

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

RECEIVED

NOV 16 2007
PUBLIC SERVICE
COMMISSION

IN THE MATTER OF:

THE APPLICATION OF KENTUCKY)
POWER COMPANY FOR A CERTIFICATE OF)
PUBLIC CONVENIENCE AND NECESSITY TO)
CONSTRUCT A 138 KV TRANSMISSION LINE)
AND ASSOCIATED FACILITIES IN KNOTT)
COUNTY, KENTUCKY (SOFT SHELL))

Case No. 2007-00430

APPLICATION

Kentucky Power Company (Kentucky Power) moves the Commission pursuant to KRS 278.020(2), 807 KAR 5:001, Section 8, 807 KAR 5:001, Section 9 and 807 KAR 5:120 for a Certificate of Public Convenience and Necessity to Construct: (1) a 1.6 mile 138 kV transmission line; and (2) the proposed Soft Shell Station in Knott County, Kentucky. In support thereof Kentucky Power states:

Applicant

1. Kentucky Power is an electric utility organized as a corporation under the laws of the Commonwealth of Kentucky in 1919. A certified copy of Kentucky Power's Articles of Incorporation and all amendments thereto was attached to the Joint Application in Case No. 99-149¹ as Exhibit 1. The post office address of Kentucky Power is 101A Enterprise Drive, P.O. 5190, Frankfort, Kentucky 40602-5190. Kentucky Power is engaged in the generation, purchase, transmission, distribution and sale of electric power. Kentucky Power serves approximately 175,000 customers in the

¹ *In the Matter of: The Joint Application Of Kentucky Power Company, American Electric Power Company, Inc. And Central And South West Corporation Regarding A Proposed Merger, P.S.C. Case No. 99-149.*

following 20 counties of eastern Kentucky: Boyd, Breathitt, Carter, Clay, Elliott, Floyd, Greenup, Johnson, Knott, Lawrence, Leslie, Letcher, Lewis, Magoffin, Martin, Morgan, Owsley, Perry, Pike and Rowan. Kentucky Power also supplies electric power at wholesale to other utilities and municipalities in Kentucky for resale. Kentucky Power is a utility as that term is defined at KRS 278.010.

2. Kentucky Power is a wholly-owned subsidiary of American Electric Power Company, Inc. ("AEP.") The AEP System is a multi-state public utility holding company system that provides electric service to customers in parts of eleven states – Arkansas, Indiana, Kentucky, Louisiana, Michigan, Ohio, Oklahoma, Tennessee, Texas, Virginia and West Virginia.

The Proposed Project

3. Kentucky Power seeks authority to construct approximately 8,360 feet (1.6 miles) of 138 kV transmission line. The proposed line will run between the proposed Soft Shell Station and the existing Beaver Creek-Harbert-Spicewood 138 kV line in Eastern Knott County, Kentucky. The Beaver Creek-Harbert-Spicewood 138 kV line will be tapped at the location of the existing "Yellow Mountain switch."

4. The proposed Soft Shell Station will be constructed on an approximately 6.9 acre tract that currently is subject to an option to purchase from Ronald Smith and Shirley White. The proposed station will be located approximately 500 feet off the southeast side of SR 80 on Raymond Smith Road and approximately 4,500 feet northeast of the intersection of SR 80 and County Road 1087.

5. A 100-foot right-of-way will be required for the transmission line, with 50 feet of right of way on each side of the path of the proposed line.

The Facilities To Be Constructed

6. The proposed line will utilize steel lattice towers and 6-1590 KCM 54/19 ACSR phase wires. One 7# 8 aluminum-clad static wire will be used for protection.

7. The proposed Soft Shell Station will be a new 30 MVA, 138-34.5 kV distribution station. It will employ two 34.5 kV distribution breakers with two distribution exits, control house, metering and associated facilities. The station structures will be erected using tubular steel.

8. The existing Yellow Mountain Switch Station, where the proposed line will tap the existing Beaver Creek-Harbert-Spicewood 138 kV line, will be retired and a new switch will be constructed at the proposed Soft Shell Station.

9. The total projected cost of the project is approximately \$6.87 million and consists of \$2.2 million for the proposed transmission line, \$4.0 million for the Soft Shell Station and protection and control work at the Beaver Creek Station, and \$0.67 million for related distribution work. The proposed construction does not involve sufficient capital outlay to affect materially the financial condition of Kentucky Power. Construction will be financed through Kentucky Power's internally generated funds. After the proposed facilities are completed their estimated annual cost of operation will be approximately \$10,000.

Property Acquisition

10. The proposed transmission line will cross seven parcels of property and the Transportation Cabinet's right of way. In addition, the required right-of-way for the proposed transmission line may cross three additional parcels of property.

11. Kentucky Power has contacted and is negotiating with the affected

property owners for acquisition of the necessary rights-of-ways. Kentucky Power has obtained agreements allowing it to survey or acquire the seven rights-of-way needed to construct the line. Before beginning construction, Kentucky Power will acquire the necessary rights-of-way or other property interest to build the project.

Notices

12. By letters dated and mailed first class mail, postage prepaid, Kentucky Power on November 15, 2007 notified all property owners, as indicated by the records of the Knott County Property Valuation Administrator, over whose land the transmission right-of-way is proposed to cross of the proposed construction. The notification was by letter, sent by first class mail, postage prepaid, to the property owner as indicated on the county Property Valuation Administrator records. Included within the letters were:

- (a) notice of the proposed construction;
- (b) the docket number (P.S.C. Case No. 2007-00430) under which the application will be processed;
- (c) the address and telephone number of the Commission's Executive Director;
- (d) a description of the property owners' rights to request a public hearing and the right to request intervention;
- (e) a description of the project and a map of the proposed route of the line.

13. A notice of Kentucky Power's intent to construct the line, along with the information required by 807 KAR 5:120, Section 2(5), was published in *The Troublesome Creek Times*, a paper of legal record and general circulation for Knott

County, on November 14, 2007. This Application will be supplemented with the Affidavit of Publication when received.

14. Prior to beginning construction, Kentucky Power will prepare a storm water pollution prevention plan and make application to the Kentucky Department for Natural Resources and Environmental Protection for a KPDES (Kentucky Pollutant Discharge Elimination System) general permit for storm water point source discharges associated with construction activities exceeding one acre of disturbed soils. Copies of the KPDES permit and any other applicable permits will be filed with the “as-built” drawing of the line and structures.

**The Proposed Construction Is Required By
The Public Convenience And Necessity**

15. The proposed line is designed to increase service reliability in Kentucky Power’s service territory in Knott County, Kentucky. The proposed Soft Shell Station is required to relieve distribution loading on the existing Beckham Station located at Hindman and to serve additional loads in Knott County. Because the proposed transmission line and Soft Shell Station are intended to improve distribution – not transmission – loading and reliability, a load flow study is not appropriate.

16. The existing Beckham Station serves the Hindman and Carrs Fork circuits. The proposed line and Soft Shell Station are required to relieve loading on the Beckham Station. The projected winter 2007-2008 loading on the Beckham Station 138-34 kV 30 MVA transformer is 37.6 MVA or 90% of its calculated winter capability of 41.8 MVA. Projected increases in loading include:

(a) Expanded coal mining activity is expected to add additional load of 10 MVA to the Beckham Station in the winter of 2010-2011. That will increase the station load to 49.4 MVVA or 119% of its capacity.

(b) The additional load resulting from the expanded coal mining activity also is expected to increase the load on the Carrs Fork 34 kV Circuit, which currently serves 1,922 customers, to 20.4 MVA, or 126% of the circuit's expected summer capability

(c) A sports complex is under construction at an extremity of the Hindman 34 kV Circuit, with additional residential and commercial loads anticipated nearby. Loading on the Hindman circuit, which currently serves 3,442 customers, is projected to exceed its summer capability by the summer of 2014.

17. In the event of the loss of the Beckham Station only 6.0 MVA of load can be transferred to the adjacent Vicco Station (Red Fox circuit). As a result, 31.6 MVA of load, representing 4,508 customers, are at risk of loss of service in the event of an outage at the Beckham Station. The 31.6 MVA of load that can not be shifted in the event of the loss of the Beckham Station exceeds the capacity of the largest mobile transformer. It is unlikely two mobile transformers, the number necessary to restore service to the 31.6 MVA of load that can not be shifted, could be readily found to restore the full Beckham Station load in the event of the loss of the Station.

18. As an alternative to the proposed transmission line and Soft Shell Station, Kentucky Power also considered installing a second 30 MVA transformer and two additional breakers at the Beckham Station, along with the construction of 15,000 feet of new 4/0 AA 34 kV line and 7,300 feet of triple circuit line from the Beckham Station to

Hindman and splitting the Hindman and Carrs Fork circuits with additional line improvements. The alternative was rejected in favor of the proposed transmission line and station because:

(a) The alternative did not address contingency situations resulting from circuit and station outages. The proposed line and station will permit recovery of all customers served from the Beckham Station in event of station or circuit outage..

(b) The proposed line and station will provide for future load growth in the Hindman and Carrs Fork areas, improve circuit reliability indices by reducing long circuits with excessive exposure.

(c) Distribution loads can be easily switched on Alternative B between stations and circuits in the event of station or circuit maintenance.

19. The proposed new construction will not compete with any public utilities, corporations or persons and will not result in duplication of facilities. The proposed new construction is required by the public convenience and necessity.

Alternate Routes and Sites Considered.

20. Kentucky Power retained the services of GAI Consultants, Inc. ("GAI"), Homestead, Pennsylvania, to develop and evaluate alternative line route locations for overall environmental suitability and feasibility. The study area consisted of an area of approximately 4.2 square miles located in Knott County.

21. In selecting alternative corridors for the route of the proposed transmission line, GAI considered compatibility with land use, minimization of impacts to resources, constructability and landowner support. Ultimately, three alternative transmission right-of-way line paths, were considered. Each of the paths begin at the proposed Soft Shell

Station but had different ending points on the Beaver Creek-Spicewood-Harbert 138 kV transmission line.

22. Alternative A is the westernmost route and travels approximately 1.9 miles. Along its generally northwesterly route it crosses State Route 80 and Mill Branch, Patton Fork and Bucks Branch and proceeds through undulating forested land. At 1.6 miles, Alternative B is the shortest of the three alternatives. After leaving the proposed Soft Shell Station to the south, Alternative B immediately turns sharply to the northwest and crosses State Route 80. It then proceeds due north through forested land before angling slightly to the northeast. Alternative C is the easternmost route and longest route at 2.2 miles. It parallels the east side of State Route 80 and runs through a mix of forested and previously surface-mined land.

23. Based upon the criteria discussed in more detail in Section 2 of the GAI Report, and for the reasons set out in Section 5 and Table 2 of the Report, GAI determined that the Alternative B will have the least impact of the three alternates, including:

- Alternative B is the shortest route and requires the least right-of-way acquisition. Alternative B would result in the least (approximately 19 acres) land disturbance in the right-of-way.
- Alternative B will have the least visual impact of the three alternatives.
- Alternative B is located within an area slated for future mining, thereby minimizing future land, use, habitat and visual effects. The owner of the mineral

rights has informed Kentucky Power the proposed line is compatible with its future mining plans.

- There is no prime farmland within the planned right-of-way for Alternative B.

24. In addition to the site selected for the proposed Soft Shell Station, Kentucky Power considered locating the Soft Shell Station on land to be acquired from Western Pocahontas Coal Company off State Route 80. Because of future development plans for the area, Western Pocahontas declined to enter into negotiations to locate the proposed Soft Shell Station at the alternative location on its property.

Exhibits And Required Documentation

25. The following exhibits and required documentation are attached to and made a part of this Application:

(a) Three maps of no less than one inch equals 1,000 feet of the proposed project showing the location of the proposed transmission center line, the right of way and the boundaries of each property to be crossed by the line as indicated by the records of the Knott County Property Valuation Administrator. **[EXHIBIT 1]**;

(b) Three maps of no less than one inch equals 1,000 feet of the proposed project showing the location of the alternative routes considered. **[EXHIBIT 2]**;

(c) An aerial photograph showing the location of the alternative routes considered, the proposed route and the proposed Soft Shell Station. **[EXHIBIT 3]**;

(d) The status of negotiations for acquisition of the necessary rights-of-way. **[EXHIBIT 4]**

(e) Copies of the letters, including all enclosures, the list of the persons to whom they were mailed, their addresses as indicated by the records of the Knott County Property Valuation Administrator and the verification by Errol K. Wagner of the mailing of the letters. **[EXHIBIT 5].**

(f) The text of the notice and map published in *The Troublesome Creek Times*, a paper of legal record and general circulation for Knott County, on November 14, 2007. **[EXHIBIT 6.]**

(g) The report prepared by GAI Consultants, Inc. developing and evaluating alternative line route locations for overall environmental suitability and feasibility. **[EXHIBIT 7.]**

(h) Sketches of the typical transmission line support structures. **[EXHIBIT 8].**

Communications

26. The Applicant respectfully requests that communications in this matter be addressed to:

Mark R. Overstreet
STITES & HARBISON, PLLC
P.O. Box 634
Frankfort, Kentucky 40602-0634

Errol K. Wagner
Kentucky Power Company
P.O. Box 5190
Frankfort, Kentucky 40602-5190

ON BEHALF OF KENTUCKY POWER

WHEREFORE, Kentucky Power Company requests that the Commission issue an Order:

(a) Approving pursuant to KRS 278.020(2), 807 KAR 5:001, Section 8, 807 KAR 5:001, Section 9 and 807 KAR 5:120, the construction by Kentucky Power of the proposed Soft Shell to Yellow Mountain 138 kV line and the Soft Shell Station;

(b) Granting Kentucky Power a Certificate of Public Convenience and Necessity for such construction as is necessary to complete the project;

(c) Granting Kentucky Power such other relief as may be appropriate.

This 16th day of November, 2007.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Mark R. Overstreet", written over a horizontal line. The signature is stylized and somewhat cursive.

