Executive Director
Public Service Commission
211 Sower Boulevard
P.O. Box 615
Frankfort, Kentucky 40602

[property owner (per PVA)]
December 19, 2005
Page 2

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1. the docket number of the case (the docket number for this case is 2005-00472);
2. the name, address, and telephone number of the person requesting the hearing; and,
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The planned line is very important to the continued reliability of our electric transmission system. We welcome any further comments you have regarding the line. You are welcome to call our Right-of-Way Department collect at (502) 627-3160.

Sincerely,

Mark S. Johnson
Director - Transmission

Last Name 1	Name 2	Name 3	Address		City	State	Zip
			Address One	Two			
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 Howe valley Rd		Cecilia	KY	42724
Swan	Robert M		1617 2nd St		Southport	FL	32409

Last Name 1	Name 2	Name 3	Address				
			Address One	Two	City	State	Zip
Ready	Naomi		1291 Bethlehem Academy Rd		Cecilia	KY	42724
Harris	J. T.		3130 Sora		Louisville	KY	40213
Peterson	Charles D.	Mary A.	325 Berrytown Rd		Rineyville	KY	40162
Thomas, et.al	Raymond E.		6770 St John Rd		Elizabethtown	KY	42701
Basham	Ronnie C.		295 Basham Ln		Cecilia	KY	42724
Van Horne	Joan S.		1070 Tabb Rd		Cecilia	KY	42724
Van Horne	Jo Ann		936 Tabb Rd		Cecilia	KY	42724
Hodges	Wesley W.		5786 N Long Grove Rd		Cecilia	KY	42724
Cowherd	Paul E.	Bonnie	5628 N Long Grove Rd		Cecilia	KY	42724
Angeline	Richard	Janis M.	5518 N Long Grove Rd		Cecilia	KY	42724
Atherton	Lanny	Rebecca	1155 Tabb Rd		Cecilia	KY	42724
Johnson	John L.		742 James Duvall Ln		Cecilia	KY	42724
Miller	Thomas L.	Janet R.	127 Eastview Rd		Cecilia	KY	42724
Maulden	Dickie	Elaine	580 James Duvall Rd		Cecilia	KY	42724
Roby	Rickey	Shelley	5487 N Long Grove Rd		Cecilia	KY	42724
Dixon	Steven	Teresa	5549 N Long Grove Rd		Cecilia	KY	42724
Taul Revocable Trust	Philip		3142 Hardinsburg Rd		Cecilia	KY	42724
Coogle	Marvin		6829 Hardinsburg Rd		Cecilia	KY	42724
Highbaugh	George A.	Virginia	4515 N Long Grove Rd		Cecilia	KY	42724
Wickersham	Bradley H.	Theresa	7090 Hardinsburg Rd		Cecilia	KY	42724
Goodman	Lyle Wayne		190 Wright Lane		Cecilia	KY	42724
Gosselin	Steven M.	Angela C.	324 Willyard Ln		Cecilia	KY	42724
Henson	Kenneth	Sandra	6324 Hardinsburg Rd		Cecilia	KY	42724
Cherry Tree Coon Club, Inc.			Post Office Box 64		Cecilia	KY	42724
Goodman	Richard M	Anita	6756 Hardinsburg Rd		Cecilia	KY	42724
Perkins	Carl D.	Sandra D.	6988 Hardinsburg Rd		Cecilia	KY	42724
McDevitt	Deborah L.		6434 Hardinsburg Rd		Cecilia	KY	42724
Edwards	Carl H.	Wanda J.	6370 Hardinsburg Rd		Cecilia	KY	42724

Lewis	Patricia		6532 Hardinsburg Rd		Cecilia	KY	42724
Reesor	Phillip		575 James Duvall Ln		Cecilia	KY	42724
Bush	Joseph P.		647 James Duvall Ln		Cecilia	KY	42724
Lohden, Jr.	Patrick E.	Charlotte	1612 Hardinsburg Rd		Cecilia	KY	42724
Richardson	Michael L.	Michelle L.	804 Jefferson Pl		Elizabethtown	KY	42701
Thompson	Charles D.	Geraldine	394 Bethlehem Academy Rd		Cecilia	KY	42724

Last Name 1	Name 2	Name 3	Address One	Address Two	City	State	Zip
Kosmos Cement Co.	C/O Darrell Wiley		Post Office Box 1500		Houston	TX	77251-1500
Renfro	Thomas L	Doris J	1733 Weavers Run Rd		West Point	KY	40177
Tunis	Bradley Malcolm	Cathy Jean	1835 Weavers Run Rd		West Point	KY	40177
Grant	William		453 Cow Branch Rd		West Point	KY	40177
Hoskins	Leonard F	Winnie C	800 Nichols Hill Rd		West Point	KY	40177
Reinhardt	William D	Lyn Hobbs	9405 Hi-View Ln		Louisville	KY	40272
Warner	Norman E	Sue	1000 Cow Branch Rd		West Point	KY	40177
Blevens	Avery W	Marion	936 Cow Branch Rd		West Point	KY	40177
Gibson	Sabe	Leatrice H	974 Cow Branch Rd		West Point	KY	40177
Gathof	James K		4133 Flintlock Dr	Apt F 45	Louisville	KY	40216
Pace	Randell E	Peggy	648 Cow Branch Rd		West Point	KY	40177
Walker	Wayne C		796 Cow Branch Rd		West Point	KY	40177
PGL Builders			129 Ables Mountain Ln		West Point	KY	40177
Distler	Anthony	Julie	11006 West Highway 44		West Point	KY	40177
Mathews	Joe T	Frances S	10777 West Highway 44		West Point	KY	40177
Sumner	Winfred Lee	Nancy L	13305 Dixie Highway		Louisville	KY	40272
Brewer	Gary W	Lesia A	1065 Katherine Station Rd		West Point	KY	40177
Holloway & Son Construction	Gene Holloway		13115 Aiken Rd		Louisville	KY	40223
Perry	Gina		7310 Grand Isle Way		Prospect	KY	40059
Marshall Realty Co.			Post Office Box 7066		Louisville	KY	40207
Kueber	Frances K		415 Redmon Rd		Vine Grove	KY	40175
McGehee	Gene M	Connie	525 North Dixie Boulevard		Radcliff	KY	40160
Jones	Charles D	James Lamar Jones	1475 Flaherty Rd		Ekron	KY	40117
Straney Farms, LLC (2 Parcels)	C/O Kenny Straney	Annette	2021 St Martin Rd		Vine Grove	KY	40175
William Edelen Estate	Joseph L Edelen		2806 Big Spring Rd		Vine Grove	KY	40175
Hobbs	Linda		1575 Bee Knob Hill Rd		Ekron	KY	40117
Sipes	Jerry D		1299 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
Edelen	Larry	Margarita	2806 Big Spring Rd		Vine Grove	KY	40175
Sheeran	Paul Eugene II		1945 Shot Hunt Rd		Vine Grove	KY	40175
Clarkson Farm, Inc.	C/O Robert Griffith		400 West Market St, Suite 1800		Louisville	KY	40202
Hager	George A		700 Flaherty Rd		Ekron	KY	40117

Hicks	George W		345 Sand Ridge Ln		Vine Grove	KY	40175
Harrison	Roy		2352 New Salem Ch Rd		Vine Grove	KY	40175
Holston, et.al	Glenn		8803 Grand Ridge Ct		Louisville	KY	40214
Bodine	Robert W		695 Bratcher Ln		Vine Grove	KY	40175
Snyder	Edwin W	Betty J	12356 Rineyville Big Springs Rd		Rineyville	KY	40162
Wood	William R	Kimberly R	1436 Brizendine Rd		Rineyville	KY	40162
Bewley	Lizzie Mae		5131 Salt River Rd		Rineyville	KY	40162
Farmwald	Jonas		231 Harper Cemetery Rd		Munfordville	KY	42765
Detweiler	Nevin		1164 C Mansfield Rd		Horse Cave	KY	42749
Losey	Pat		4573 Salt River Rd		Rineyville	KY	40162
Kephart	William R	Mary Ann	10840 Rineyville Big Springs Rd		Rineyville	KY	40162
Cowherd	W D		81 Spring Dr		Elizabethtown	KY	42724

