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Mr. Jeff DeRouen
Executive Director
Kentucky Public Service Commission
211 Sower Boulevard
Frankfort, Kentucky 40602-0615

OCT 30 2009
PUBLIC SERVICE
COMMISSION

Kentucky Utilities Company
State Regulation and Rates
220 West Main Street
PO Box 32010
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October 30, 2009

Rick E. Lovekamp
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**RE: APPLICATION OF KENTUCKY UTILITIES COMPANY
CONCERNING THE NEED TO OBTAIN CERTIFICATES OF
PUBLIC CONVENIENCE AND NECESSITY FOR THE
CONSTRUCTION OF TEMPORARY TRANSMISSION FACILITIES
IN HARDIN COUNTY, KENTUCKY
Case No. 2009-00325**

Dear Mr. DeRouen:

Enclosed please find an original and seven (7) copies of the Response of Kentucky Utilities Company to Commission Staff's First Data Request dated October 21, 2009, in the above-referenced proceeding.

The verification page for Edwin R. Staton will be sent separately.

Should you have any questions concerning the enclosed, please do not hesitate to contact me.

Sincerely,

Rick E. Lovekamp

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF KENTUCKY)
UTILITIES COMPANY CONCERNING THE) CASE NO.
NEED TO OBTAIN CERTIFICATES OF PUBLIC) 2009-00325
CONVENIENCE AND NECESSITY FOR THE)
CONSTRUCTION OF TEMPORARY)
TRANSMISSION FACILITIES IN)
HARDIN COUNTY, KENTUCKY)

RESPONSE OF
KENTUCKY UTILITIES COMPANY
TO
COMMISSION STAFF'S FIRST DATA REQUEST
DATED OCTOBER 21, 2009

FILED: OCTOBER 30, 2009

VERIFICATION

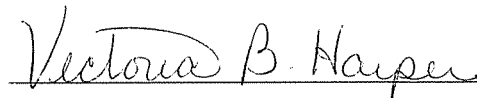
COMMONWEALTH OF KENTUCKY)
) SS:
COUNTY OF JEFFERSON)

The undersigned, **Lonnie E. Bellar**, being duly sworn, deposes and says that he is Vice President, State Regulation and Rates for Kentucky Utilities Company and an employee of E.ON U.S. Services, Inc., and that he has personal knowledge of the matters set forth in the responses for which he is identified as the witness, and the answers contained therein are true and correct to the best of his information, knowledge and belief.



Lonnie E. Bellar

Subscribed and sworn to before me, a Notary Public in and before said County and State, this 30th day of October 2009.

 (SEAL)

Notary Public

My Commission Expires:
Sept 20, 2010

KENTUCKY UTILITIES COMPANY

**Response to Commission Staff's
First Data Request
Dated October 21, 2009**

Case No. 2009-00325

Question No. 1

Witness: Edwin R. "Ed" Staton

Q-1. Assume the temporary work-arounds are constructed and are removed within the initial three-year easement term.

- a. Does KU anticipate having a significant amount of salvageable material resulting from the removal of the temporary line?
- b. If KU anticipates salvageable material, explain the types of material KU would expect to salvage, the quantities KU would expect to salvage, and KU's best estimate as to the value of the salvaged material.

A-1. a. Yes, KU expects to have a significant amount of salvageable material resulting from the removal of the temporary line.

- b. The total cost of materials for the temporary work-arounds is approximately \$1.3 million. Below is a list of materials that KU would expect to salvage.

	QTY	UNIT ESTIMATED COST	TOTAL ESTIMATED COST
3-POLE DEAD-END STRUCTURES	8	18,500	\$148,000.00
105' H-FRAME (2 POLES, X-BRACE, CROSS-ARMS)	27	15,796	\$426,492.00
SINGLE STRING of 18 - 10" PORCELAIN BELLS (30k)	81	290.88	\$ 23,561.28
DOUBLE STRING of 20 - 10" PORCELAIN BELLS (40k)	48	1,034.40	\$ 49,651.20
345 kV HORIZ POST INSULATOR	24	732.70	\$ 17,584.80
954 SUSPENSION CLAMP	81	45.00	\$ 3,645.00
7#8 AW SUSPENSION CLAMP	51	17.05	\$ 869.55
7#8 AW STRAIN CLAMP	16	34.26	\$ 548.16
INSULATOR, GUY, STRAIN, 120", FIBERGLASS, 36000 LBS	64	52.49	\$ 3,359.36
954 ACSR 45/7 CONDUCTOR	110,001	0.60	\$ 66,000.53
7#8 ALUMOWELD WIRE	4,465	0.10	\$ 446.48
		ESTIMATED SALVAGE TOTAL	\$740,158.36