Mark R. Overstreet
STITES & HARBISON PLLC
421 West Main Street
P.O. Box 634
Frankfort, Kentucky 40602-0634
Telephone: (502) 223-3477
Facsimile: (502) 223-4387
moverstreet@stites.com

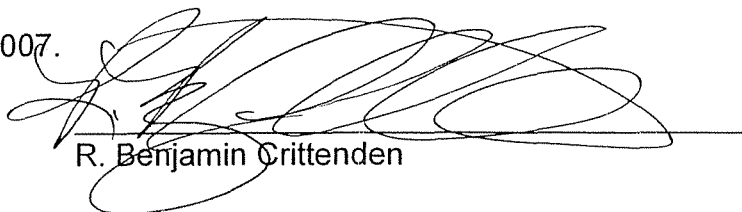
CERTIFICATE OF SERVICE

I hereby certify that a true and accurate copy of the foregoing was served by United States Mail, Postage Pre-paid, upon:

Michael L. Kurtz
Boehm, Kurtz & Lowry
36 East Seventh Street, Suite 1510
Cincinnati, Ohio 45202

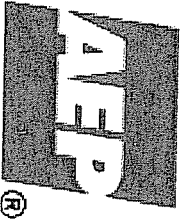
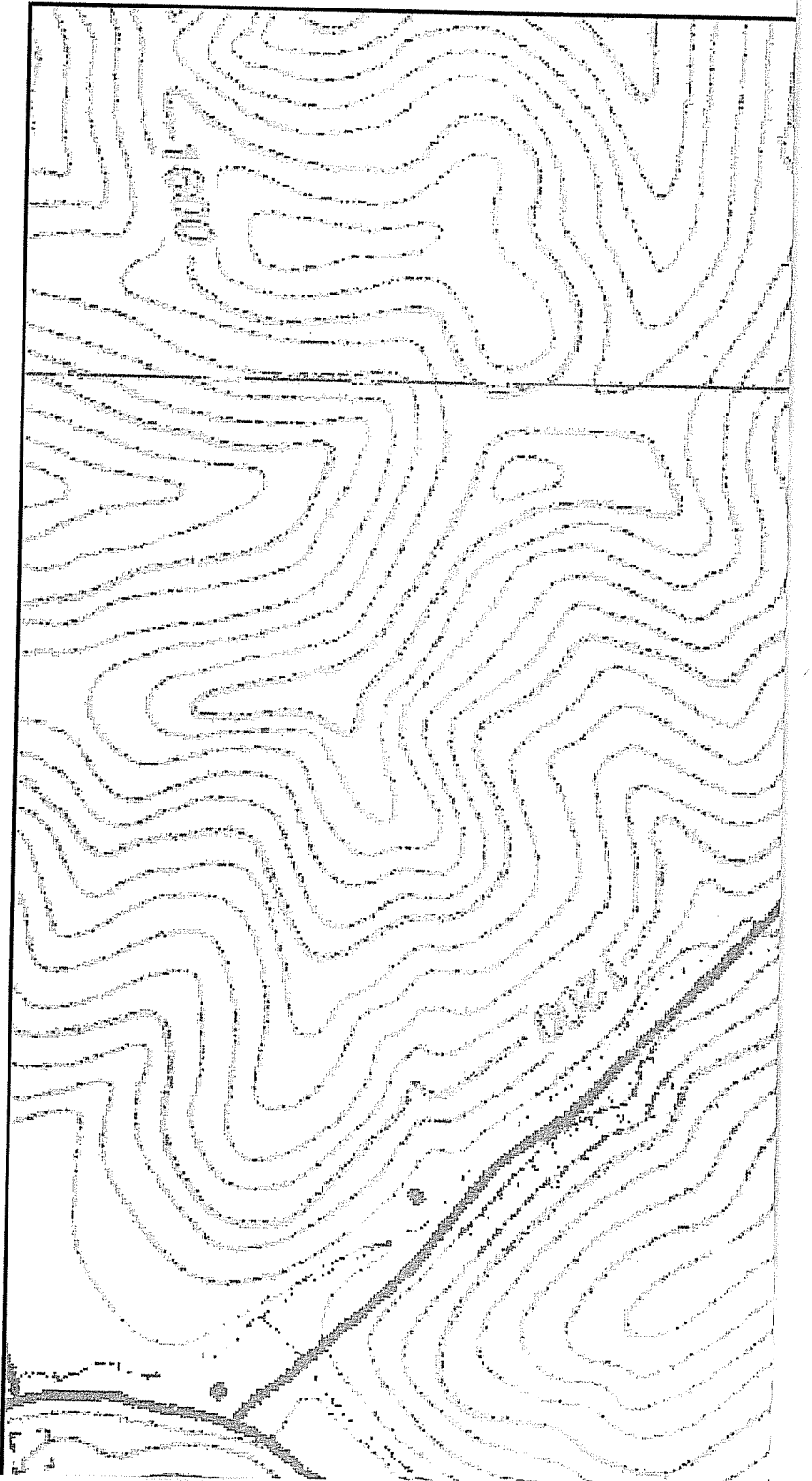
Dennis G. Howard II
Larry Cook
Office of the Attorney General
Utility & Rate Intervention Division
1024 Capital Center Drive, Suite 200
Frankfort, Kentucky 40601-8204

on this the 16th day of November, 2007.



R. Benjamin Crittenden

KE057:KE195:16100:6:FRANKFORT

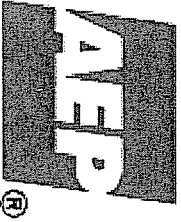
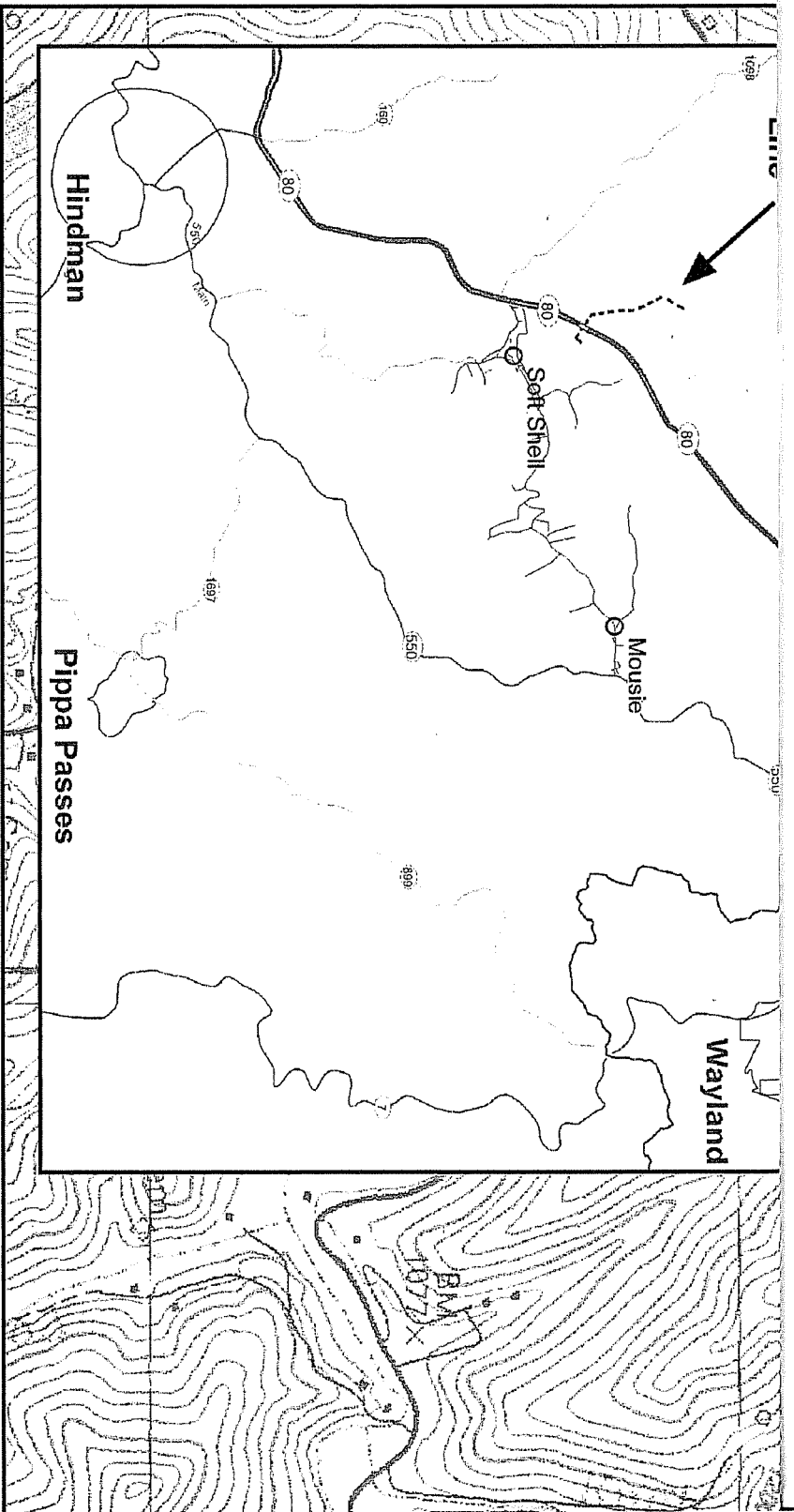


Soft Shell 138kV Project

PARCEL LINES AND PREFERRED ROUTE

DATE: 11-12-07

CASE NO. 2007-00430
EXHIBIT 1

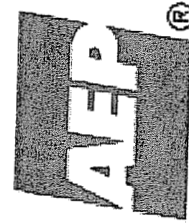


Soft Shell 138kV Project

ALTERNATIVES AND PREFERRED ROUTE

DATE: 11-12-07

CASE NO. 2007-00430
EXHIBIT 2



Soft Shell 138kV Project

PARCEL LINES AND PREFERRED ROUT

DATE: 11-12-07

CASE NO. 2007-00430
EXHIBIT 3

EXHIBIT 4

SOFT SHELL				
Tract #	Map #	Parcel #	Name Address Phone	Easement Date
1	45	9	Western Pocahontas Properties 1035 3rd Ave. Huntington, WV 25727-2827	Letter of intent
possible overhang	46	2.01	Peggy Messer 151 Elmrock Decoy Rd. Leburn, KY	Letter of intent
2	46	2	Kinzer Drilling US Route 80 Allen, KY	Letter of intent
3	46	5.01	Keith Smith 4773 Hwy. 80 E Soft Shell, KY 41831	Letter of intent
possible overhang	46	6	Terry Marcus Kent P.O. Box 26 Hindman, KY 41822	Letter of intent
4	46	5	Ronald Smith 47 Raymond Smith Dr. Soft Shell, KY 41831 606-785-4959	
5	46	17.1	Norman Thomas 4454 Highway 80 E Leburn, KY 41831 606-785-4149	10/20/2007
6	46	5.04	Shirley White P.O. Box 692 Prestonsburg, KY 41653	
7	46	5.06	David Smith 3291 Possum Trot Rd. Leburn, KY 41831 606-276-9332	10/20/2007
possible overhang	46	5.03	Jimmy Campbell 178 Raymond Smith Drive P.O. Box 15 Hindman, KY 41822	



Kentucky Power
P O Box 5190
101A Enterprise Drive
Frankfort, KY 40602
KentuckyPower.com

November 15, 2007

Western Pocahontas Properties
1035 3rd Ave
Huntington, WV 25727-2827

RE: Kentucky Public Service Commission Case No. 2007-00430; An Application of Kentucky Power Company for a Certificate of Convenience and Necessity for construction of a 138kV Transmission Line in Knott County Kentucky

Dear Sir or Madam:

This notice is provided to you pursuant to 807 KAR 5:120, Section 2 (3). As you are aware, Kentucky Power company (KPCo) proposes to construct a 138 kV transmission line, a portion of which will cross your property. You have been contacted by KPCo's representatives for the necessary right-of-way.

This entire new line will be approximately 1.6 miles in length, between KPCo's new Soft Shell Station to KPCo's existing Beaver Creek-Harbert-Spicewood 138 kV line at the existing "Yellow Mountain switch." A map of the proposed line is enclosed. The line will provide service to meet the increased load requirements on the existing Beckham Station located at Hindman and to service loads in Knott County.

KPCo may construct the line only after receiving a Certificate of Public Convenience and Necessity (CCN) from the Kentucky Public Service Commission (KPSC). You have the right to request a local public hearing to consider KPCo's request for a CCN. Your request must be in writing and addressed to Elizabeth O'Donnell, Executive Director, KPSC 211 Sower Boulevard, P.O. Box 615, Frankfort, Kentucky 40602-0615 or call 502-564-3940. The request also should contain:

- (a) The docket number of this proceeding (Case No. 2007-00430);
- (b) Your name, address and telephone number
- (c) A statement whether you wish to participate in any evidentiary hearing or to make an unsworn public state concerning the proposed application.

The written request must be received by the Commission within thirty days of November 1, 2007, which is the date KPCo filed its application with the Commission for the CCN to construct the line.

You also have the right to intervene as a party to the proceedings in accordance with 807 KAR 5:001, Section 3(8), a copy of which is enclosed.

If you have any questions to KPCo please contact the undersigned, Errol K. Wagner, Director of Regulatory Services, Kentucky Power Company at 502-696-7010.

Sincerely,

A handwritten signature in black ink, appearing to read "Errol K. Wagner". The signature is written in a cursive style with a large initial "E".

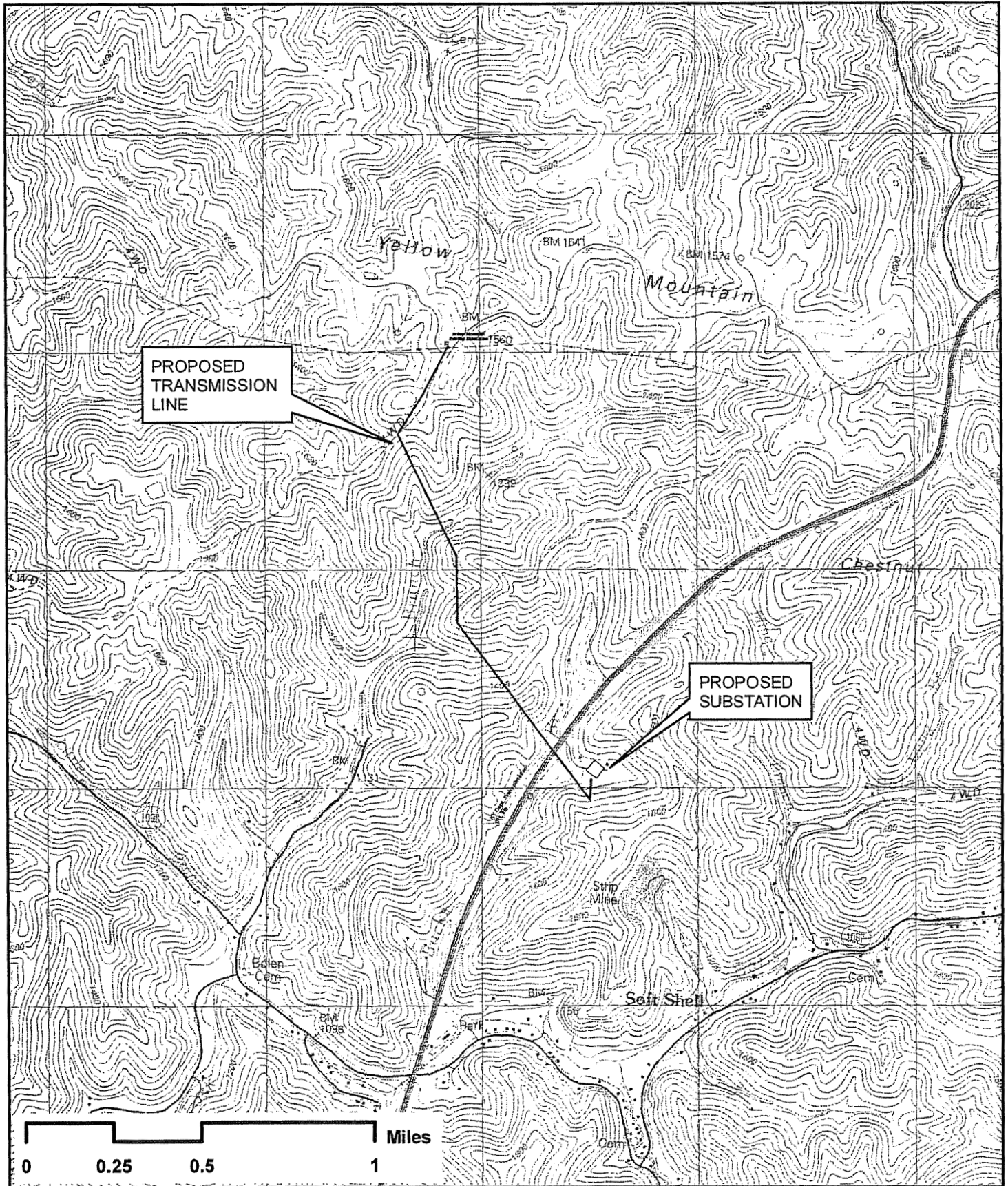
Errol K. Wagner
Director Regulatory Services

jkr

807 KAR 5:001. Rules of procedure.

(8) Intervention and parties. In any formal proceeding, any person who wishes to become a party to a proceeding before the commission may by timely motion request that he be granted leave to intervene. Such motion shall include his name and address and the name and address of any party he represents and in what capacity he is employed by such party.