Last Name 1	Name 2	Name 3	Address		City	State	Zip
			One	Two			
Shultz	Oscar G		95 Fort Ave		Vine Grove	KY	40175
Gardner	Brett		165 Fort Ave		Vine Grove	KY	40175
Hatfield	Thelma Mae		3705 Highway 60		Vine Grove	KY	40175
Fuller	Wilma Louise		90 Thompson Ln S		Vine Grove	KY	40175
Burnett	Francis R		210 Thompson Ln S		Vine Grove	KY	40175
Bowman	Timothy E		Post Office Box 47		Muldrough	KY	40155
Dawes	Mark A		149 Thompson Ln S		Vine Grove	KY	40175
Whelan, Jr.	John L		240 Rays Rd		Vine Grove	KY	40175
Higgs	Shelby E		130 Rays Rd S		Vine Grove	KY	40175
Stanley	Frank	Doris	185 Rays Rd S		Vine Grove	KY	40175
Higgs	Shelby D		121 Rays Rd S		Vine Grove	KY	40175
Fuller	Douglas		95 Finch Ct		Vine Grove	KY	40175
Fuller	Jason D		63 Center		Radcliff	KY	40160
Kiefer	Robert N		139 Finch Ct		Vine Grove	KY	40175
Lusk Properties, LLC			2099 Hobbs-Reesor Rd		Vine Grove	KY	40175
Sepulveda	Ray	Martha	4395 Highway 60		Vine Grove	KY	40175
Thompson	John R		982 Penny Royal		Brandenburg	KY	40108
Board	Gordon		1180 Hillgrove Rd		Guston	KY	40142
Sexton	William P		460 Redbird Ct		Vine Grove	KY	40175
Ashby	Wayne R	Marisa D. Creech	8011 Northern Spy Dr		Louisville	KY	40228
Mason	Michael L		110 Redbird Ct		Vine Grove	KY	40175
Watkins	Paul		160 Redbird Ct		Vine Grove	KY	40175
Morris	Richard	Sherry	460 Warren Ct		Vine Grove	KY	40175
Pugh	Bonnie Sue		455 Warren Ct		Vine Grove	KY	40175
Jennings	Kenneth D		440 Warren Ct		Vine Grove	KY	40175
Karnes	Brenda J		234 Skyview Ct		West Point	KY	40177
McGehee	Chris		Post Office Box 309		Brandenburg	KY	40108
Flory	Todd E		405 Warren Ct		Vine Grove	KY	40175
Doll	James A	Brigid	7249 Heatherly Square		Louisville	KY	40202

Dill	Kenneth L		12221 Sholic Rd		Apple Valley	CA	92308
Ware	Arthur		355 Shot Hunt Rd		Vine Grove	KY	40175
Douglas	David		155 Warren Ct		Vine Grove	KY	40175
Kirk	Joyce		210 Whispering Ct		Vine Grove	KY	40175
Armstrong, Jr.	Carl Lee		95 Warren Ct		Vine Grove	KY	40175
Sollner, Jr.	Richard F		61 Warren Ct		Vine Grove	KY	40175
Lowe	Billy W	Sandra	70 Warren Ct		Vine Grove	KY	40175
Broughton, Jr.	Kenneth W		680 Lee Rd		Vine Grove	KY	40175
Denton	Dea	Leslie R	215 Shot Hunt Rd		Vine Grove	KY	40175
Clair	Michael		149 Shot Hunt Rd		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
Sipes	Thomas B		145 Woodside Dr		Vine Grove	KY	40175
Warren	Robert A		125 Wooddale Ct		Vine Grove	KY	40175
Delaven	Michael		140 Wooddale Ct		Vine Grove	KY	40175
Barragan	Pamela		35 Woodside Dr		Vine Grove	KY	40175
Richardson	Barton L		56 Wooddale Ct		Vine Grove	KY	40175
Whelan	Joseph A	Susan M	357 Kinkead Rd		Vine Grove	KY	40175
Walker	Adrienne		5385 Highway 60		Vine Grove	KY	40175
Hobbs	David W	Miranda J	364 Kinkead Rd		Vine Grove	KY	40175
D B K Properties, LLC	C/O David Kueber		700 Shady Ln		Louisville	KY	40223
Martin	Nathan D		235 Kinkead Rd		Vine Grove	KY	40175
Brown	Tyrone	Jennifer L	270 Kinkead Rd		Vine Grove	KY	40175
Pogue	Henry		254 Kinkead Rd		Vine Grove	KY	40175
Scalf	Tyrus M	Diana	140 Kinkead Rd		Vine Grove	KY	40175
Winchester	Janice F.		140 Kinkead Rd		Vine Grove	KY	40175
Boak	Ingrid		6240 Russell Cave Rd		Lexington	KY	40511
McKinney, Jr	Thomas N		Post Office Box 806		Radeliff	KY	40159
Jameson	Johnny		230 Boak Mountain Rd		Vine Grove	KY	40175
McGehee	Gene M	Connie	525 N Dixie Blvd		Radeliff	KY	40160
Vachon	Donald S		425 Redmon Rd		Vine Grove	KY	40175

Hayden, Jr., et.al	Jacob B		2138 Hayden Sch Rd		Cecilia	KY	42724
Wimp	Joyce		309 Wimp Ln		Cecilia	KY	42724
Wimp	Mayme		308 Wimp Ln		Cecilia	KY	42724
Edwards	Edith M		Post Office Box 112		Cecilia	KY	42724
Aldridge	Howard	Lovonda	156 Sycamore St		Cecilia	KY	42724
Miller	Elta Castile		2450 Hayden Sch Rd		Cecilia	KY	42724
Elizabethtown/Hardin Co.			111 W Dixie Ave		Elizabethtown	KY	42701
Elizabethtown/Hardin Co.			200 W Dixie Ave		Elizabethtown	KY	42701
Humble	John B	Bernice	4318 Leitchfield Rd		Cecilia	KY	42701
City Of Elizabethtown			Post Office Box 550		Elizabethtown	KY	42701
Wade	CM Estate C/O Alice Wade		229 Bob Wade Rd		Elizabethtown	KY	42701
Richardson	Frances		3347 Leitchfield Rd		Cecilia	KY	42724
Bush	Charles W	Imogene	733 Bacon Crk Rd		Elizabethtown	KY	42701
Hardin County Building Commissions			Post Office Box 568		Elizabethtown	KY	42701
Bush	W R		634 Bacon Crk Rd		Elizabethtown	KY	42701

NOTARIZED PROOF OF PUBLICATION

STATE OF KENTUCKY

COUNTY OF Franklin

Before me, a Notary Public, in and for said County and State, this 19th day of December, 2005, came RACHEL MCCARTHY

personally known to me, who being duly sworn, states as follows:

That she is Advertising Assistant of the Ky Press
Service, Inc., and that the following

publications: see attached ran the Legal Notice for

Louisville Gas & Electric Co. & KY Utilities Co. Case No. 2005-00467 &

Case No. 2005- 00472.

Rachel McCarthy
Signed

Bonnie J. Howard
Notary Public

My commission expires 9-18-2008

KENTUCKY PRESS SERVICE

**101 Consumer Lane
(502) 223-8821**

**Frankfort, KY 40601
FAX (502) 875-2624**

Rachel McCarty Advertising Dept.