KENTUCKY UTILITIES COMPANY

**Response to Commission Staff's
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Dated October 21, 2009**

Case No. 2009-00325

Question No. 2

Witness: Edwin R. "Ed" Staton

- Q-2. Explain whether the physical characteristics of the temporary work-around line would make the line more vulnerable to wind and ice loading than the existing portion of the permanent line. Include in the explanation a comparison of the load characteristics of the temporary facilities and the permanent line.
- A-2. The temporary line will be designed to the same standards as the permanent line without any increase in vulnerability to wind and ice. Both lines are designed to meet the following load cases:

CASE 1:	NESC HEAVY LOADING 1/2" ICE, 4 PSF WIND AT 0° F
CASE 2:	NESC EXTREME WIND 21 PSF AT 60° F, NO ICE
CASE 3:	NESC EXTREME ICE WITH WIND 3/4" ICE, 2.31 PSF WIND AT 15° F
CASE 4:	EXTREME ICE 1" ICE, NO WIND AT 32° F

KENTUCKY UTILITIES COMPANY

**Response to Commission Staff's
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Case No. 2009-00325

Question No. 3

Witness: Edwin R. "Ed" Staton

Q-3. Provide an estimate of the proximity of the nearest residential structure to the temporary line. Include in the explanation whether the structure is located upon the property of those landowners agreeable to the temporary line.

A-3. For the temporary work-around of the Jent property, the proposed centerline will be approximately 190' from the residence of Norbert and Bonnie Thompson.

For the temporary work-around of the CDH property, the proposed centerline will be approximately 180' from the residence of James and Charlotte Cooper.

The owners of the closest residential structures have both signed temporary easement agreements.

KENTUCKY UTILITIES COMPANY

**Response to Commission Staff's
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Case No. 2009-00325

Question No. 4

Witness: Edwin R. "Ed" Staton

- Q-4. Refer to page 7 of the pre-filed Direct Testimony of Edwin R. Staton. Mr. Staton testified that "KU chose the shortest and most direct routes that would avoid the contested properties without traversing buildings or trees," and that KU then retained PhotoScience, Inc. to assess the suitability of the proposed temporary routes. Explain whether Photoscience, Inc.'s assessment confirmed that the proposed temporary routes were the shortest and most direct routes with minimal impact on buildings and trees.
- A-4. PhotoScience did not confirm that these were the shortest and most direct routes; however, PhotoScience scored our internally designed routes based on the EPRI Kentucky Transmission Line siting methodology. As evidenced by the table included in KU's Application, Exhibit ERS-3, the two temporary routes (CDH and Jent) scored very high and had no adverse impact in any category.

Please refer to KU's response to Question No. 7(b).

KENTUCKY UTILITIES COMPANY

Response to Commission Staff's

First Data Request

Dated October 21, 2009

Case No. 2009-00325

Question No. 5

Witness: Edwin R. "Ed" Staton

- Q-5. The MC-HC 345 kV circuit with the three temporary by-passes will be a longer circuit than the 42.03-mile circuit approved in Case No. 2005-00467.¹
- a. What would be the total length of the MC-HC circuit with the three temporary bypasses?
 - b. List and describe any electrical or other technical characteristics of the MC-HC circuit with temporary bypasses that would differ from the approved MC-HC circuit.
 - c. List and provide any analyses that support the company's conclusion about the existence or lack of such differences.
 - d. List and explain any impacts that the MC-HC circuit with temporary bypasses would have on the operation of the TC2 unit.
 - e. List and provide any analyses that support the company's conclusion about the existence or lack of such impacts.
- A-5. a. The total length of the MC-HC circuit with the three temporary by-passes will be 42.97 miles.

¹ Case No. 2005-00467, 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 (Ky. PSC May 26, 2006).

b. The MC-HC circuit with the temporary bypasses will not differ electrically from the MC-HC circuit as originally approved. The MC-HC circuit with the temporary bypasses will differ technically from the MC-HC circuit as originally approved in the following ways:

- The temporary route designs include the use of anchors and down guys. The original route line design does not utilize anchors and down guys.
- The temporary line(s) span lengths are approximately 200 feet shorter.
- Conductor tensions are reduced from #25,000 to #12,000 on average.

c. KU compared the electrical characteristics of the proposed temporary bypasses to the electrical characteristics of the approved MC-HC circuit and concluded that they are the same. No separate study or analysis was required to make this determination.