- (a) Each person granted leave to intervene shall be considered as making a limited intervention unless he submits to the secretary a written request for full intervention. A person making only limited intervention shall be entitled to the full rights for a party at the hearing in which he appears and shall be served with the commission's order, but he shall not be served with filed testimony exhibits, pleadings, correspondence and all other documents submitted by parties. A person making a limited appearance will not be certified as a party for the purposes of receiving service of any petition for rehearing or petition for judicial review.
- (b) If a person granted leave to intervene desires to be served with filed testimony, exhibits, pleadings, correspondence and all other documents submitted by parties, and to be certified as a party for the purposes of receiving service of any petition for rehearing or petition for judicial review, eh shall submit in writing to the secretary a request for full intervention, which shall specify his interest in the proceeding. If the commission determines that a person has a special interest in the proceeding which is not otherwise adequately represented or that full intervention by party is likely to present issues or to develop facts that assist the commission in fully considering the matter without unduly complicating or disrupting the proceedings, such personal shall be granted full intervention.



Soft Shell 138kV Project
PREFERRED ROUTE

—————
 Preferred Route Centerline
 (Final Right-of-way will be 100' width)



Kentucky Power
P O Box 5190
101A Enterprise Drive
Frankfort, KY 40602
KentuckyPower.com

November 15, 2007

Peggy Messer
151 Elmrock Decoy Rd
Leburn, KY 41831

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This entire new line will be approximately 1.6 miles in length, between KPCo's new Soft Shell Station to KPCo's existing Beaver Creek-Harbert-Spicewood 138 kV line at the existing "Yellow Mountain switch." A map of the proposed line is enclosed. The line will provide service to meet the increased load requirements on the existing Beckham Station located at Hindman and to service loads in Knott County.

KPCo may construct the line only after receiving a Certificate of Public Convenience and Necessity (CCN) from the Kentucky Public Service Commission (KPSC). You have the right to request a local public hearing to consider KPCo's request for a CCN. Your request must be in writing and addressed to Elizabeth O'Donnell, Executive Director, KPSC 211 Sower Boulevard, P.O. Box 615, Frankfort, Kentucky 40602-0615 or call 502-564-3940. The request also should contain:

- (a) The docket number of this proceeding (Case No. 2007-00430);
- (b) Your name, address and telephone number
- (c) A statement whether you wish to participate in any evidentiary hearing or to make an unsworn public state concerning the proposed application.

The written request must be received by the Commission within thirty days of November 1, 2007, which is the date KPCo filed its application with the Commission for the CCN to construct the line.

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If you have any questions to KPCo please contact the undersigned, Errol K. Wagner, Director of Regulatory Services, Kentucky Power Company at 502-696-7010.

Sincerely,

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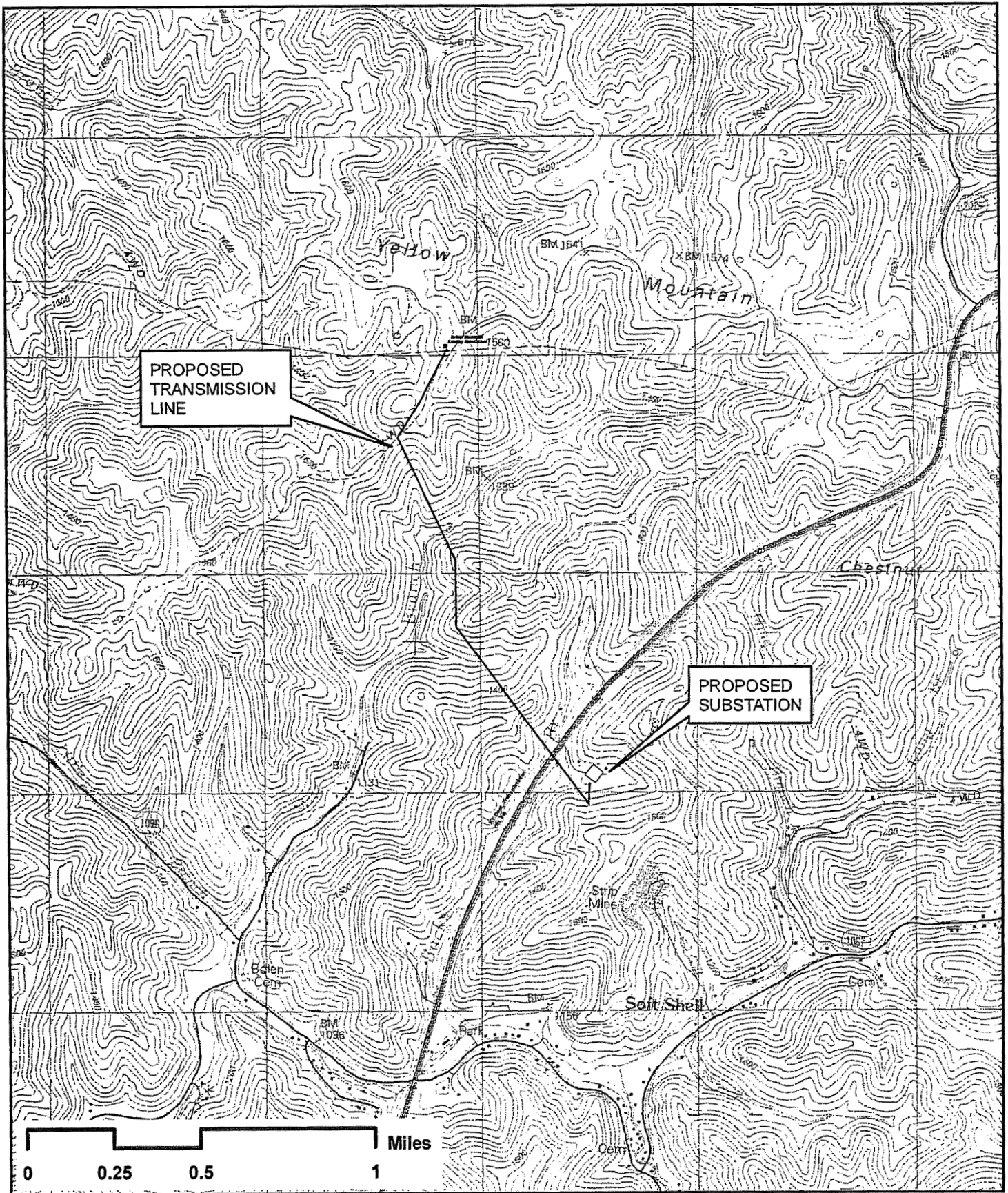
Errol K. Wagner
Director Regulatory Services

jkr

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- (a) Each person granted leave to intervene shall be considered as making a limited intervention unless he submits to the secretary a written request for full intervention. A person making only limited intervention shall be entitled to the full rights for a party at the hearing in which he appears and shall be served with the commission's order, but he shall not be served with filed testimony exhibits, pleadings, correspondence and all other documents submitted by parties. A person making a limited appearance will not be certified as a party for the purposes of receiving service of any petition for rehearing or petition for judicial review.
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Soft Shell 138kV Project
PREFERRED ROUTE

—————
Preferred Route Centerline
(Final Right-of-way will be 100' width)



Kentucky Power
P O Box 5190
101A Enterprise Drive
Frankfort, KY 40602
KentuckyPower.com

November 15, 2007

Kinzer Drilling
US Route 80
Allen, KY 41601

RE: Kentucky Public Service Commission Case No. 2007-00430; An Application of Kentucky Power Company for a Certificate of Convenience and Necessity for construction of a 138kV Transmission Line in Knott County Kentucky

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KPCo may construct the line only after receiving a Certificate of Public Convenience and Necessity (CCN) from the Kentucky Public Service Commission (KPSC). You have the right to request a local public hearing to consider KPCo's request for a CCN. Your request must be in writing and addressed to Elizabeth O'Donnell, Executive Director, KPSC 211 Sower Boulevard, P.O. Box 615, Frankfort, Kentucky 40602-0615 or call 502-564-3940. The request also should contain:

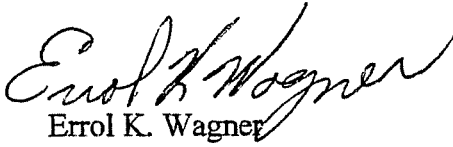
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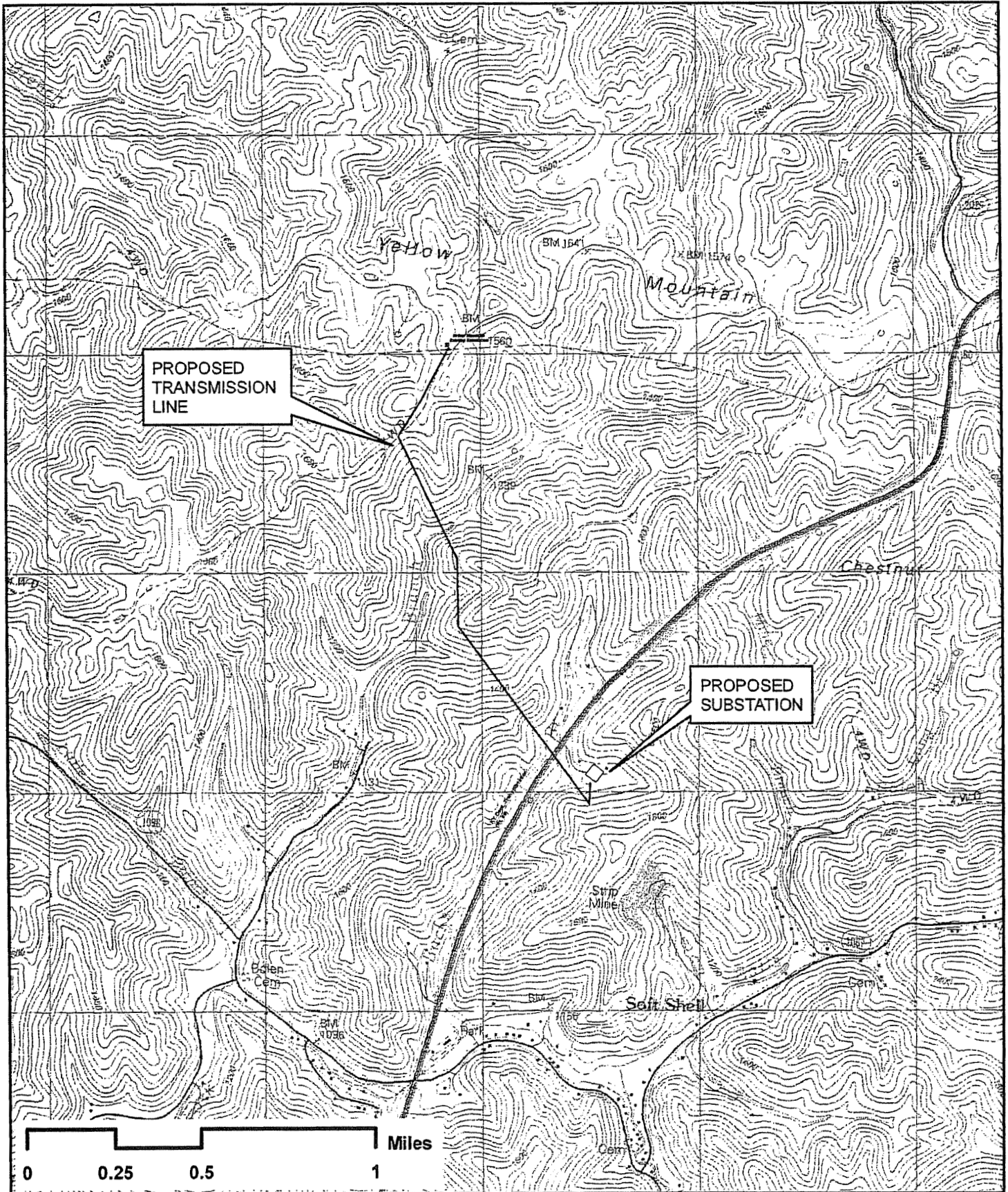

Errol K. Wagner
Director Regulatory Services

jkr

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Soft Shell 138kV Project
PREFERRED ROUTE

—————
 Preferred Route Centerline
 (Final Right-of-way will be 100' width)



Kentucky Power
P O Box 5190
101A Enterprise Drive
Frankfort, KY 40602
KentuckyPower.com

November 15, 2007

Keith Smith
4773 Hwy. 80E
Soft Shell, KY 41831

RE: Kentucky Public Service Commission Case No. 2007-00430; An Application of Kentucky Power Company for a Certificate of Convenience and Necessity for construction of a 138kV Transmission Line in Knott County Kentucky

Dear Sir or Madam:

This notice is provided to you pursuant to 807 KAR 5:120, Section 2 (3). As you are aware, Kentucky Power company (KPCo) proposes to construct a 138 kV transmission line, a portion of which will cross your property. You have been contacted by KPCo's representatives for the necessary right-of-way.

This entire new line will be approximately 1.6 miles in length, between KPCo's new Soft Shell Station to KPCo's existing Beaver Creek-Harbert-Spicewood 138 kV line at the existing "Yellow Mountain switch." A map of the proposed line is enclosed. The line will provide service to meet the increased load requirements on the existing Beckham Station located at Hindman and to service loads in Knott County.

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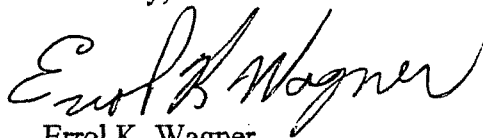
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The written request must be received by the Commission within thirty days of November 1, 2007, which is the date KPCo filed its application with the Commission for the CCN to construct the line.

You also have the right to intervene as a party to the proceedings in accordance with 807 KAR 5:001, Section 3(8), a copy of which is enclosed.

If you have any questions to KPCo please contact the undersigned, Errol K. Wagner, Director of Regulatory Services, Kentucky Power Company at 502-696-7010.

Sincerely,

A handwritten signature in black ink that reads "Errol K. Wagner". The signature is written in a cursive style with a large initial "E".