List of newspapers running the Notice to Kentucky Utilities Company Customers. Attached tearsheets provide proof of publication:

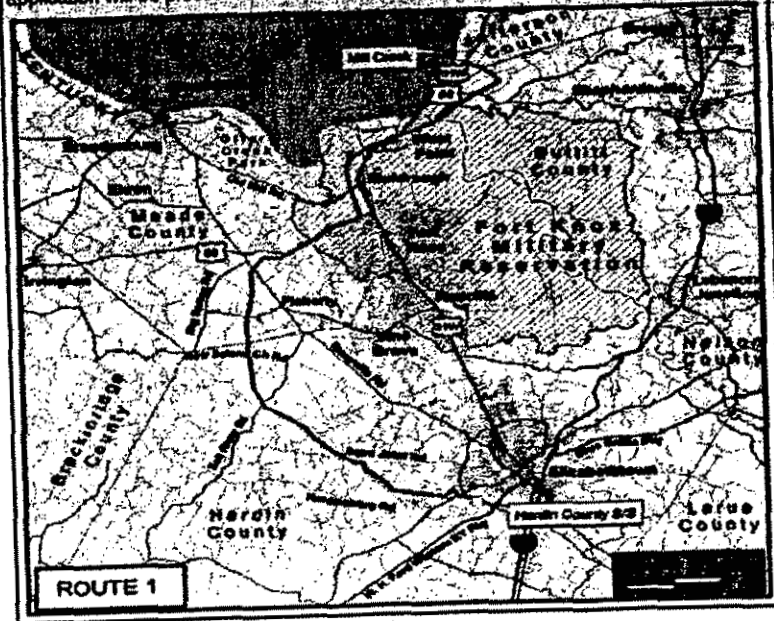
Brandenburg Messenger
Elizabethtown Hardin Co. Independent
Elizabethtown News Enterprise
Louisville Courier Journal
Shepherdsville Pioneer News

NOTICE OF PROPOSED ELECTRIC TRANSMISSION LINE CONSTRUCTION PROJECT

Louisville Gas and Electric Company ("LG&E") and Kentucky Utilities Company ("KU") propose to construct a 345 kV transmission line to run from the Mill Creek Generating Station in Jefferson County to the Hardin County Substation in Hardin County. The purpose of the proposed transmission line is to accommodate the additional generating unit to be constructed in Trimble County, approved by the Kentucky Public Service Commission ("Commission") in Case No. 2004-00507. A map showing the route of the proposed line is shown below.

LG&E and KU plan to file an application with the Commission on or about December 22, 2005, seeking a certificate of public convenience and necessity authorizing construction of the proposed transmission line. The purpose of the Commission's LG&E/KU application is to determine whether the proposed transmission line is required by the public convenience and necessity. Any interested person, including a person whose property the proposed transmission line will cross, may request intervention in this proceeding, and may request that the Commission conduct a public hearing in Jefferson, Bullitt, Meade, and Hardin counties.

To seek intervention in the Commission's proceeding on LG&E/KU's certificate of public convenience and necessity for the proposed transmission line, or to request a local public hearing in that case, contact the Executive Director, Public Service Commission, 211 Sower Boulevard, P. O. Box 615, Frankfort, Kentucky 40602, telephone number (502) 564-3940. The docket number under which this application will be processed is 2005-00467.

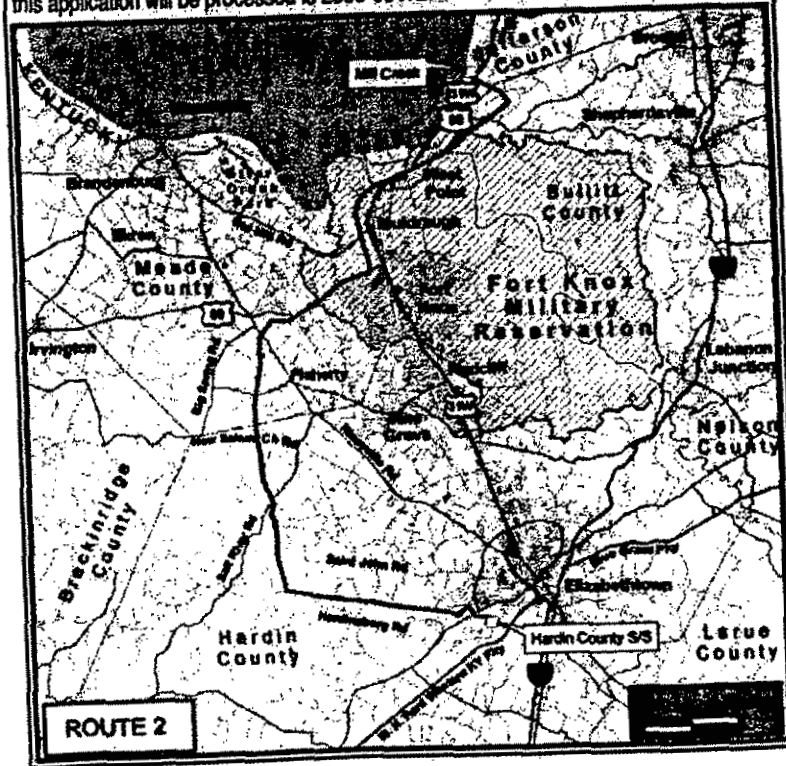


**NOTICE OF PROPOSED ELECTRIC TRANSMISSION LINE
CONSTRUCTION PROJECT**

Louisville Gas and Electric Company ("LG&E") and Kentucky Utilities Company ("KU") propose to construct an alternative 345 kV transmission line to run from the Mill Creek Generating Station in Jefferson County to the Hardin County Substation in Hardin County. The purpose of the proposed alternative transmission line is to accommodate the additional generating unit to be constructed in Trimble County, approved by the Kentucky Public Service Commission ("Commission") in Case No. 2004-00507. A map showing the route of the proposed alternative line is shown below.

LG&E and KU plan to file an application with the Commission on or about December 22, 2005, seeking a certificate of public convenience and necessity authorizing construction of the proposed alternative transmission line. LG&E/KU propose to construct this line only in the event that the application to construct a transmission line proposed in Case No. 2005-00467 is denied. The purpose of the Commission application is to determine whether the proposed alternative transmission line is required by the public convenience and necessity. Any interested person, including a person over whose property the proposed alternative transmission line will cross, may request intervention in this proceeding, and may request that the Commission conduct a public hearing in Jefferson, Bullitt, Meade, and Hardin counties.

To seek intervention in the Commission's proceeding on LG&E/KU certificate of public convenience and necessity for the proposed line, or to request a local public hearing in that case, c Director, Public Service Commission, 211 Sower Boulevard, P. O. Box 615, Frankfort, Kentucky 40602, telephone number (502) 564-3940. The docket number under which this application will be processed is 2005-00472.