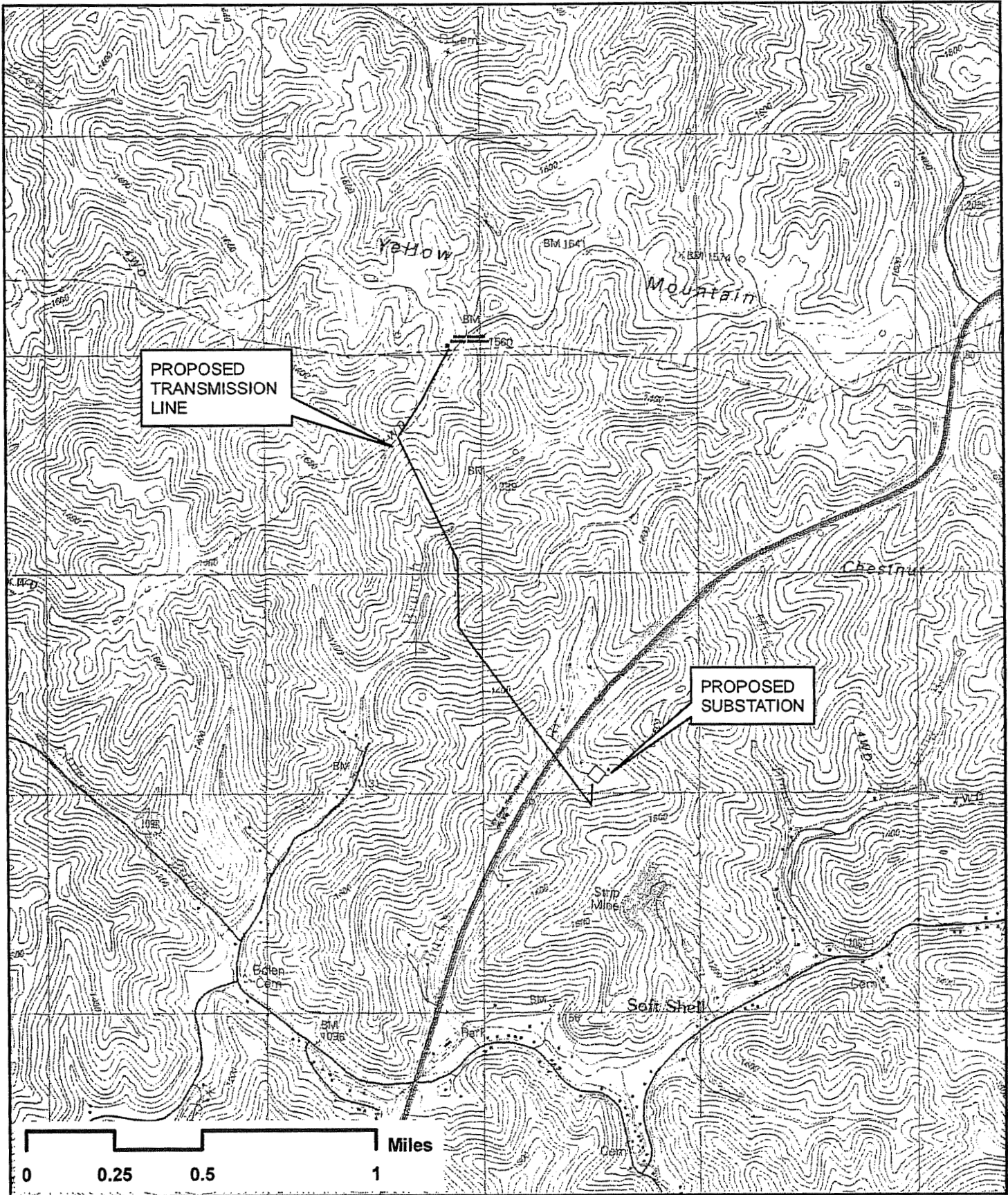
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Director Regulatory Services

jkr

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Kentucky Power
P O Box 5190
101A Enterprise Drive
Frankfort, KY 40602
KentuckyPower.com

November 15, 2007

Terry Marcus Kent
P.O. Box 26
Hindman, KY 41822

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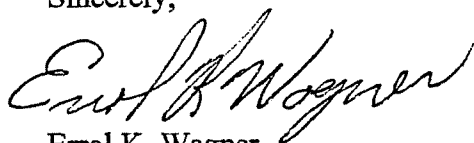
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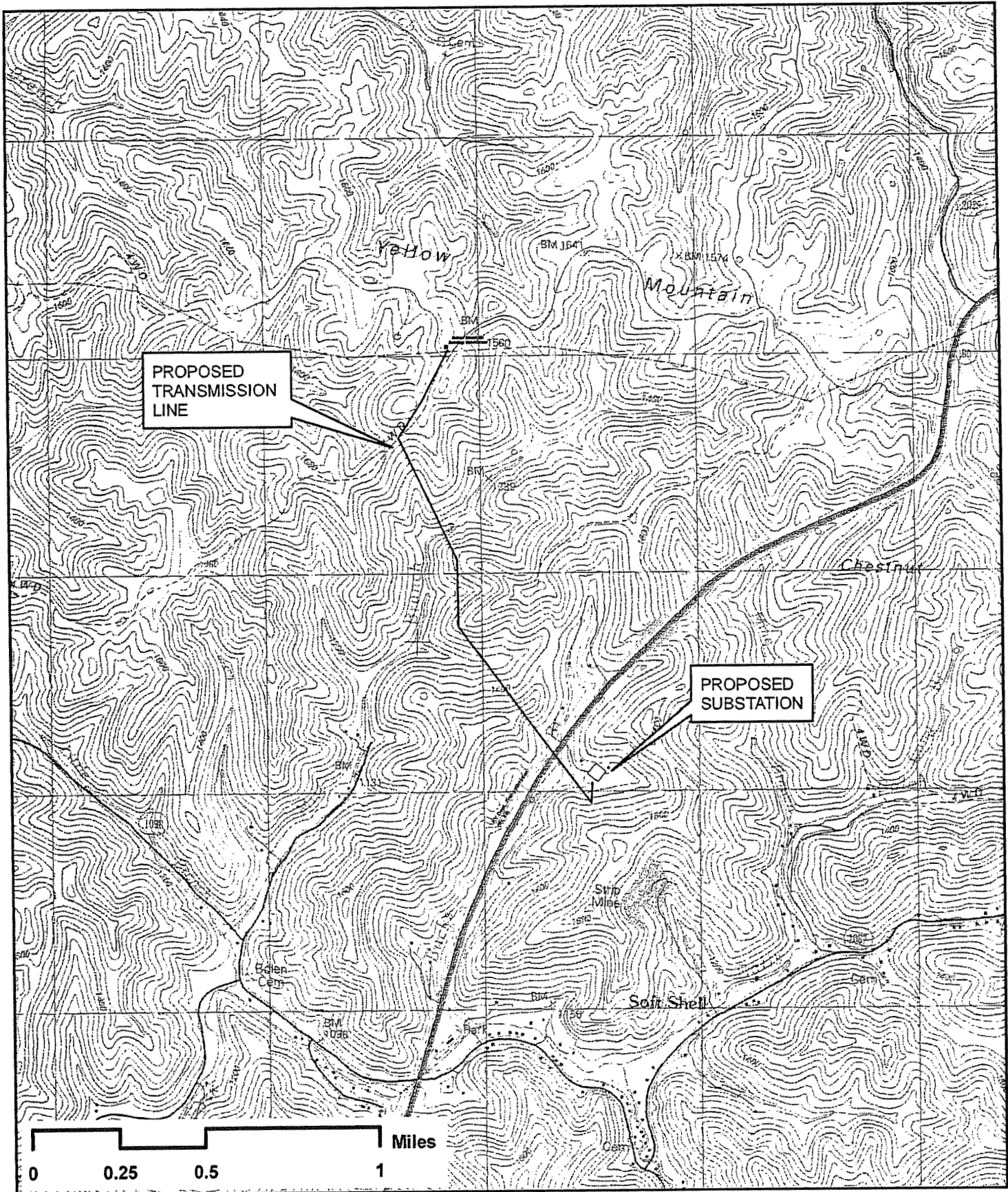
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Soft Shell 138kV Project
PREFERRED ROUTE

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Preferred Route Centerline
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Kentucky Power
P.O. Box 5190
101A Enterprise Drive
Frankfort, KY 40602
KentuckyPower.com

November 15, 2007

Ronald Smith
47 Raymond Smith Drive
Soft Shell, KY 41831

RE: Kentucky Public Service Commission Case No. 2007-00430; An Application of Kentucky Power Company for a Certificate of Convenience and Necessity for construction of a 138kV Transmission Line in Knott County Kentucky

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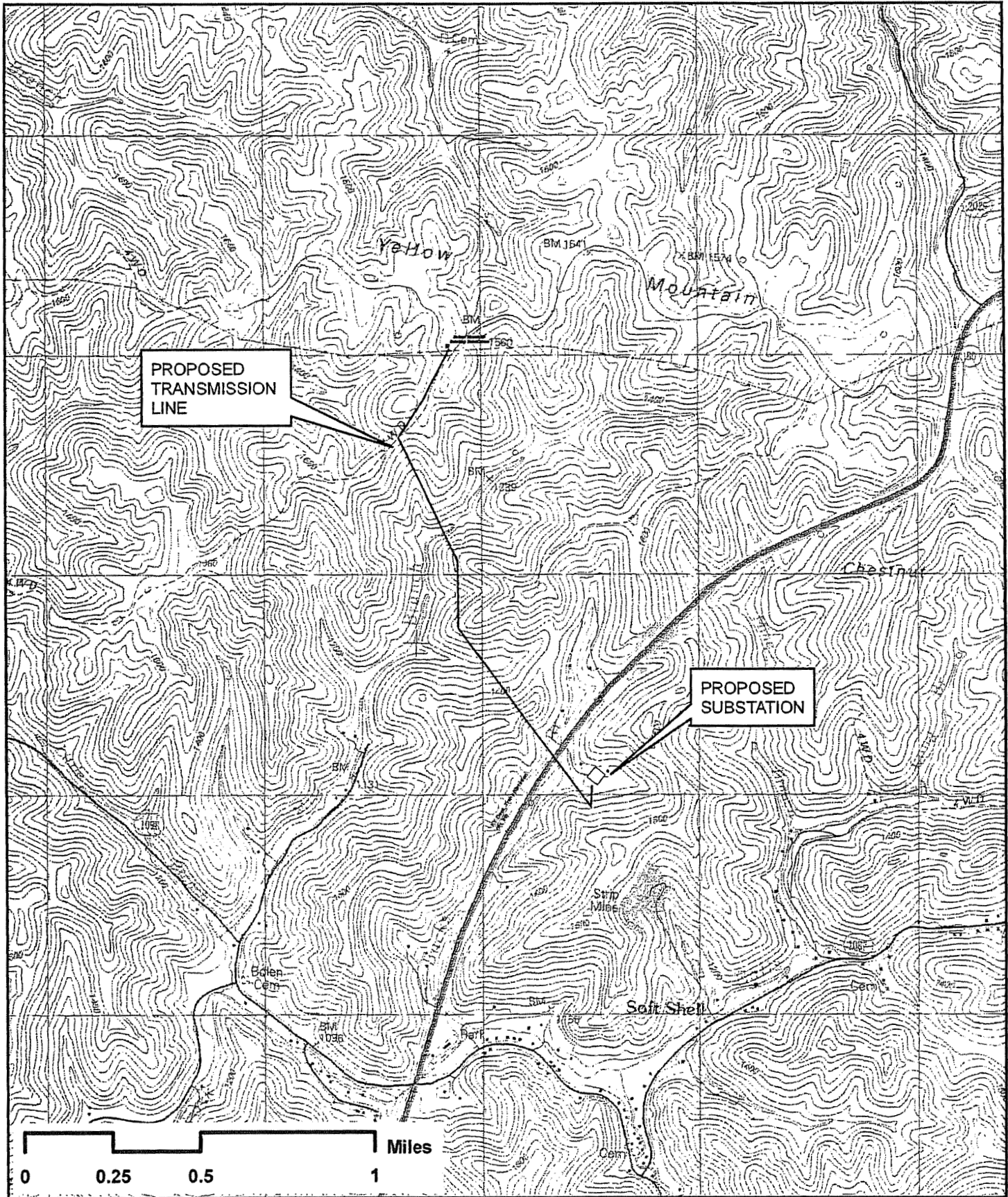
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Director Regulatory Services

jkr

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Soft Shell 138kV Project
PREFERRED ROUTE

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Preferred Route Centerline
(Final Right-of-way will be 100' width)



Kentucky Power
P O Box 5190
101A Enterprise Drive
Frankfort, KY 40602
KentuckyPower.com

November 15, 2007

Norman Thomas
4454 Highway 80 E
Leburn, KY 41831

RE: Kentucky Public Service Commission Case No. 2007-00430; An Application of Kentucky Power Company for a Certificate of Convenience and Necessity for construction of a 138kV Transmission Line in Knott County Kentucky

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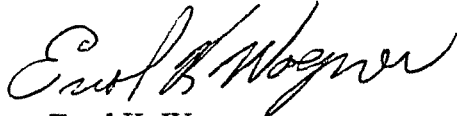
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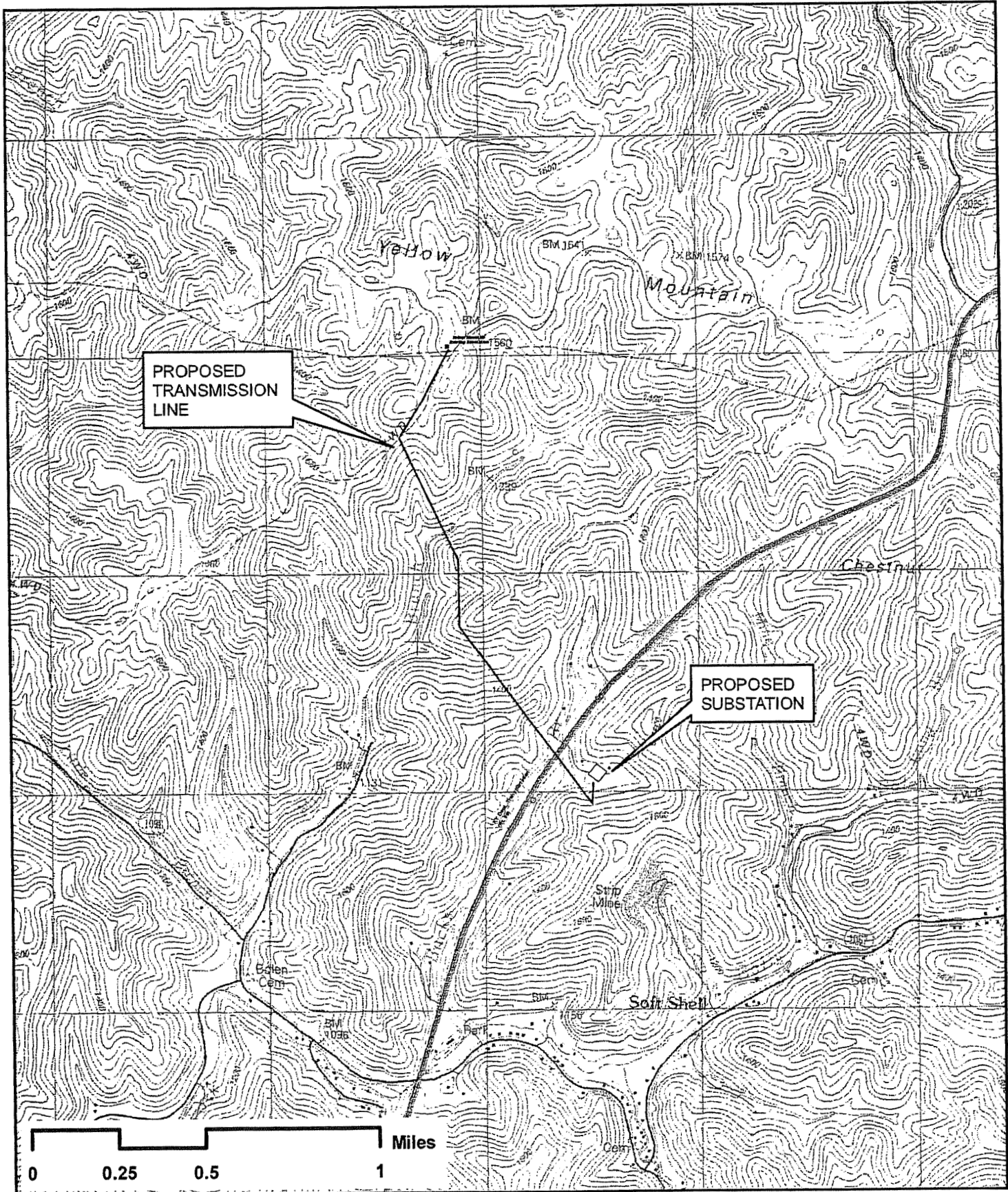
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Soft Shell 138kV Project
PREFERRED ROUTE

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Kentucky Power
P O Box 5190
101A Enterprise Drive
Frankfort, KY 40602
KentuckyPower.com

November 15, 2007

Shirley White
P.O. Box 692
Prestonsburg, KY 41653

RE: Kentucky Public Service Commission Case No. 2007-00430; An Application of Kentucky Power Company for a Certificate of Convenience and Necessity for construction of a 138kV Transmission Line in Knott County Kentucky

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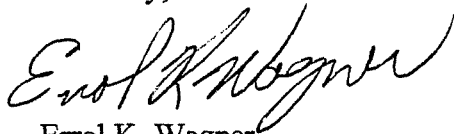
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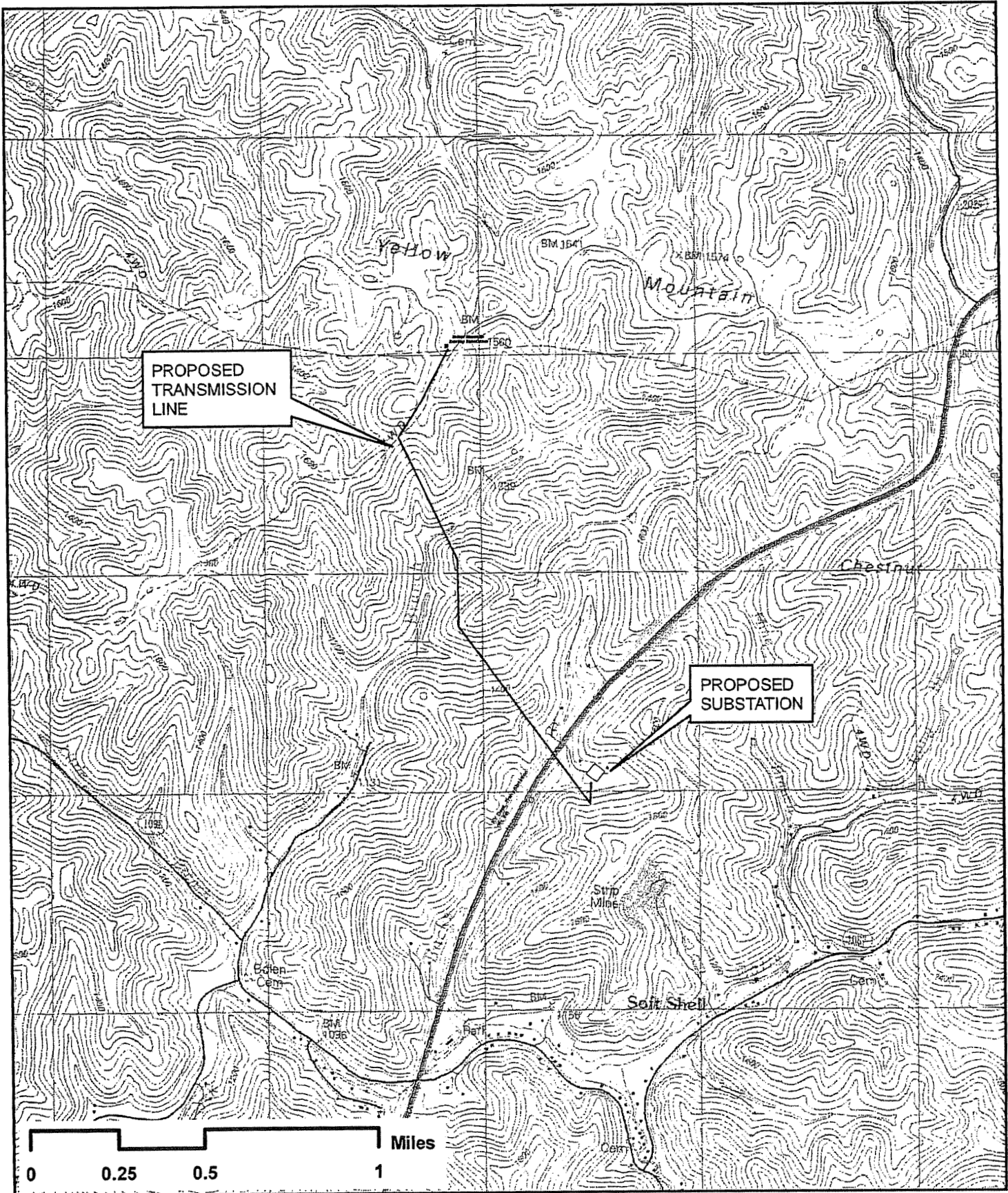
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Kentucky Power
P O Box 5190
101A Enterprise Drive
Frankfort, KY 40602
KentuckyPower.com

November 15, 2007

David Smith
3291 Possum Trot Rd
Leburn, KY 41831

RE: Kentucky Public Service Commission Case No. 2007-00430; An Application of Kentucky Power Company for a Certificate of Convenience and Necessity for construction of a 138kV Transmission Line in Knott County Kentucky

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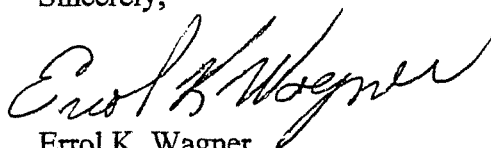
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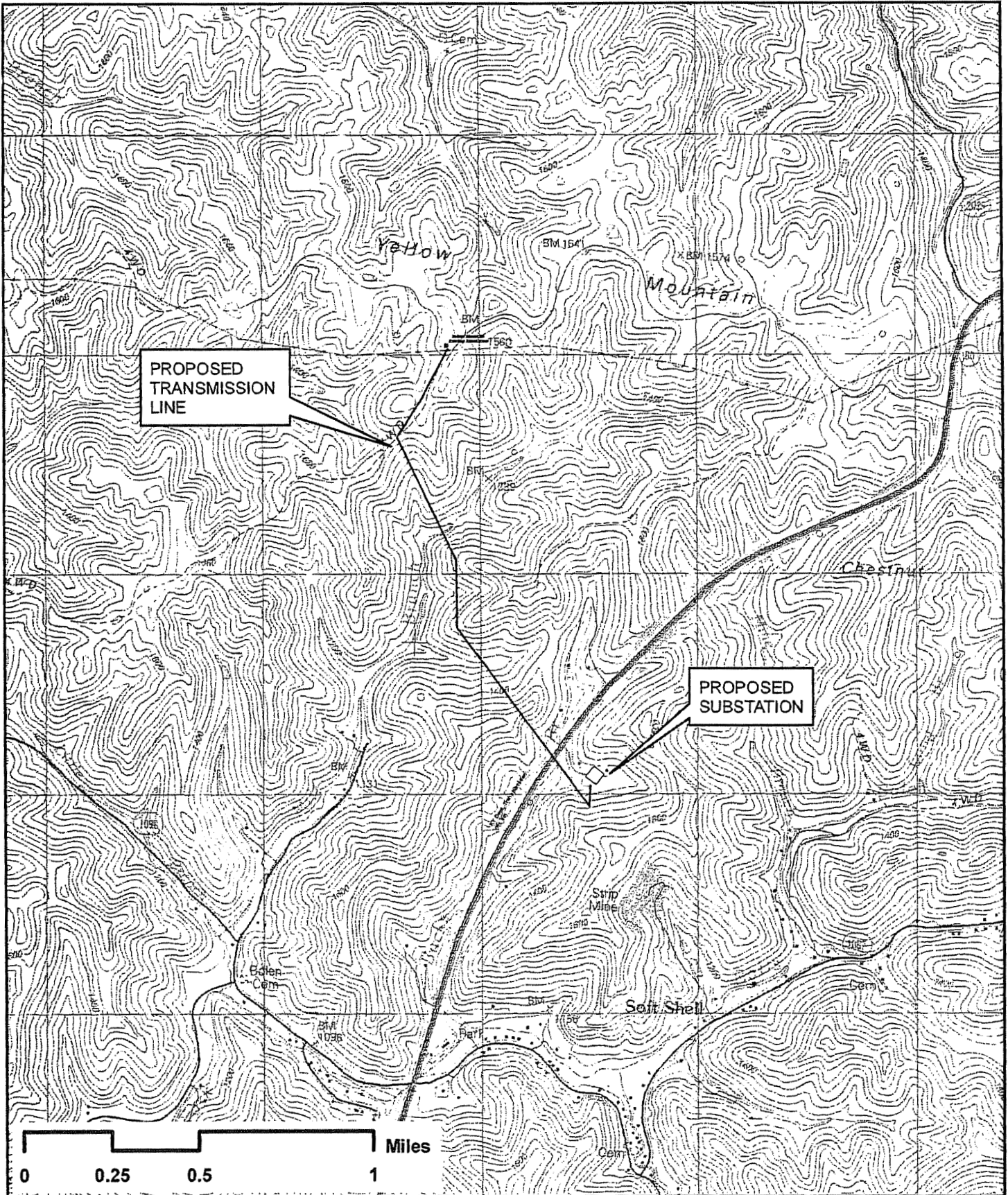
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Soft Shell 138kV Project
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Kentucky Power
P O Box 5190
101A Enterprise Drive
Frankfort, KY 40602
KentuckyPower.com

November 15, 2007

Jimmy Campbell
P.O. Box 15
Hindman, KY 41822

RE: Kentucky Public Service Commission Case No. 2007-00430; An Application of Kentucky Power Company for a Certificate of Convenience and Necessity for construction of a 138kV Transmission Line in Knott County Kentucky

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Sincerely,

A handwritten signature in black ink, appearing to read "Errol K. Wagner". The signature is written in a cursive style with a large, sweeping initial "E".

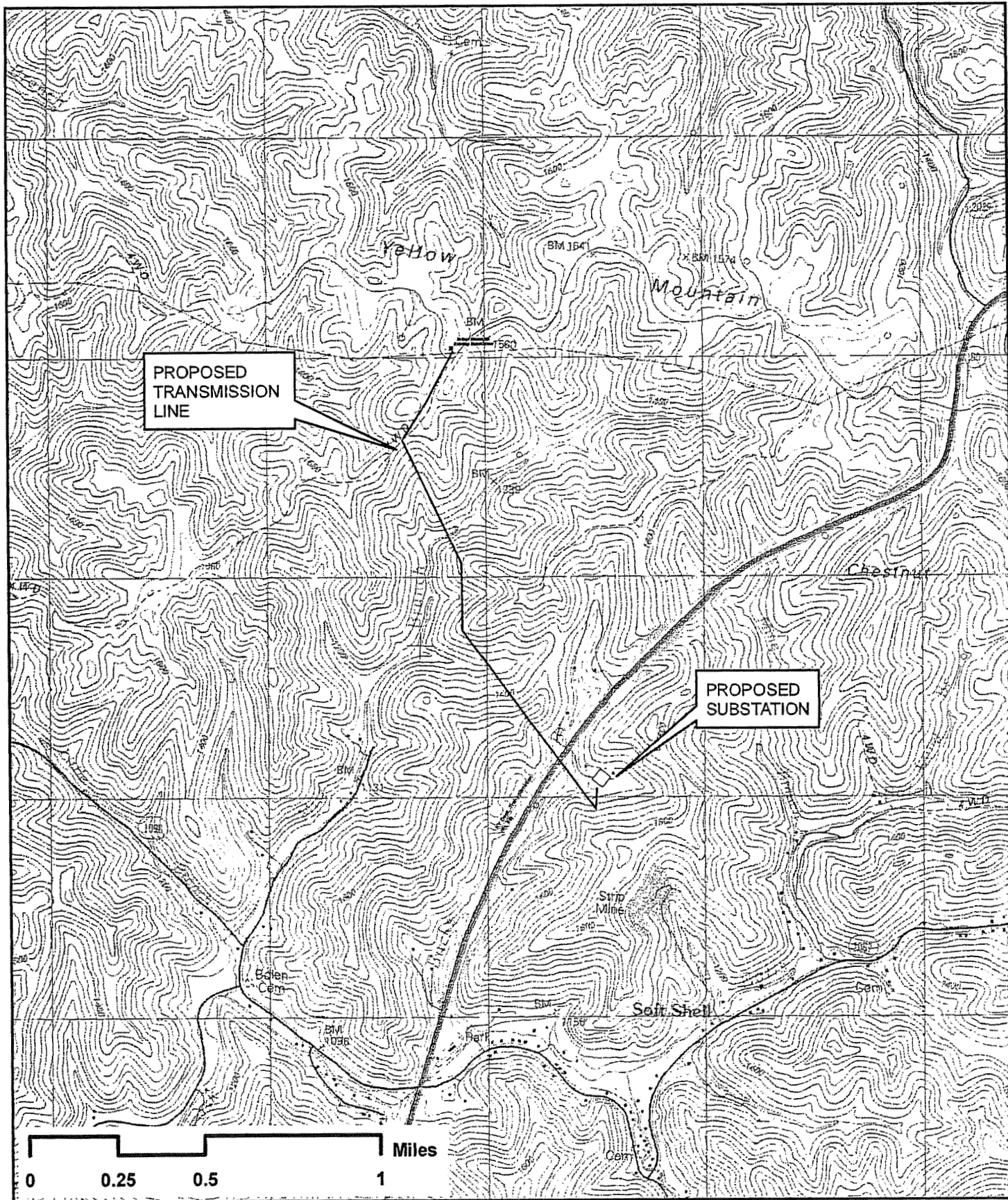
Errol K. Wagner
Director Regulatory Services

jkr

807 KAR 5:001. Rules of procedure.

(8) Intervention and parties. In any formal proceeding, any person who wishes to become a party to a proceeding before the commission may by timely motion request that he be granted leave to intervene. Such motion shall include his name and address and the name and address of any party he represents and in what capacity he is employed by such party.

- (a) Each person granted leave to intervene shall be considered as making a limited intervention unless he submits to the secretary a written request for full intervention. A person making only limited intervention shall be entitled to the full rights for a party at the hearing in which he appears and shall be served with the commission's order, but he shall not be served with filed testimony exhibits, pleadings, correspondence and all other documents submitted by parties. A person making a limited appearance will not be certified as a party for the purposes of receiving service of any petition for rehearing or petition for judicial review.
- (b) If a person granted leave to intervene desires to be served with filed testimony, exhibits, pleadings, correspondence and all other documents submitted by parties, and to be certified as a party for the purposes of receiving service of any petition for rehearing or petition for judicial review, eh shall submit in writing to the secretary a request for full intervention, which shall specify his interest in the proceeding. If the commission determines that a person has a special interest in the proceeding which is not otherwise adequately represented or that full intervention by party is likely to present issues or to develop facts that assist the commission in fully considering the matter without unduly complicating or disrupting the proceedings, such personal shall be granted full intervention.