THE MEADE COUNTY MESSENGER, BRANDENBURG, KENTUCKY

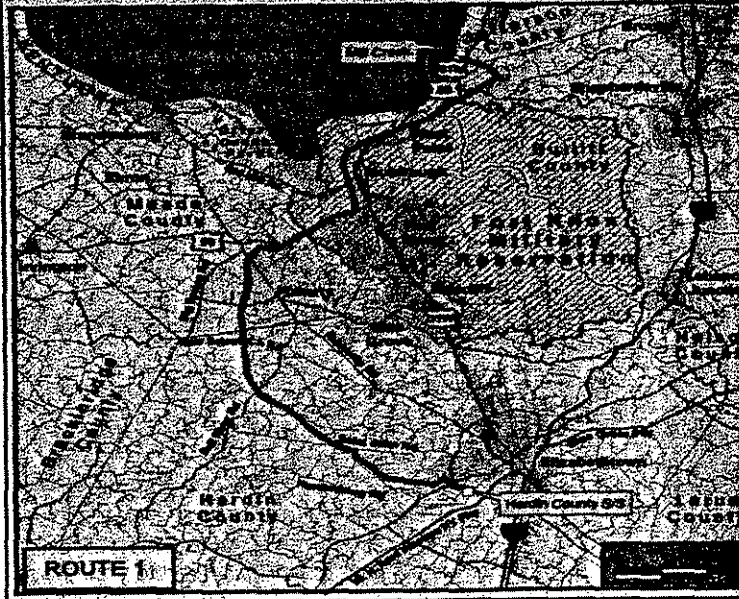
DECEMBER 14, 2005

**NOTICE OF PROPOSED ELECTRIC TRANSMISSION LINE
CONSTRUCTION PROJECT**

Louisville Gas and Electric Company ("LG&E") and Kentucky Utilities Company ("KU") propose to construct a 345 KV transmission line to run from the Mill Creek Generating Station in Jefferson County to the Hardin County Substation in Hardin County. The purpose of the proposed transmission line is to accommodate the additional generating unit to be constructed in Trimble County, approved by the Kentucky Public Service Commission ("Commission") in Case No. 2004-00607. A map showing the route of the proposed line is shown below.

LG&E and KU plan to file an application with the Commission on or about December 22, 2005, seeking a certificate of public convenience and necessity authorizing construction of the proposed transmission line. The purpose of the Commission's review of the LG&E/KU application is to determine whether the proposed transmission line is required by the public convenience and necessity. Any interested person, including a person whose property the proposed transmission line will cross, may request intervention in this proceeding, and may request that the Commission conduct a public hearing in Jefferson, Bullitt, Meade, and Hardin counties.

To seek intervention in the Commission's proceeding on LG&E/KU's application for a certificate of public convenience and necessity for the proposed transmission line, or to request a local public hearing in that case, contact the Executive Director, Public Service Commission, 211 Sower Boulevard, P. O. Box 615, Frankfort, Kentucky 40602, telephone number (502) 564-3940. The docket number under which this application will be processed is 2005-00407.

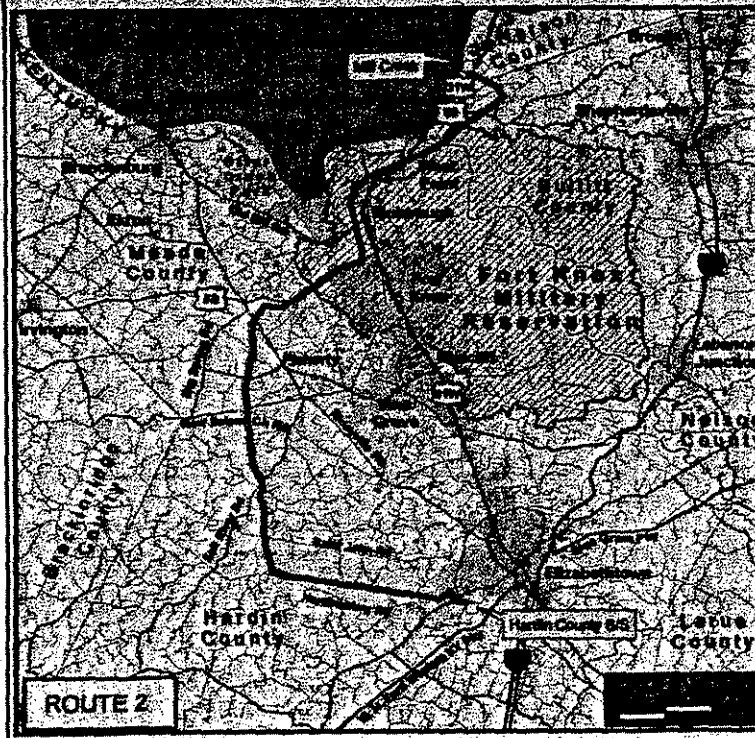


NOTICE OF PROPOSED ELECTRIC TRANSMISSION LINE CONSTRUCTION PROJECT

Louisville Gas and Electric Company ("LG&E") and Kentucky Utilities Company ("KU") propose to construct an alternative 345 kV transmission line to run from the Mill Creek Generating Station in Jefferson County to the Hardin County Substation in Hardin County. The purpose of the proposed alternative transmission line is to accommodate the additional generating unit to be constructed in Trimble County, approved by the Kentucky Public Service Commission ("Commission") in Case No. 2004-00507. A map showing the route of the proposed alternative line is shown below.

LG&E and KU plan to file an application with the Commission on or about December 22, 2005, seeking a certificate of public convenience and necessity authorizing construction of the proposed alternative transmission line. LG&E/KU propose to construct this line only in the event that the application to construct a transmission line proposed in Case No. 2005-00467 is denied. The purpose of the Commission's review of the LG&E/KU application is to determine whether the proposed alternative transmission line is required by the public convenience and necessity. Any interested person, including a person over whose property the proposed alternative transmission line will cross, may request intervention in this proceeding, and may request that the Commission conduct a public hearing in Jefferson, Bullitt, Meade, and Hardin counties.

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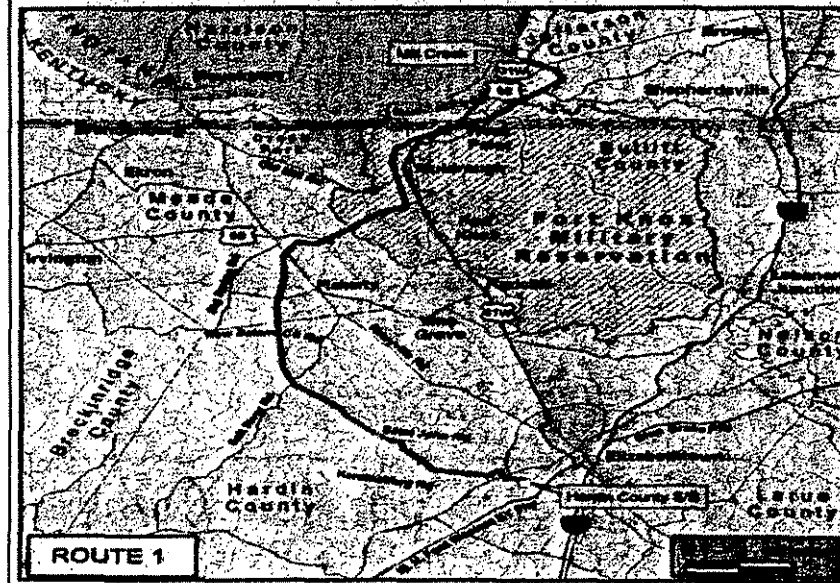