Soft Shell 138kV Project
PREFERRED ROUTE

Preferred Route Centerline
 (Final Right-of-way will be 100' width)



**KENTUCKY
POWER**

A unit of American Electric Power

Kentucky Power
P O Box 5190
101A Enterprise Drive
Frankfort, KY 40602
KentuckyPower.com

November 8, 2007

KENTUCKY PRESS ASSOCIATION

ATTN: Rachael McCarty

FAX 502-875-2624

Dear Ms. McCarty:

As you requested, we are faxing information to be published in the Classified Section under "Legal Notices" in the Troublesome Creek Newspaper, P.O. Box 700, Hindman, KY 41822 in the Kentucky Power service area.

We are requesting that the information be published in the Wednesday, November 14, 2007 publication.

A copy of the final ad after it is reset should be "faxed" to the below address for our approval.

As we discussed, immediately following publication, your office will prepare a notarized affidavit and forward it along with the tear sheet to the address below.

The invoice for any costs associated with the service should be mailed to the address below.

Judy K. Rosquist
Kentucky Power Company
Regulatory Services
P.O. Box 5190
Frankfort, KY 40602

If you have any questions, please call Judy at 502-696-7011.

Thank you,

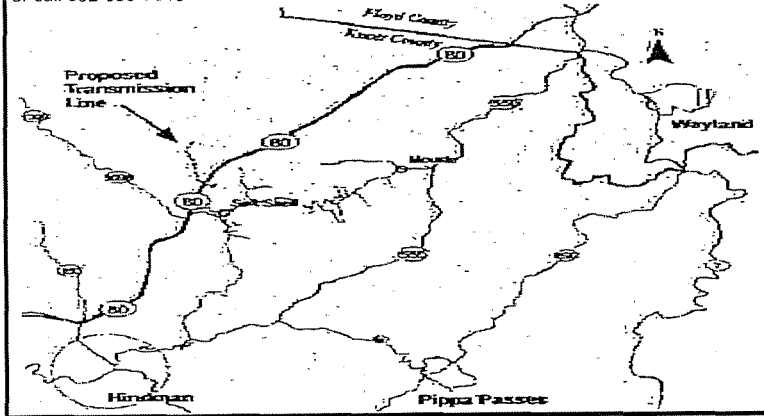
A handwritten signature in black ink that reads 'Errol K. Wagner'. The signature is written in a cursive style with a large initial 'E'.

Errol K. Wagner
Director Regulatory Services

PUBLIC NOTICE

Kentucky Power Company (KPCo) gives notice that it will file an application seeking a Certificate of Public Convenience and Necessity authorizing it to construct in Knott County, Kentucky a 138 kV electric transmission line approximately 1.6 miles in length that will run between the proposed new Soft Shell 138-34.5 kV Station located near Soft Shell, Kentucky and the existing "Yellow Mountain switch" on the existing Beaver Creek-Harbett Spicewood 138 kV line. The proceeding has been assigned Case No. 2007-00430.

Interested parties have a right to intervene in these proceedings and to request a local public hearing. Should you have any questions concerning the case, please contact Ms. Elizabeth O'Donnell, Executive Director of the Kentucky Public Service Commission, P.O. Box 615, 211 Sower Boulevard, Frankfort, KY 40602-0615, or call 502-564-3940. Questions concerning the project may also be directed to Errol K. Wagner, Director of Regulatory Services, Kentucky Power Company, 101A Enterprise Drive, P.O. Box 5190, Frankfort, KY 40602-5190 or call 502-696-7010.



November 8, 2007

The Kentucky Press Service
Business Affiliate of the Kentucky Press Association
Attn: Rachael McCarty
101 Consumer Lane
Frankfort, KY 40601
Phone: 502-223-8821
FAX: 502-875-2624

I hereby agree to plan for publication of the Notice attached as directed in a
Kentucky Public Service Commission Order and acknowledge same by returning
a signed copy of this form to Mr. Errol K. Wagner, Kentucky Power Company,
Frankfort, KY, FAX: 505-696-7009.

Receipt of and Intent to Comply
Acknowledged by:

Rachael McCarty 11-9-07
The Kentucky Press Service Date

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1.0 INTRODUCTION

American Electric Power (AEP) proposes to construct a 138-kV transmission line in Knott County, Kentucky to meet increasing electric demand in the vicinity. A new Soft Shell substation will be constructed to serve as a distribution point for the new transmission line. The proposed Soft Shell 138-kV line will extend from AEP's existing Beaver Creek-Harbert-Spicewood 138-kV line to the proposed Soft Shell substation.

The proposed Soft Shell transmission line will be constructed on lattice steel towers or steel poles in double-circuit configuration. A 100-foot wide right-of-way (ROW) will be required for construction and operation.

As an initial step in the development of this project, AEP retained GAI Consultants, Inc. (GAI) to review, develop, and evaluate alternative transmission line route locations for overall environmental suitability and feasibility. The location of the proposed substation was previously determined by AEP.

This report presents the results of an overall feasibility evaluation conducted by GAI in August and September 2007. Section 2 describes the methodology utilized in this investigation; Section 3 provides a discussion of the project area features and environmental constraints in the study area; Section 4 describes the proposed alternatives; and Section 5 provides a comparative analysis of these alternatives.

2.0 METHODOLOGY

The overall methodology followed for this siting study is described below.

The initial step in the siting process involved the identification of the study area boundary encompassing the existing transmission lines, the proposed substation, and the intervening areas. This study area, as shown on Figure 1, incorporates an approximately 4.2-square mile area in Knott County, Kentucky.

Corridor siting criteria were developed to form the basis of the approach to site alternative corridors through the study area. These criteria were employed to avoid or minimize land use conflicts and impacts upon human, natural, visual, and cultural resources; regulatory conflicts; construction, operation and maintenance problems; and project schedule delays.

Among the siting criteria employed were:

- avoid or minimize conflicts with existing and proposed future land uses, including the paralleling of existing utility transmission line corridors where possible;
- avoid or minimize impacts upon human, natural, visual, and cultural resources;
- avoid or minimize visibility from populated areas or heavily traveled roads;
- minimize impacts and construction costs by selecting shorter, more direct corridor routes;
- route corridors through terrain where economical construction and mitigation techniques can be employed, and where line operation and maintenance is feasible;
- consistency with AEP transmission needs, project schedules, regulatory agency oversight requirements, and environmental regulations; and
- landowner support.

These siting criteria formed the basis of the impact/resource conflict avoidance methodology utilized to route the alternative corridors.

Based upon review of recent aerial photography (National Agriculture Imagery, 2004) and United States Geological Survey (USGS) topographic mapping (USGS, 1992), AEP and GAI identified alternative transmission line routes for further analysis. In general, the alternative routes were developed to avoid major environmental constraints. The routes were then evaluated through data collected from:

- Literature Review and Data Collection. GAI collected published data and mapping of environmental resources within the project area to identify significant environmental resources that could pose constraints for transmission line siting. These included wetlands, soils, geology, public lands, designated natural areas or preserves, game lands or recreation areas. GAI also reviewed available information concerning existing and future land uses within Knott County. These data were used to create a geographic information system (GIS) database to assist in the data analysis. The sources used to obtain these data are discussed in detail in the following sections.

As a part of this effort, GAI reviewed recent aerial photography obtained from the USGS and AEP to update and refine feature locations identified by the literature review. These data were also incorporated into the GIS database.
- Ground Reconnaissance. Initial field reviews were conducted on September 10th and 11th, 2007. Field reviews were necessary to verify identification of features on the aerial photographs, and provide a current update on recent building construction. These efforts were limited to views from public road crossings and other publicly-accessible sites. Data revisions and new information resulting from the ground reconnaissance were incorporated into the GIS database.
- Agency Coordination. Coordination was conducted with federal and state agencies pertaining to potential occurrence and distributions of endangered and threatened species and cultural resources of concern.
- Mining Company Coordination. Extensive coal mining activities are planned in the study area and several companies have extensive holdings of mineral rights in this area. In order to identify potential conflicts between current and future mining operations and operation of a transmission line, AEP met with representatives of Consol Energy and Western Pocahontas Properties.
- Landowner Coordination. AEP conducted coordination with property owners along potential alternatives to identify potential land use conflicts.

Section 3 discusses the environmental constraints identified within the study area as a result of these data collection efforts.

Each alternative transmission line route was assessed for resources within the 100-foot wide ROW and/or within 500 feet of the ROW centerline as identified in Table 1. In addition, the presence of airports (including private landing strips) was examined for an area within one mile of the project elements. The alternatives were then comparatively examined in regard to resource impacts to identify the most feasible route with the least impacts to construct the proposed project.

Following completion of data collection efforts and compilation of the GIS database each alternative was evaluated based upon the data collected. Alternatives were examined for potential “fatal flaws” and overall feasibility was assessed as discussed in Section 4.

3.0 ENVIRONMENTAL CONSTRAINTS

3.1 Topography and Geology

The study area lies entirely within the Cumberland Plateau which occupies the western part of the Appalachian Plateau Physiographic Province. In general, the Cumberland Plateau is dominated by a series of sloping, uplifting, dissected plateaus capped by resistant sandstone layers (Kentucky Geologic Survey, 2005a). The topography is characterized by deep, v-shaped valleys that have eroded through thick flat-lying or gently folded Pennsylvania age sedimentary bearing rocks. The elevations range from 500 feet to over 2,000 feet above sea level, but may exceed 4,000 feet in some locations. The only flat areas are along the valleys and major streams.

The study area is situated on the Pennsylvanian-aged rocks of the Middle Breathitt Formation. This Middle Breathitt Formation is composed of siltstone, some sandstone and coal. This formation is not indicative of karst topography. The topography in the study area ranges from approximately 1200 to 1600 feet in elevation based on topographic mapping of the study area.

Based on USGS landside data, the project is located within an area of high incidence of landslides (USGS, 1999). This is based on response of the soils to natural and artificial cutting, loading of slopes, and high precipitation. Modification by excavation and fill may lead to local landslides. Blasting can have an effect on the potential for slope failure.

3.2 Hydrocarbon Resources

Oil and natural gas are common commercially extractable natural resources of the Cumberland Plateau Region (KGS, 2005b). The study area is within the eastern Kentucky Coal Field (KGS, 2005). According to the Kentucky Coal Education Website, in 2002 there were 180 active surface mines and 219 active underground mines in eastern Kentucky. Coal resources in the study area were located using mine maps from the Kentucky Mine Mapping Information System administered by the Kentucky Mine Mapping Initiative (2007). Review of these maps indicates that there has been surface mining in the study area. All of these mines are inactive. A recently-reclaimed surface mine is located in the northeastern portion of the study area along State Route 80. The mined coal seams are within the Breathitt Formation and include Francis, Hazard, Red Springs, Hindman and Peach Orchard coals. There is no other information provided for these mines. There are no known underground mines located in the study area. There are also a number of other active and abandoned surface mines located just outside of the study area.

Coal resources are common throughout the study location and a new mining operation has been proposed within the study area by Consol Energy. As noted previously, AEP has coordinated with Consol Energy and Western Pocahontas Properties concerning planned mining activities in the study area.

Because the identification of mine openings conducted for this siting study was compiled from remote sensing sources, it is not comprehensive. Additional unmapped, abandoned openings may occur in the area; field surveys would be required to locate all openings.

The study area contains oil and gas wells and oil and gas fields (KGS, 2005c). Locations of wells were obtained from data prepared by the Kentucky Geological Survey from the Kentucky Oil and Gas Well Records Database. Figure 3 shows the locations of mining features and oil and gas wells within the study area.

3.3 Groundwater

There are no Sole Source Aquifers in Kentucky (U.S. Environmental Protection Agency, 2006a). Eight known domestic wells occur in the study area, ranging from 78 to 305 feet in depth, and static water levels ranging from zero to 52 feet. All wells are for domestic use (Kentucky Geologic Survey, 2007).

3.4 Soils

The soil associations in the study area are the Dekalb-Muskingum-Berks Association (Db), the Muskingum-Dekalb-Gilpin-Wellston Association (Md), and the Rockland-Dekalb Association (Rd) (McDonald and Blevins, 1965). All three associations are characterized by silt-loam and loamy soils overlying stony or silt-loam subsoil. The parent material consists chiefly of sandstone and shale from the Pennsylvanian age.

The Db Association typically occurs on narrow, steep and stony ridge tops that contain many small streams in deep channels. The major soils in this association have low available water capacity and low fertility, although some minor soils in lesser slopes and flood plains have moderate fertility. The Md Association occurs on broad ridge tops, and generally consists of moderately deep silt-loam and loam soils. Most soils have low available water capacity and have low fertility, although the Wellston soils have moderate fertility and comprise ten percent of the Association. The Rd Association occurs on very steep slopes and very narrow ridge tops, and includes mostly outcrops and boulders along with small amounts of shallow, rocky soil. Water capacity and fertility for these soils are low.

Within the study area, Grigsby sandy loam, which makes up approximately two percent of the total soil, is listed as a prime farmland soil and partially hydric. It is the only soil in the study area with any agricultural significance or hydric classification. This soil type is only found along thin stretches running along the Mill Branch and Patton Fork ravines (Natural Resource Conservation Service, 2007) (see Figure 3).

3.5 Land Use

Land use patterns were evaluated primarily from aerial photographs, USGS topographic mapping, and from field observations. During the data collection and ground reconnaissance activities cited above in Section 2.0, existing buildings and development that post-date the existing mapping were located and incorporated into the GIS data base. Figure 3 provides aerial photography illustrating and identifying current land uses in the study area.

Currently, the vast majority of the study area is forested. Single-family residences are scattered throughout the study area primarily along State Route 80 and Mill Branch. There are no known cemeteries, schools, churches, or parks located within the study area. A portion of the study area east of State Route 80 contains a former strip mine that is currently undergoing development (Western Pocahontas Mining Company). The Knott County Sportsplex is currently under construction at the site. The area also contains numerous oil and gas wells, coal exploration drill holes, and coal outcrops.

Much of the forested area immediately to the west of State Route 80 is planned to be strip mined in the near future by Consol Energy. The proposed mining area and blasting radius

covers a wide portion of the study area including the existing AEP Beaver Creek-Harbert-Spicewood 138-kV line.

There are no airports or landing strips within one mile of the study area (USGS, 1992).

3.6 Cultural Resources

In order to assess archaeological site potential and architectural resources likely to be encountered in the project area, GAI collected cultural resource data from a review of files maintained by Kentucky Heritage Council in its capacity as the Kentucky State Historic Preservation Office (SHPO). GAI identified and mapped previously surveyed archaeological sites, engineering structures, and architectural resources within the project area. The results of this background research effort are summarized below. It is important to note that, particularly for archaeological resources, site boundaries are often undefined, and therefore, may be larger than the point data provided. Further investigation would be necessary to verify the extent and condition of resources or presence of previously unrecorded resources (both architectural and archaeological) and may determine that additional sites are present or that some known sites are substantially larger than currently mapped and thus could intrude into the area of potential effect.

There is one architectural and archeological resource located within the project study area. The archeological resource is a prehistoric rockshelter that is not National Register eligible. The architectural resource is the Carr Creek Community Center. National Register status for the community center is currently undetermined.

3.7 Significant Natural Resources

3.7.1 Wetlands

Wetlands within the study area were identified based upon an office review of digital National Wetlands Inventory (NWI) mapping [United States Fish and Wildlife Service (USFWS) 2007b], supplemented by limited field views of the areas in the vicinity of the alternative routes in September 2007.