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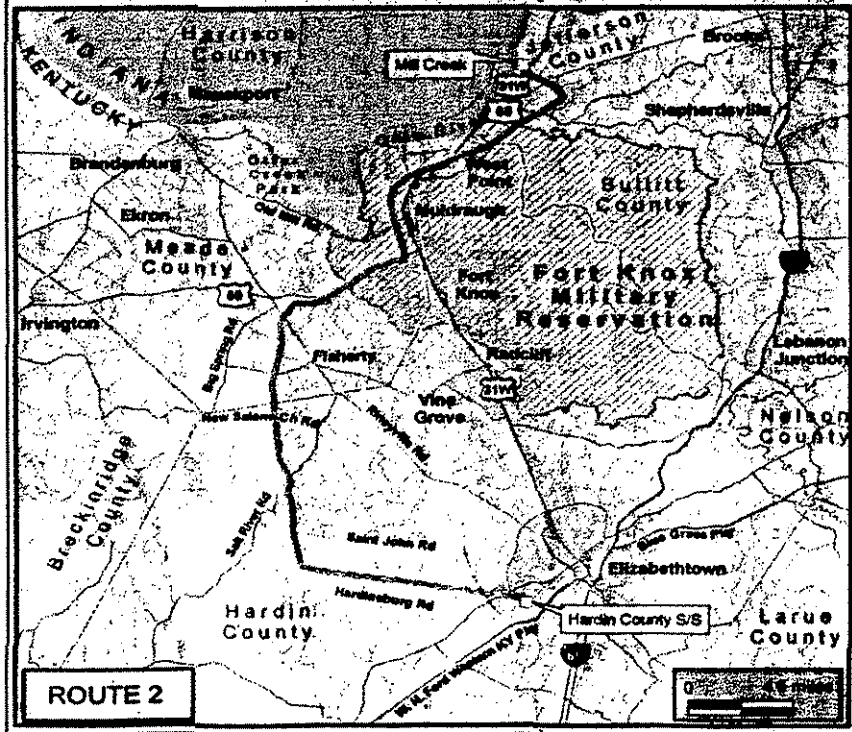


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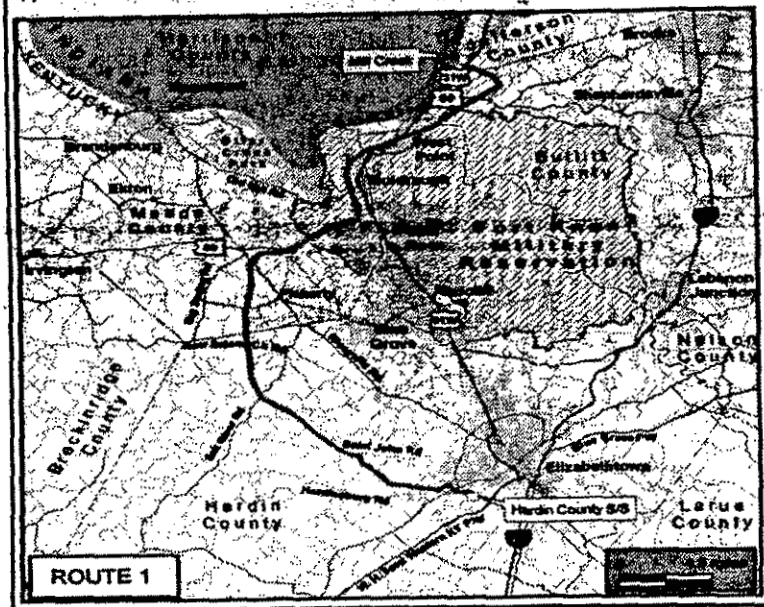
B-6 -- THE PIONEER NEWS, WEDNESDAY, DECEMBER 14, 2005

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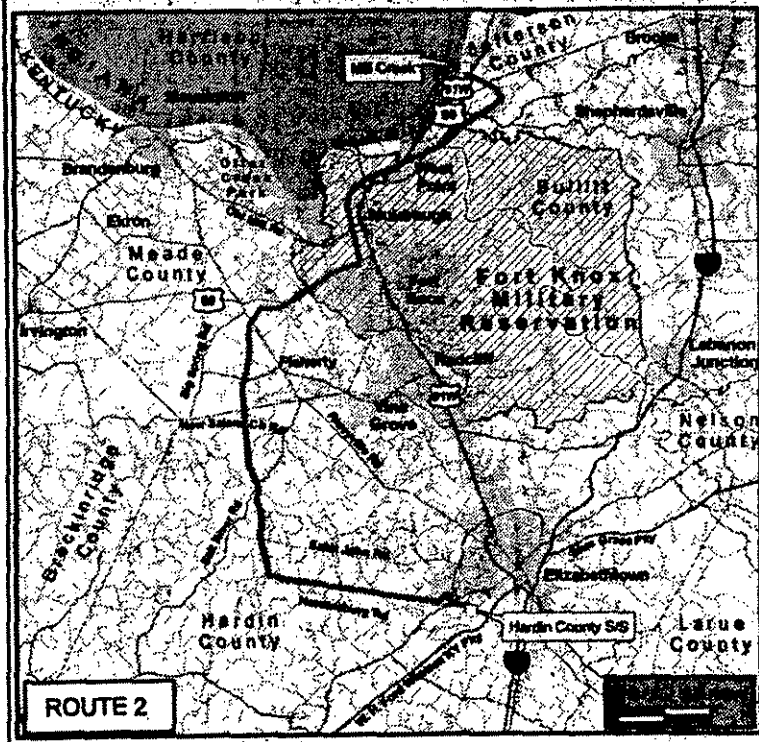
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COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

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
MARK S. JOHNSON
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 Mark S. Johnson. I hold the position of Director of Transmission for
3 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.

7 **Q. Please describe your educational and professional background.**

8 A. I received my Bachelor of Science degree in Civil Engineering Technology from
9 Murray State University in 1980. I have 25 years of experience in the utility
10 industry. From May 1987 to January 1985, I was employed by the Tennessee
11 Valley Authority at the Watts Bar Nuclear Generating Station, where I held the
12 position of Manager, Document Control and Configuration Management. From
13 January 1985 to February 1987, I was employed by Entergy at the Grand Gulf
14 Nuclear Generation Station as Manager, Engineering Support. From February
15 1987 to November 1997, I was again employed by the Tennessee Valley
16 Authority, where I held a number of senior level positions in power generation,
17 transmission, customer service and marketing. Most notably, I was Area Vice
18 President, Transmission, Customer Service and Marketing for three and one-half
19 years. Then, in November 1997, I joined LG&E Energy as Director, Distribution
20 Operations. I remained in that position until January 2001, when I assumed my
21 current position.

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

1 A. Yes. I filed testimony on May 11, 2005, in the case entitled *In the Matter of:*
2 *Joint Application of Louisville Gas and Electric Company and Kentucky Utilities*
3 *Company for a Certificate of Public Convenience and Necessity for the*
4 *Construction of Transmission Facilities in Jefferson, Bullitt, Meade and Hardin*
5 *Counties*, Case No. 2005-00142. On the same date, I filed testimony in the cases
6 entitled *In the Matter of: Application of Kentucky Utilities Company for a*
7 *Certificate of Public Convenience and Necessity for the Construction of*
8 *Transmission Facilities in Franklin, Woodford and Anderson Counties*, Case No.
9 2005-00154, and *In the Matter of: Application of Louisville Gas and Electric*
10 *Company for a Certificate of Public Convenience and Necessity for the*
11 *Construction of Transmission Facilities in Trimble County*, Case No. 2005-
12 00155. I filed rebuttal testimony on February 9, 2004 in the case entitled *In the*
13 *Matter of: Investigation Into the Membership of Louisville Gas and Electric*
14 *Company and Kentucky Utilities Company in the Midwest Independent*
15 *Transmission System Operator, Inc.*, Case No. 2003-00266. I also filed testimony
16 on November 12, 2003 in the case entitled *In the Matter of: An Investigation of*
17 *the Proposed Construction of 138 kV Transmission Facilities in Mason and*
18 *Fleming Counties by East Kentucky Power Cooperative, Inc.*, Case No. 2003-
19 00380.

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

21 A. My testimony will provide an overview of the transmission facilities being
22 proposed in this proceeding, describe the route and ownership of those facilities,

1 describe the route selection process, and detail why the Companies' Application
2 should be approved.