The NWI mapping indicates eight small wetlands in the study area (USFWS 2007b) (see Figure 3). No additional wetlands were identified in those parts of the study area visible from public roads. Natural wetlands in this landscape tend to occur in valley bottoms in association with streams. Manmade wetlands consist primarily of ponds.

3.7.2 Surface Waters

The study area is within the Kentucky River drainage basin and includes portions of Patton Fork, Mill Branch, Bucks Branch, and Quicksand Creek. Of these perennial streams; none have any special use or surface water usage designations (Kentucky Division of Water 2007).

3.7.3 Threatened and Endangered Species and Unique Natural Communities

The USFWS, the Kentucky State Nature Preserves Commission (KSNPC), and the Kentucky Department of Fish and Wildlife Resources (KDFWR) were consulted for information on the potential for occurrence of rare, threatened, and endangered species and unique ecological communities in the project vicinity.

The USFWS Kentucky Field Office indicated one endangered species, Indiana bat (*Myotis sodalis*), potentially occurring within the study area. USFWS requests that AEP survey the project area for caves, rockshelters and abandoned mines, avoid any impacts to those areas,

and restrict tree removal to the period between October 15 and March 31 (November 15 if any Indiana bat hibernacula are found). This effort is currently in progress.

A review of the Kentucky Natural Heritage Program Database by the KSNPC indicates the presence of the Elktoe mussel (*Alasmidonta marginata*) within five miles of the study area. The Elktoe mussel is listed as threatened within Kentucky (by the KSNPC) and federally considered a species of management concern that occurs locally within the Troublesome Creek watershed. The KSNPC recommended that a rigorous erosion and sediment control plan be implemented prior to any on-site activity and that potentially impacted streams be surveyed by a qualified biologist prior to any stream disturbance. Rafinesque's big-eared bat (*Corynorhinus rafinesquii*) and Henslow's Sparrow (*Ammodramus henslowii*) occur within a ten-mile radius of the study area. Both are considered federal species of management concern and are KSNPC special concern species. Field observations by GAI indicate that potential habitat for Henslow's sparrow in the study area appears to be limited to a reclaimed mine site in the northeast corner of the study area. It was recommended that a survey for Rafinesque's big-eared bat be conducted by a qualified biologist if suitable habitat is to be disturbed. The KSNPC indicated that USFWS requirements for protection of the Indiana Bat would also be sufficient for this species. Winter habitat surveys are currently in progress.

The Common Raven (*Corvus corax*) was reported from within one mile of the project area and Sharp-shinned Hawk (*Accipiter striatus*) was reported to occur within a ten-mile radius of the project. The raven is listed as threatened by the KSNPC and the hawk as special concern. Both species occur in forested habitats. The raven typically nests on cliffs, the hawk nests in trees.

The KSNPC reported the existence of several large forest blocks in the project area. Large forest blocks are defined as areas of 4,500 or more contiguous acres. The KSNPC notes that large forest blocks were determined using the best available data at this time. Technical review is currently in progress. Forest fragmentation is one of the primary impacts to plants and animals that require large tracts of forest for all parts of their life cycles. The KSNPC recommends that fragmenting or impacting large forest blocks should be avoided. Further detailed review of aerial photography by GAI indicates that forests within the study area are currently fragmented by roads, residential and agricultural uses, and ROWs and do not appear to be of 4,500 or more contiguous acres.

The KDFWR reported no known occurrences of federally threatened or endangered species in the project area.

3.7.4 Parks, Preserves, and Recreational Facilities

The Knott County Sportsplex Community Center (currently under construction) is located in the eastern portion of the study area and includes a building and a number of playing fields. Knott County is exploring the development of an adventure park system. In the future this could include the establishment of horseback trails on private property in the project area west of State Route 80 (Knott County 2007).

3.7.5 Vegetation

The study area falls within the Central Appalachian Ecoregion as defined by Omernik (1987). This region is naturally forested. Harsh topography, shallow and infertile soils, and a cool climate have limited agricultural production within the region to shallow sloping valleys. The forest cover within the region consists of mixed mesophytic, Appalachian oak, and northern hardwood species associations (EPA 2006b). Forests in the region are highly diverse containing an impressive assemblage of oak, pine, hickory, and maple species, including

scatterings of hemlock, beech, and birch. This diverse canopy promotes a high diversity of understory plants and wildlife throughout the region.

The significant forest resources in Kentucky promote a substantial timber industry that annually produces 4.5 billion dollars in revenue and employs over 30,000 Kentuckians. Hardwoods such as white oak, red oak, and yellow poplar are the highest ranking harvested species (Kentucky Division of Forestry, 2007)

4.0 ALTERNATIVES DEVELOPMENT

As discussed in Section 2, potential alternative routes were developed based upon several siting criteria, including compatibility with land use, minimization of impacts to resources, constructability, and landowner support.

Three alternative transmission line routes were developed between the Beaver Creek-Harbert-Spicewood 138-kV line and the proposed Soft Shell substation. These are designated as Alternative Routes A, B and C as shown on Figure 2. Two of these (Alternatives A and B) were developed by AEP, and the third (Alternative C) was developed by GAI.

Alternative A is the westernmost route and has a length of approximately 1.9 miles. This alternative leaves the proposed Soft Shell substation site and crosses State Route 80. The route then proceeds to the northwest through steep and undulating forested land, crossing Mill Branch, Patton Fork, and Bucks Branch before intersecting with the Beaver Creek-Harbert-Spicewood 138-kV line. This alternative would utilize steel lattice towers.

Alternative B is approximately 1.6 miles in length. Alternative B exits the proposed Soft Shell substation to the south and immediately turns sharply to the northwest crossing State Route 80. Alternative B then turns to run almost straight north through forested land, eventually angling slightly to the northeast before joining the Beaver Creek-Harbert-Spicewood 138-kV line. This route crosses both Bucks Branch and Mill Branch. This alternative would utilize steel lattice towers.

Unlike Alternatives A and B, Alternative C does not cross to the west side of State Route 80 when leaving the proposed Soft Shell substation. Rather, Alternative C essentially parallels the east side State Route 80 all the way to the Beaver Creek-Harbert-Spicewood 138-kV line. Alternative C is approximately 2.2 miles long and crosses both Bucks Branch and Quicksand Creek. Alternative C runs through a mix of forested and previously strip mined land. This alternative would be constructed utilizing steel poles.

5.0 ANALYSIS

Table 2 provides a comparative summary of potential constraints and opportunities associated with Alternatives A, B and C. Comparisons of the potential impacts and opportunities associated with each of these alternatives are discussed below.

5.1 Topography and Geology

No substantial topographic or geologic constraints to construction or operation are anticipated in the vicinity of any of the alternatives.

5.2 Hydrocarbon Resources

All of the alternatives would cross areas that have either been previously strip mined (Alternative C), or are planned for strip mining in the future (Alternatives A and B), and would fall within blast zones of future strip mining operations. Previous discussions between AEP

and Consol Energy have determined that Alternative A is not compatible with future mining plans for the area. Consol Energy has indicated that Alternative B is compatible with its future mining plans.

Alternative A does not have any mapped oil/gas wells or coal outcrops within the ROW; four oil/gas wells are within 500 feet of the centerline (Table 2). Alternative B has one oil/gas well and one mapped coal outcrop site within 500 feet of the proposed centerline. None of these sites fall within the ROW of Alternative B. Alternative C has six oil/gas wells and 21 coal outcrop sites within 500 feet of the centerline. Two of the mapped coal outcrop sites fall within the ROW of Alternative C. It is likely that these features can be avoided during final design.

Each alternative (A, B and C) has one coal exploration drill hole within 500 feet of the centerline.

5.3 Groundwater

No special concern groundwater resources were identified in the study area. There are several groundwater wells in the area (Figure 3). A single groundwater well is located within 500 feet of the centerline of Alternative B. Alternative C has two groundwater wells within 500 feet of the centerline. There are no groundwater wells within 500 feet of Alternative A. There are no wells located within the ROW of any alternative (Table 2).

5.4 Soils

Alternative A would impact approximately 0.5-acre of prime farmland soils (Gilpin silt loam), within the ROW (Figure 3). No impact to the current use of these soils is anticipated, as these areas are in valleys that would likely be spanned. There is no prime farmland soil within the ROW of Alternatives B or C (Table 2).

5.5 Land Use

Alternative C is the longest route at 2.2 miles in length and would require approximately 26 acres of ROW acquisition. Alternative A is 1.9 miles long and requires approximately 23 acres of ROW acquisition. Alternative B is the shortest route at 1.6 miles, and requires the least ROW acquisition and overall least land disturbance with approximately 19 acres in the ROW.

The majority of the land crossed by all three alternatives is primarily forested. Alternatives A and B would impact the most forest within the ROW (at approximately 20 and 16 acres, respectively). Alternative C would impact approximately 12 acres of forest within the ROW (Table 2).

5.6 Socioeconomic Resources

There are no major structures located within the ROW of any of the alternatives.

Alternative A has five residences within 500 feet of the proposed centerline. There are three residences within 500 feet of the centerline for both Alternatives B and C. No other major structures were identified within 500 feet of the centerline for any alternative. This includes commercial buildings, churches, and barns. There were also no cemeteries, schools, or hospitals identified within 500 feet of any proposed alternative (Figure 3, Table 2).

There are no airports or landing strips within one mile of the study area. The Knott County Sportsplex (currently under construction) is located east of Alternative C.

The transmission line has the potential to create visual impacts through ROW clearing and the introduction of new visual elements into the viewshed. Alternatives A and B are located almost entirely within unoccupied and isolated wooded areas with limited viewsheds. With the exception of the State Route 80 crossing, views of these routes are limited. Alternative A would be visible from several additional homes west of State Route 80. Alternative B is removed from the view of sensitive receptors once it crosses the highway. Conversely, Alternative C is located along State Route 80 for its entire length. While this route would minimize the overall effect of land use conversion because it parallels an existing transportation corridor, it will be highly visible from those residences which are located in the study area (which are concentrated along this roadway) and to the traveling public in general. Therefore, the overall greatest visual impact to the local area would be incurred by Alternative C, and minimized with Alternative B.

5.7 Cultural Resources

No previously recorded architectural or archaeological resources are affected by any of the project alternatives.

5.8 Natural Resources

There are no parks, state or federal forests, state wildlife management areas, refuges, designated natural areas or conservation areas, National Landmarks, or National Natural Landmarks in the study area.

No previously identified NWI wetlands are impacted within the ROW of Alternatives A, B or C.

Alternative A crosses three streams: Patten Fork, Mill Branch, and Bucks Branch (Table 2). Alternatives B and C cross two streams. Alternative B crosses Bucks Branch and Mill Branch. Alternative C crosses Bucks Branch and Quicksand Creek.

As previously discussed, each alternative would affect forested areas within the ROW (Table 2). Alternative A would impact approximately 20 acres of forest within the ROW. Alternative B potentially impacts approximately 16 acres of forest within the ROW. Approximately 12 acres of forest would potentially be impacted by Alternative C. The impacts associated with Alternatives A and B would result in fragmentation impacts as the ROW passes contiguous forest tracts. However, most of these areas are within areas planned for future strip mining. Therefore, these effects are expected to be short-term, as much of the forest cover in the area will be removed for mining. Alternative C is generally located along existing forest edge, thus avoiding fragmentation effects. Forest habitat impacts due to Alternative C are most likely negligible (Figure 3).

The potential for impact to rare bat species is presently under investigation. All alternatives affect forest areas that could potentially be used by the Indiana Bat and Rafinesque's big-eared bat. All alternatives affect forested habitat that could be used by the Common Raven and Sharp-shinned Hawk. No cliffs that would potentially serve as nest sites for the raven appear to be affected, based on review of topographic mapping. Potential impacts to the Elktoe would be mitigated by appropriate erosion controls. Alternative C would cross a small portion of reclaimed strip mine that could potentially serve as habitat for Henslow's Sparrow.

6.0 SUMMARY

Table 2 provides a comparative summary of potential constraints and opportunities associated with each of the alternatives.

Based on the evaluations conducted for this study, serious constraints due to the future mining plans of Consol Energy were identified for Alternative A. Consol representatives indicated that the implementation of Alternative A would have substantial economic and resource use impacts to their operations due to limitations on mining or future development created by the ROW. The mining plans and development plans in this area are so extensive that route alterations to avoid these constraints are not feasible. Conversely, Alternatives B and C avoid these constraints.

Alternative C would have the greatest visual impact among the alternatives. It will be highly visible from State Route 80, the residences along that roadway, and the Knott County Sportsplex (currently under construction).

There are several factors that suggest that Alternative B is more suitable than the others.

- Alternative B is the shortest route at 1.6 miles, and requires the least ROW acquisition and overall least land disturbance with approximately 19 acres in the ROW.
- Alternative B is located almost entirely within unoccupied and isolated wooded areas with limited viewsheds. Alternative B is removed from the view of sensitive receptors once it crosses State Route 80. Therefore, it has the least visual impact of any of the alternatives.
- Alternative B is located within an area planned for future area and contour strip mining. This minimizes the potential for future land use, visual, and habitat impacts associated with introduction of the transmission line to the landscape at this location.

For these reasons, Alternative B appears to be the most suitable route for the proposed 138-kV transmission line.