3 **Q. Please describe the facilities which the Companies are proposing to**
4 **construct.**

5 A. The Companies are seeking a certificate of public convenience and necessity
6 ("CCN") for a 345 kV transmission line which will be located in portions of
7 Jefferson, Bullitt, Meade and Hardin counties in Kentucky. The route for this
8 transmission line is an alternative to the route for the transmission line described
9 as Mill Creek to Hardin County Route No. 1 in Case No. 2005-00467, *In the*
10 *Matter of: Application of Louisville and Electric Company and Kentucky Utilities*
11 *Company for a Certificate of Public Convenience and Necessity for the*
12 *Construction of Transmission Facilities in Jefferson, Bullitt, Meade and Hardin*
13 *Counties, Kentucky*, filed concurrently herewith. Specifically, this proposed line
14 will be approximately 43.9 miles in length and run from LG&E's Mill Creek
15 Generating Station ("Mill Creek Station") in Jefferson to KU's Hardin County
16 Substation in Hardin County (the "Mill Creek to Hardin County Route No. 2").
17 The Companies' alternative route is the Mill Creek to Hardin County Route No.
18 2, which is the subject of this proceeding, in the event the Commission does not
19 grant a CCN for the Mill Creek to Hardin County Route No. 1 in Case No. 2005-
20 00467.

21 **Q. Who will own the facilities along the Mill Creek to Hardin County Route No.**
22 **2?**

1 A. LG&E will own the facilities from the Mill Creek Station to the east boundary of
2 the Fort Knox Military Reservation and KU will own the facilities from the east
3 boundary of the Fort Knox Military Reservation to the Hardin County Substation.

4 **Q. Why are the Companies proposing to construct the Mill Creek to Hardin**
5 **County Route No. 2?**

6 A. In short, the Companies are proposing to construct these transmission facilities
7 because they are needed for the Companies to be able to transmit electricity, and
8 otherwise handle the load, produced by their new generating facility that has
9 already been approved by the Commission. Specifically, the Commission granted
10 the Companies a CCN for the expansion of the Trimble County Station through
11 the construction of a 750 MW nominal net super-critical pulverized coal-fired
12 base load generating unit ("TC2") on November 1, 2005, in Case No. 2004-
13 00507, *In the Matter of: Joint Application of Louisville Gas and Electric*
14 *Company and Kentucky Utilities Company for a Certificate of Public*
15 *Convenience and Necessity and a Site Compatibility Certificate for the Expansion*
16 *of the Trimble County Generating Station.* A Site Compatibility Certificate for
17 TC2 was granted by the Commission in Case No. 2004-00507 on November 9,
18 2005. The Mill Creek to Hardin County Route No. 2, as well as upgrades and
19 replacements of transmission facilities in Franklin, Anderson and Woodford
20 Counties and a new 345 kV transmission line in Trimble County from TC2 across
21 the Ohio River into Indiana, are necessary to accommodate the addition of TC2 to
22 the Companies' generation fleet and allow the Companies to continue providing
23 reliable, low-cost power to their native load customers. We do not believe that

1 the upgrades and replacements in Franklin, Anderson and Woodford Counties
2 require a CCN. A CCN was granted for the Trimble County line in Case No.
3 2005-00155 on September 8, 2005.

4 **Q. How did the Companies determine the need for the proposed transmission**
5 **facilities?**

6 A. As Michael G. Toll discusses in more detail in his testimony in this proceeding,
7 the Companies determined the need based on studies performed by the Midwest
8 Independent Transmission System Operator, Inc. ("MISO"). Those studies and
9 testimony supporting them were submitted to the Commission in Case Nos. 2005-
10 00142, 2005-00154 and 2005-00155. In the order of September 8, 2005, in Case
11 No. 2005-00142, the Commission specifically concluded that the need for a 345
12 kV transmission line from the Mill Creek Station to the Hardin County Substation
13 exists. John Wolfram discusses the Commission's finding of need in more detail
14 in his testimony filed concurrently herewith in this proceeding.

15 **Q. When will the Companies need the new transmission facilities to be in**
16 **service?**

17 A. They will need to be in service when TC2 comes on line in the second quarter of
18 2010. Because of the time required to acquire right-of-way and to complete
19 construction, the Companies need to obtain regulatory approvals promptly to meet
20 this in-service date.

21 **Q. Have the Companies previously conducted a route selection analysis for the**
22 **proposed line from the Mill Creek Station to the Hardin County Substation?**

1 A. Yes. In advance of the filing of Case No. 2005-00142, the Companies, together
2 with the assistance of Photo Science, Inc., conducted a route selection analysis for
3 transmission facilities between the Mill Creek Station and the Hardin County
4 Substation. In the order of September 8, 2005, however, the Commission
5 concluded that we had not adequately studied alternative routes, including the use
6 of existing rights-of-way, transmission lines and corridors. At page 11 of that
7 order, the Commission invited the Companies to reapply for a CCN to construct
8 this line after we had conducted a more thorough study of all reasonable
9 alternatives, including locating the line partially or fully along existing
10 transmission lines.

11 **Q. Have the Companies undertaken additional analysis of the potential routes**
12 **for the line that is the subject of this proceeding?**

13 A. Yes. Since the order of September 8, 2005, in Case No. 2005-00142 was issued,
14 the Companies, utilizing information gathered by the Companies and Photo
15 Science, have conducted a comprehensive analysis of all reasonable alternatives
16 for the line, which analysis is the basis for the application in this proceeding. In
17 conducting this analysis, the Companies followed the guidance of the
18 Commission in other CCN orders and of the Commission Staff that was provided
19 at the informal conference held on October 4, 2005, and described in the
20 testimony of John Wolfram in this proceeding.

21 In addition, while the Companies were conducting their route analysis,
22 Clayton M. Doherty, a contractor for Photo Science, was working on his
23 independent evaluation and analysis of the route selection process for this line.

1 Using the same data the Companies used, he prepared a report of his evaluation
2 and a copy of it is an exhibit to Mr. Doherty's testimony in this proceeding. Mr.
3 Doherty's evaluation and analysis confirms the validity of the Companies' route
4 selection.

5 **Q. Did the Companies follow the guidance of the Commission Staff that was**
6 **provided at the October 4, 2005, informal conference?**

7 A. Yes. We followed the five-step process outlined by the Staff at that informal
8 conference.

9 **Q. What did the Companies do to comply with the first step in the process?**

10 A. The first step in the process is the determination of the need for the facilities. As
11 indicated above, the Commission has already found that a need for the
12 transmission facilities has been established. Thus, no further activity was
13 required to complete the first step in the process.

14 **Q. Please describe the second step in the Commission Staff's route selection**
15 **process and how the Companies performed it.**

16 A. The second step is the identification of all routes that will work electrically,
17 including routes that utilize collocation. To perform that step, we began by
18 reviewing the information that was developed in connection with the presentation
19 of Case No. 2005-00142. The information developed in connection with that case
20 can be, and is, used in the evaluation of the routes for the line in this proceeding.
21 However, the Companies' analysis for this proceeding went beyond the analysis
22 that was conducted in Case No. 2005-00142 in that the Companies generated the

1 maximum number of routes that are feasible considering the Commission's
2 directive to emphasize the use of existing corridors.

3 **Q. Did the Companies utilize the Electric Power Research Institute ("EPRI")**
4 **Standardized Method of Siting Overhead Transmission Lines for the**
5 **identification of macro-corridors?**

6 A. No. We did not identify macro corridors utilizing the EPRI methodology.
7 Instead, the Companies followed the direction of the Commission Staff at the
8 informal conference described in Mr. Wolfram's testimony, in which the
9 Companies identified all routes that will "work electrically" with emphasis on
10 existing corridors, or collocation.

11 **Q. Then, how did the Companies identify all routes that will work electrically?**

12 A. As the Commission knows, there are an infinite number of routes or lines that can
13 be drawn between the Mill Creek Station and the Hardin County Substation. The
14 Companies, therefore, approached the question from the standpoint of creating a
15 universe of routes that might realistically be used. We identified the easternmost
16 route with essentially 100% collocation and the westernmost route with
17 essentially 100% collocation and used them as the outer boundaries of our inquiry
18 area. The reasoning is that one cannot go further east or further west and gain a
19 greater percentage of collocation and, of course, longer lines to the east or west of
20 those boundaries increase the cost of the lines.

21 **Q. What was the result?**

22 A. We studied existing power lines, gas lines and roads in the area of inquiry as well
23 as constraints, such as buildings, forests, wetlands and the like, and identified

1 1,203 routes in the area of inquiry. Those routes are composed of 156 separate
2 segments. Of course, we tried to include as many routes as we could along
3 collocation opportunities and to avoid the constraints where we could. With
4 respect to the 1,203 routes, in accordance with the Commission Staff's
5 recommendation at the informal conference, we estimated the percent of each
6 route that is collocated with other transmission lines, pipelines or roads. The
7 routes in descending order of percentages of collocation were compiled in a
8 spreadsheet for comparison purposes. We were able to use the United States
9 Geological Survey quadrangle maps, aerial photography, GIS information and the
10 other data described in Brandon Grillon's testimony in this proceeding to identify
11 the routes and determine the amount of collocation on those routes.

12 **Q. Please describe the third step of the Commission Staff's route selection**
13 **process and how the Companies performed it.**

14 A. The third step is an estimation of the cost of the routes we identified. Therefore,
15 following the Commission Staff's recommendation, we made cost estimates of
16 the routes, as more fully described in Brandon Grillon's testimony in this
17 proceeding. We used information the Companies normally use in making early
18 estimates of construction costs; however, these estimates are not the final cost
19 estimates that will be derived from more specific information and used for
20 construction purposes. These early estimates are used uniformly for each cost
21 element so that they are suitable for purposes of comparing the routes. That
22 information was compiled in a spreadsheet for comparison purposes. The routes

1 were arranged in ascending order, with the least cost route being the first one
2 listed.

3 **Q. Did the Companies perform the fourth step of the Commission Staff's**
4 **process; that is, a determination of the rate impact resulting from the use of**
5 **routes other than the least cost route?**

6 A. Yes. That analysis and determination is set forth in the testimony of John
7 Wolfram.

8 **Q. How did the Companies perform the fifth step in the Commission Staff's**
9 **process?**

10 A. We applied the analysis and evaluation portion of the EPRI methodology to these
11 routes. That is the portion of the EPRI analysis that compares routes based on
12 built, natural and engineering criteria and which was discussed during the
13 informal conference described above. The EPRI scores were compiled in a
14 spreadsheet under four columns: (i) emphasis on the built environment; (ii)
15 emphasis on the natural environment; (iii) emphasis on engineering
16 considerations and (iv) simple average of the three criteria.

17 **Q. Did the Companies perform any sensitivity analyses to check the validity of**
18 **the results from the application of the evaluation and analysis portion of the**
19 **EPRI methodology?**

20 A. Yes. We performed a complete sensitivity analysis of the EPRI results by
21 changing the baseline EPRI weightings of each of the constituent criteria of the
22 model. Each criterion was changed from the base weighting to a weighting of
23 50% emphasis and 100% emphasis to analyze whether the high scores of the

1 Companies' preferred and alternative routes would change if greater emphasis
2 were placed on any of these criteria.

3 **Q. Have you made exhibits of the spreadsheet containing the collocation, cost
4 and EPRI information and the sensitivity analyses?**

5 A. Yes. Exhibit MSJ-1 shows the fifty best routes in collocation, cost and each EPRI
6 category. The sensitivity analyses are contained in Exhibit MSJ-2.

7 **Q. Did the Companies take any steps to eliminate outliers from the analysis?**

8 A. Yes. Frankly, an across the board, detailed analysis of 1,203 routes is somewhat
9 unmanageable. So, we determined two ways to eliminate more obvious non-
10 contenders from the analysis. First, we eliminated the routes that were
11 unacceptable to the Fort Knox Military Reservation based on consideration of
12 potential impacts on ongoing or planned operations, potential environmental
13 impacts and other such considerations. As the Commission knows, the
14 Companies will need an easement to cross the reservation and are obligated to
15 place their transmission facilities in locations on the reservation to which Fort
16 Knox agrees and that are supported by Fort Knox's environmental review under
17 the National Environmental Policy Act of 1969 ("NEPA"). Second, we
18 eliminated routes for which the estimated cost of construction was 125% of the
19 least cost route. We decided on this level of elimination by reference to the
20 Commission's order of August 19, 2005, in Case No. 2005-00089, *In the Matter
21 of: The Application of East Kentucky Power Cooperative, Inc. for a Certificate of
22 Public Convenience and Necessity to Construct a 138 kV Transmission Line in
23 Rowan County, Kentucky*. There, as we understand the order, the Commission

1 suggested that East Kentucky Power should have studied more carefully a route
2 that would cost slightly more than \$1,000,000 more than the \$4.9 million line that
3 East Kentucky Power proposed to construct. Since \$1,000,000 is approximately
4 20% of \$4.9 million dollars, we decided to confine our analysis to lines whose
5 estimated cost is within 125% of the least cost option. In this case, the least cost
6 route would cost approximately \$54.7 million. So, routes that cost more than
7 \$13.7 million more than \$54.7 million were eliminated. These steps reduced the
8 number of routes for further evaluation to approximately 700.

9 **Q. How did the Companies select the preferred and alternative routes from the**
10 **remaining alternate routes?**

11 A. We, with the assistance of Photo Science, applied our expert judgment to all of
12 the information and identified a preferred route and an alternative route. While
13 we believe that it is important to analyze potential routes utilizing a
14 comprehensive data set, we do not believe that route selection may be
15 accomplished by simply feeding the data into a computerized formula and picking
16 the route that emerges. The application of expert judgment to route selection has
17 long been the accepted practice in the electric utility business and, in fact, is one
18 of the steps in the overall EPRI methodology. Thus, we utilized our training and
19 experience in the routing of transmission lines to analyze the data and determine
20 which route is the preferred route. This included such considerations as the length
21 of the routes, the number of property owners on the routes, home relocations on
22 the routes, practicability of collocation, congestion in built areas, proximity to

1 airports, the number of angles required in the route, topography, river crossings,
2 wetlands, wooded areas and the like.

3 During this stage of the analysis, we consulted with Mr. Doherty from
4 time to time as he was developing his analysis and evaluation of the alternate
5 routes to obtain his perspective on our analysis. After our decision-making
6 process was concluded, Mr. Doherty, using his own analytical methodologies,
7 confirmed and validated our conclusions.

8 **Q. What was the conclusion as to route selection?**

9 A. The Companies believe that two routes are reasonable routes and that the Mill
10 Creek to Hardin County Route No. 1, the subject of Case No. 2005-00467 filed
11 concurrently herewith, is the preferred route. The other reasonable route, Mill
12 Creek to Hardin County Route No. 2, is described on Application Exhibit 2 and is
13 the alternative the Companies believe should be utilized if the Commission does
14 not grant a CCN for Mill Creek to Hardin County Route No.1. The collocation on
15 Route No. 1 is approximately 56% and the collocation on Route No. 2 is
16 approximately 66%. The estimated cost of Route No. 2, however, is
17 approximately \$4.2 million higher than the estimated cost of Route No. 1. Both
18 Route No. 1 and Route No. 2 are consistently among the fifty best scoring routes
19 using the EPRI criteria from a variety of perspectives and sensitivities.