7.0 REFERENCES

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TABLES

**Table 1
RESOURCE ANALYSIS PARAMETERS**

Resource	Area of Analysis	
	100-Foot Wide ROW	Within Approximately 500 Feet of Centerline
<i>Urban Features</i>		
Residences	X	X
Business/Commercial Structures	X	X
Schools	X	X
Churches	X	X
Cemeteries	X	X
Barns	X	X
Other Major Structure/ Facility	X	X
Residential Yards Crossed	X	X
Airports		within 1 mile
Oil/Gas Wells	X	X
Coal Outcrop	X	X
Water Wells	X	X
<i>Future Land Use</i>		
Industrial/Commercial Development	X	
Surface Mining	X	
<i>Natural and Cultural Resources</i>		
Wetlands	X	
Streams	X	
Forest	X	
Prime Farmland Soils	X	
Previously Documented Architectural Resources	X	X
Previously Documented Archaeological Resources	X	X
Potential Rare Species Occurrence	X	X
<i>Recreational and Aesthetic Resources</i>		
Bikeways	X	
Scenic Byways	X	
Trails	X	
Parks	X	

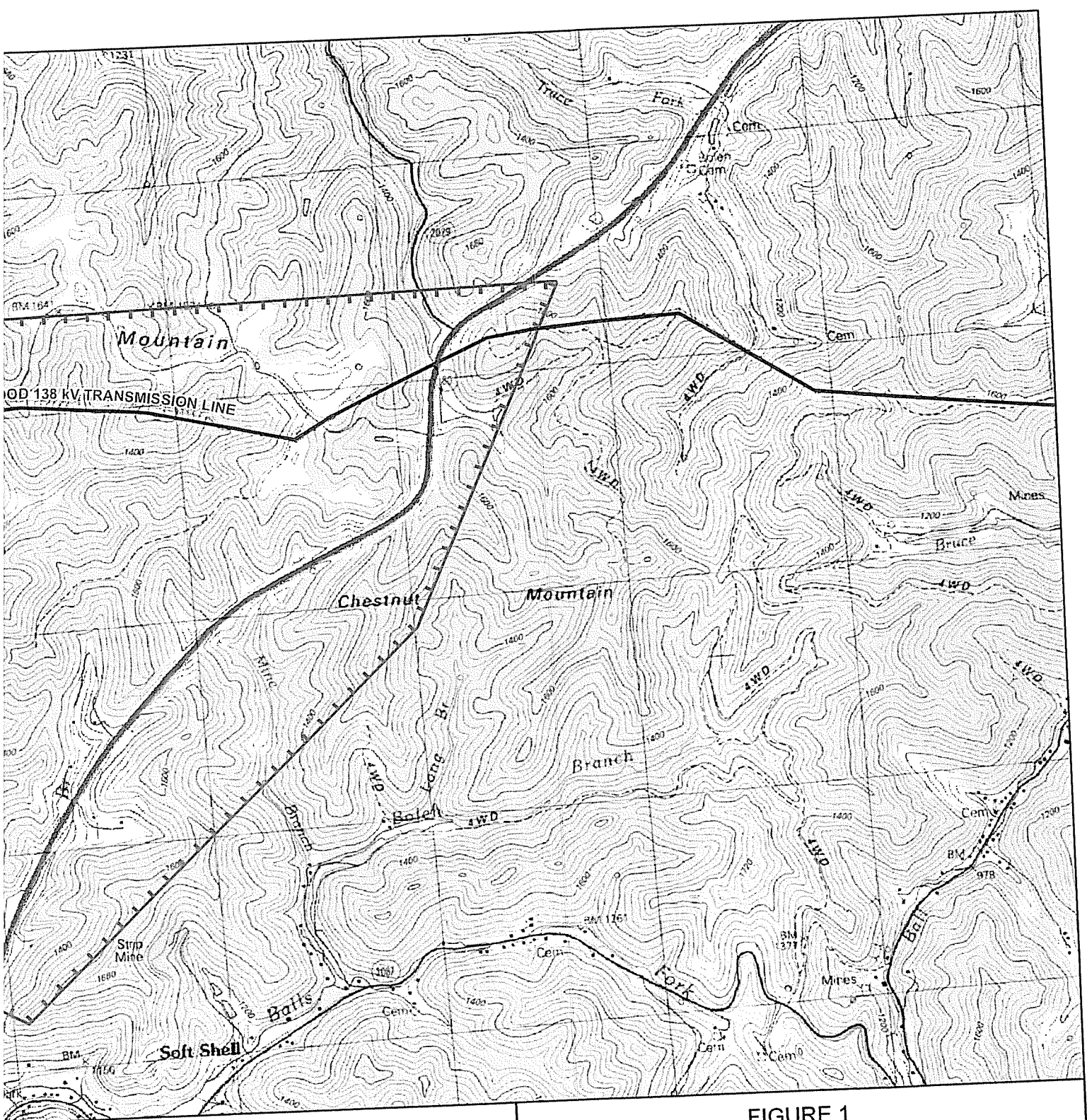
**Table 2
COMPARATIVE ANALYSIS SUMMARY**

Description	Socioeconomic Features											Natural and Cultural Features							Hydrocarbon Resources			
	Residences	Commercial Bldg	Schools	Churches	Barns/Sheds	Total Major Structures	Cemeteries	Parks/ Recreation Areas	Residential (acres)	Roads	Water Wells	Land Use Plan Conflict	NWI Wetland (acres)	Streams	Forest (acres)	Architectural Resource	Archaeological Resources	Potential Rare Species	Prime Farmland Soils	Oil/Gas Wells	Coal Outcrops	Coal Exploration Holes
Route A	0/5	0/0	0/0	0/0	0/0	0/5	0/0	0/0	0.0	1	0/0	Severe	0.0	3	20	0/0	0/0	5	0.5	0/4	0/0	0/1
Route B	0/3	0/0	0/0	0/0	0/0	0/3	0/0	0.0	1	0/1	None	0.0	2	16	0/0	0/0	5	0.0	0/1	0/1	0/1	
Route C	0/3	0/0	0/0	0/0	0/0	0/3	0/0	0.0	1	0/2	Severe	0.0	4	12	0/0	0/0	6	0.0	0/6	2/21	0/1	



Note:

/ # indicates number in ROW / number within 500 feet where appropriate.

FIGURES



LEGEND

-  STUDY AREA
-  BEAVER CREEK-HARBERT-SPICEWOOD 138kV TRANSMISSION LINE

**FIGURE 1
STUDY AREA MAP**

**SOFT SHELL 138kV
TRANSMISSION LINE**

DRAWN: TG
CHECKED: AJB

APPROVED: GTR
DATE: 10/19/07

PROJECT NO./DASH NO.:

TASK NO.:



SCALE:

SHT NO.

OF

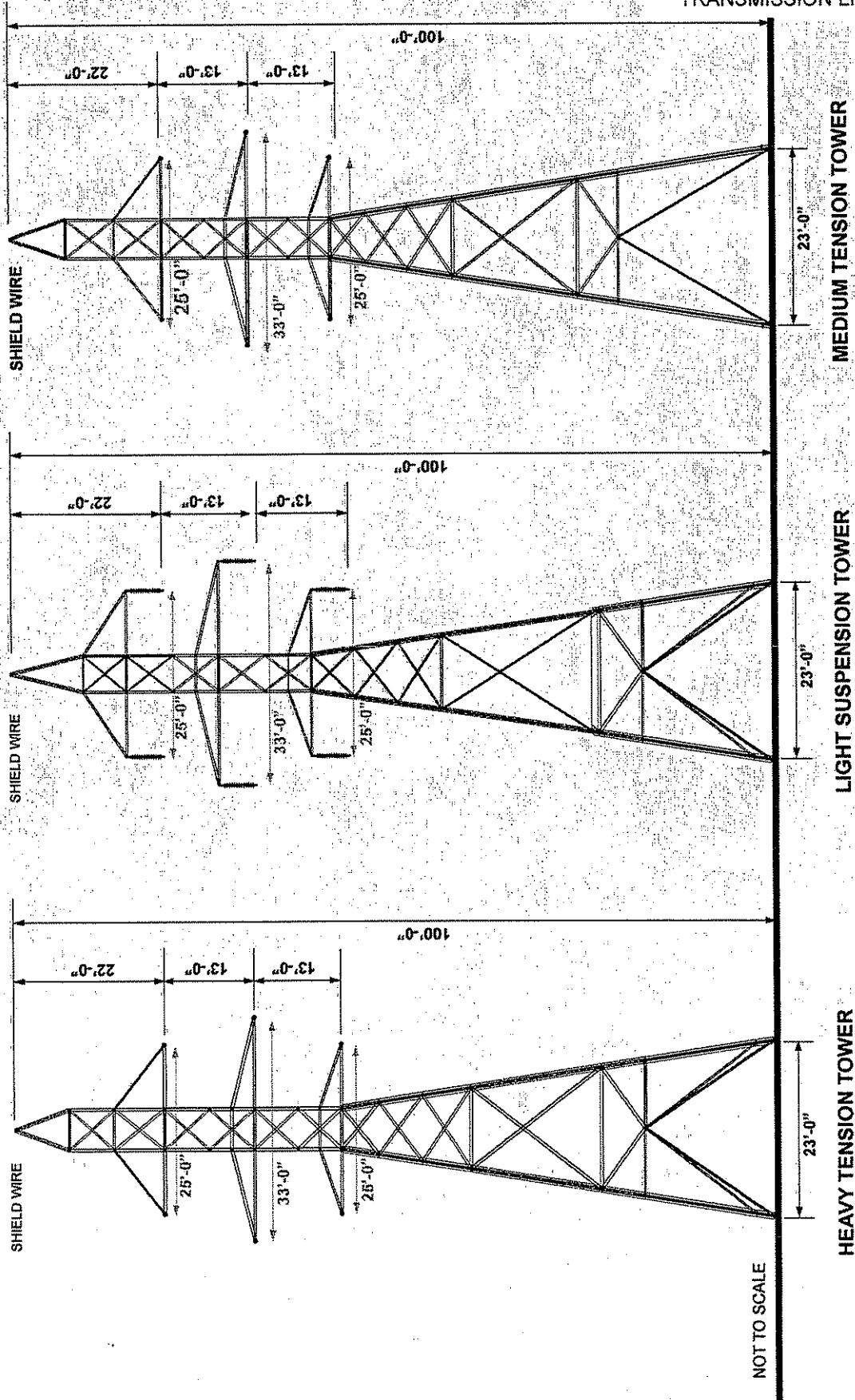


0 2,000 4,000 Feet

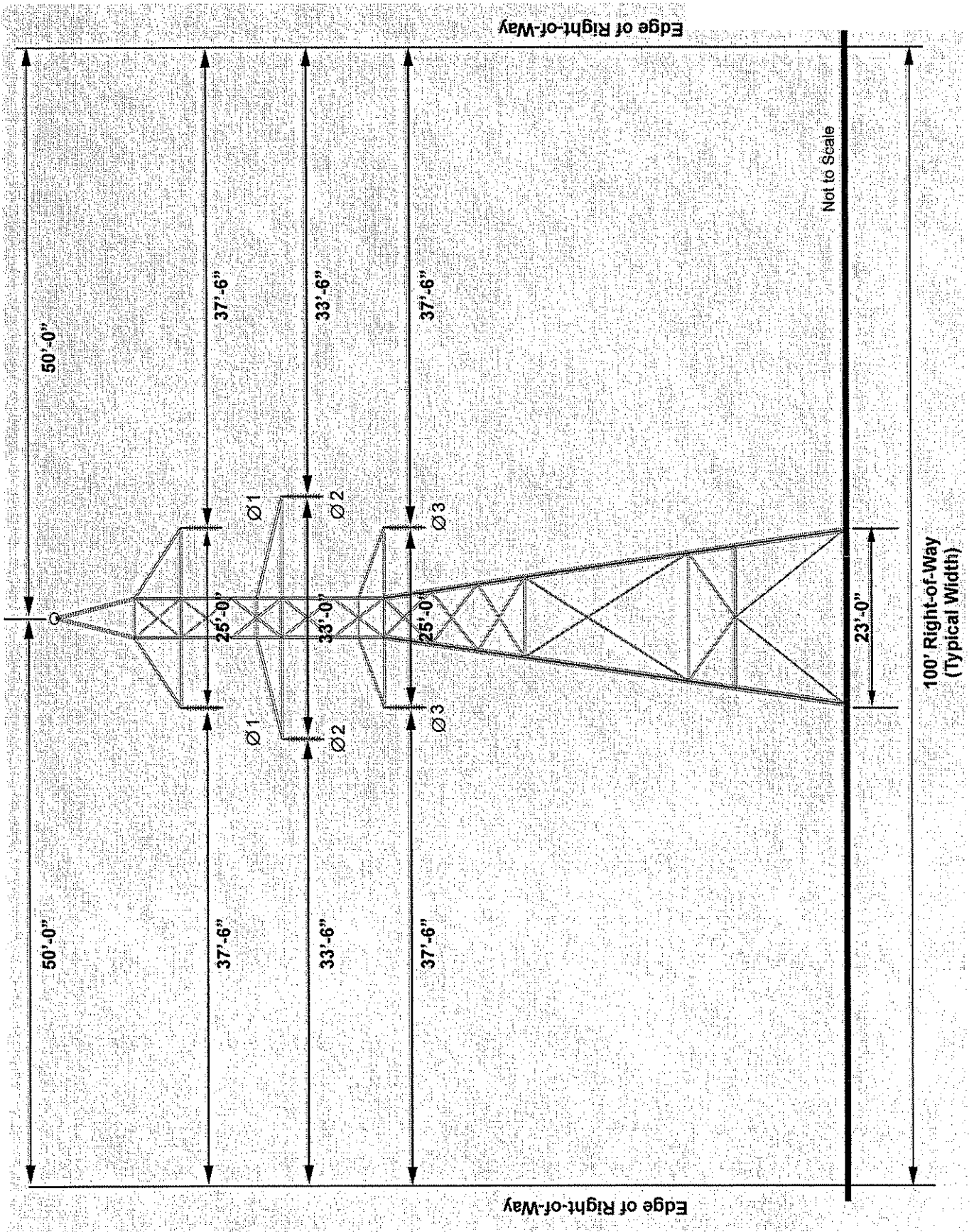
PITTSBURGH OFFICE, 385 EAST WATERFRONT DRIVE, HOMESTEAD, PA 15120-5005

EXHIBIT 8

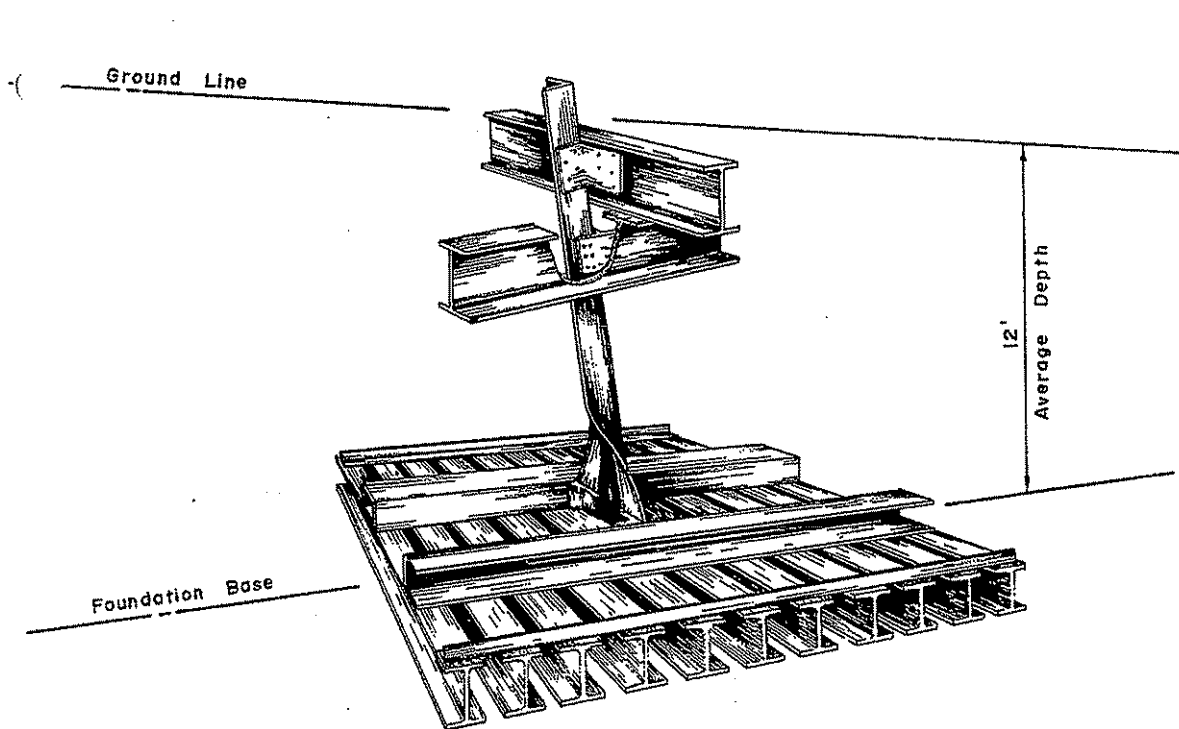
TRANSMISSION LINE STRUCTURE



TRANSMISSION LINE
RIGHT-OF-WAY



TYPICAL TOWER GRILLAGE
FOUNDATION



TYPICAL SELF-SUPPORTING TOWER FOUNDATION
4 REQUIRED PER TOWER
(Not To Scale)