20 **Q. Please summarize why the Companies recommend the preferred and the**
21 **alternative route?**

22 A. First, they are both among the least cost routes in the area of inquiry, with the
23 preferred route costing \$4.2 million less to construct than the alternative route.

1 Second, they are both among the most direct routes from the Mill Creek Station to
2 the Hardin County Substation. Third, both routes utilize reasonable percentages
3 of collocation. Fourth, the EPRI scores for both routes were among the best EPRI
4 scores under a variety of sensitivities.

5 **Q. Will the construction of the transmission line along the Mill Creek to Hardin**
6 **County Route No. 2 result in any unnecessary or wasteful duplication of**
7 **facilities?**

8 A. No.

9 **Q. Have the Companies conducted any physical inspections of the area of**
10 **inquiry?**

11 A. Yes. While we have not been able to physically inspect the entirety of the
12 alternative routes, we have driven through the area of inquiry and have made
13 observations to confirm the topography and buildings shown on the photos, maps
14 and other sources. Where the physical inspections revealed differences with the
15 information shown on the photos, maps and other sources, they were noted and
16 considered in our evaluation.

17 **Q. A portion of the Mill Creek to Hardin County Route No. 2 passes through**
18 **the Fort Knox Military Reservation. How was that portion of the route**
19 **selected?**

20 A. We used the same methodology for that portion of the route as for the rest of the
21 route. As indicated above, the Companies are obligated to place their
22 transmission facilities in locations on the reservation to which Fort Knox agrees
23 and that are supported by Fort Knox's environmental review. Therefore, we have

1 had discussions with Fort Knox personnel for the purpose of identifying
2 alternative routes across the military reservation and agreeing on a route subject to
3 any impact avoidance, minimization or mitigation measures that may be identified
4 as a result of the environmental review and consultation processes required for the
5 Fort Knox segment of the line under environmental and cultural resource laws.
6 The location of the portion of the Mill Creek to Hardin County Route No. 2 that
7 crosses the military reservation was determined using this process. A copy of the
8 letter dated December 8, 2005, from Colonel Mark D. Needham, Garrison
9 Commander, Fort Knox, identifying the route to which Fort Knox would agree is
10 attached hereto as Exhibit MSJ-3.

11 We also had preliminary discussions with the State Historic Preservation
12 Officer pursuant to Section 106 of the National Historic Preservation Act
13 (“NHPA”) about the portion of the route that is located in Fort Knox as that
14 portion of the line is subject to the NHPA. While the consultation with the State
15 Historic Preservation Officer is ongoing, we believe that the route across Fort
16 Knox (including adjustments to pole height to address visibility from historic
17 properties) is consistent with the requirements of that act. In addition, we are
18 requesting the flexibility to make unsubstantial modifications to the transmission
19 project to address any other potential impact avoidance, minimization or
20 mitigation measures that may be identified as a result of the environmental review
21 and consultation processes under environmental and cultural resource laws.

22 **Q. Have the Companies had any discussions with other regulatory agencies**
23 **about the route for the transmission facilities?**

1 A. Yes. We have had discussions with the Kentucky Division of Water and the U.S.
2 Army Corps of Engineers. A copy of an e-mail from Greg McKay, a biologist
3 with the U.S. Army Corps of Engineers, dated November 14, 2005, is attached as
4 Exhibit MSJ-4. We believe that our plans are consistent with those agencies'
5 requirements.

6 In addition, we have had discussions with both the Kentucky Department
7 of Fish & Wildlife Resources and the United States Fish and Wildlife Service.
8 We believe that the Mill Creek to Hardin County Route No. 2 is consistent with
9 their views about the protection of fish and wildlife.

10 **Q. Please describe how this transmission line will be constructed.**

11 A. As discussed above, the Companies have begun environmental and cultural
12 studies and related surveys in areas on Fort Knox Military Reservation. In
13 addition, although NEPA and Section 106 of the National Historic Preservation
14 Act ("NHPA") do not apply to the remainder (and vast majority) of the line, the
15 Companies have begun similar surveys on a voluntary basis in areas where the
16 Companies have existing easements. In areas where easements must be acquired,
17 the voluntary environmental and cultural studies will begin once permissions from
18 the property owners have been obtained. These surveys will be performed by the
19 Companies' transmission line services personnel and Photo Science.

20 After the CCN has been issued for this project, the Companies will begin
21 the easement acquisition, right-of-way vegetation removal, final design, material
22 acquisition and construction phases of the project. Permission for the remaining

1 survey and environmental study will be requested as part of the easement
2 acquisition activity.

3 The cutting and removal of vegetation will begin in areas where the
4 highest percentage of easements has been acquired. This is expected to be on the
5 Fort Knox Military Reservation. Once the permissions to survey and/or easements
6 have been obtained for the new routes, then vegetation will be cleared in these
7 areas.

8 The transmission line design engineering functions for this project will be
9 performed by the Companies' transmission line services personnel located at One
10 Quality Street in Lexington. The Companies will request qualified vendors to
11 submit competitive bids for the material required for the completion of the work.
12 Contractors will be requested to competitively bid on the transmission line
13 construction. The requests for bids will specify that all work performed shall
14 comply with all local, state and federal laws and conform to all permits and
15 environmental requirements.

16 **Q. What is the expected cost of construction for the transmission line?**

17 A. The estimated cost is approximately \$60.9 million.

18 **Q. Please explain why the transmission facilities proposed by the Companies in
19 this proceeding are required by public convenience and necessity.**

20 A. As regulated utilities in Kentucky, KU and LG&E have an obligation to provide
21 dependable service to customers located in their respective certified territories.
22 The Companies have projected growth in their native loads, and have established
23 a need for additional baseload capacity in order to serve those growing loads. The

1 Commission has agreed with the Companies' determination of the need for TC2
2 to provide this baseload capacity and for new transmission facilities between Mill
3 Creek and the Hardin County Substation. The proposed facilities are consistent
4 with, and necessary to provide for, the public convenience and necessity because
5 they are required to allow the Companies to meet the needs of their growing
6 native loads.

7 **Q. Have the Companies been in contact with landowners who will be affected by**
8 **the proposed transmission facilities?**

9 A. Yes. The Companies are mindful of the Commission's discussion of our response
10 to public comments in the Order of September 8, 2005, in Case No. 2005-00142.
11 The Companies sought the assistance of the Commission Staff at the October 4,
12 2005, informal conference on this issue. The Staff recommended at the informal
13 conference that utilities attempt to address property-specific complaints about the
14 proposed line personally and individually early in the process. The Companies
15 have begun those discussions and will continue having landowner discussions
16 with respect to the Mill Creek to Hardin County Route No. 2. Kathleen A. Slay
17 discusses this issue in detail in her testimony filed concurrently herewith in this
18 proceeding. The Companies' transmission line services personnel are addressing
19 and considering landowners' comments in the design of the line and are working
20 with Ms. Slay and her team in communicating the Companies' response back to
21 landowners.

22 **Q. Do you have a recommendation for this Commission?**

1 A. Yes. For all of the reasons set forth in the Companies' Application, and in the
2 testimony submitted with the Application, it is my recommendation that the
3 Commission confirm its earlier finding that the Companies have established a
4 need for the proposed transmission facilities. In the event the Commission does
5 not grant a CCN for the Mill Creek to Hardin County Route No. 1, then I
6 recommend that the Commission find that the route selected in this proceeding is
7 reasonable and appropriate, and grant the Companies' Application for a CCN.
8 Further, I recommend that the Commission provide flexibility in any orders
9 approving the proposed construction for the Companies to make unsubstantial
10 modifications to the route chosen if conditions justify or compel such
11 modifications without the need for further orders from the Commission, as
12 described by John Wolfram in his testimony filed concurrently herewith in this
13 proceeding.

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

15 A. Yes, it does.

16