Concerning the technical differences listed in (b) above, the approved MC-HC circuit will be constructed with larger self-supporting steel poles and lattice steel towers, whereas the temporary by-passes will utilize structures of a lower strength class, necessitating the use of down guys/anchors and reduced conductor tensions. The spans must be shorter as well to enable the structures to support the lines. No separate analysis was prepared to determine the technical characteristics. Cost considerations were taken into account in the design, given the temporary nature of the by-passes. The temporary facilities' design meets all NESC requirements, including heavy loading.

d. The temporary by-passes in the MC-HC circuit will have no impact on the operation of TC2, assuming the entire MC-HC circuit is in service by the target commercial operation of TC2 in the summer of 2010.

e. KU did not prepare separate analyses of the temporary by-passes' impacts on TC2's operation. Because the electrical characteristics of the by-pass portions of the MC-HC circuit are the same as the remainder of the MC-HC circuit, further analysis was unnecessary to conclude that the MC-HC circuit with temporary by-passes would have no impact on the operation of the TC2 unit.

KENTUCKY UTILITIES COMPANY

**Response to Commission Staff's
First Data Request
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Case No. 2009-00325

Question No. 6

Witness: Lonnie E. Bellar / Counsel

- Q-6. Ms. Slay testified about KU's receipt of temporary easements for up to 10 years from the landowners on whose property the temporary bypasses would be constructed (page 6, lines 13-15). Describe all alternatives considered and all plans made to address the consequences if one or more of the three property owners involved in the appeal of the Certificate of Public Convenience and Necessity in Case No. 2005-00467 prevails in their litigation.
- A-6. KU believes that the Commission properly issued the CPCN in Case No. 2005-00467, that the Franklin Circuit Court properly dismissed the property owners' appeal, and that the Commission and the Companies will prevail on the property owners' appeal of the order of dismissal. If the property owners prevail in the current appeal, however, the result is that the case will be remanded to the Franklin Circuit Court for consideration of the substantive merits of the property owners' appeal. Whichever side is not successful at the Franklin Circuit Court will have the right to appeal the decision of the Franklin Circuit Court to the Kentucky Court of Appeals, and seek ultimate review by the Kentucky Supreme Court. It is possible that whatever court concludes the appeal on the merits could remand the case to the Commission for further proceedings, and it could take several years to conclude the appeals. Since the alternatives the Companies must consider following the appeal would differ based on the reason for any reversal of the Commission's CPCN, it is premature at this time to choose alternatives. For example, if the court reverses the CPCN on the basis of route selection issues, then the Companies would likely consider the selection of one of the alternative routes identified in Case No. 2005-00467. If the Court reverses the CPCN on the issue of the need for the transmission line, then the Companies would have to examine the reasons the court disagrees with the Commission's and the Companies' analysis of the need for the transmission line. In consideration of these uncertainties and to provide time to respond once the uncertainties are resolved, the Companies obtained a temporary easement and options to purchase temporary easements with terms that can be extended as long as 10 years.

KENTUCKY UTILITIES COMPANY

**Response to Commission Staff's
First Data Request
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Case No. 2009-00325

Question No. 7

Witness: Edwin R. "Ed" Staton

Q-7. With respect to whether the construction of the CDH and Jent temporary lines is the least-cost alternative:

- a. Provide all analyses performed by KU to identify alternatives and address their costs.
- b. Should such analyses not be reflected in documents, describe them and their results.
- c. List and describe all alternatives considered to the extent not provided as part of the response to the preceding two items.

A-7. a. KU did not perform any written analyses to identify alternatives to the CDH and Jent temporary lines. Alternative routes considered are identified on maps attached to the Application in this proceeding.

- b. With respect to the Jent temporary line, KU selected the northeastern route shown in its Application because of the high residential density on the southwest side of Big Springs Road, and because an alternative southwestern route would have been longer (1.90 miles for the southwestern route versus 1.78 miles for the selected route) and would have resulted in an additional cost of approximately \$150,000 (not including temporary right-of-way purchases).

Concerning the CDH temporary line, the southwestern route KU selected is approximately 0.06 miles shorter, and thus less costly by approximately \$75,000 (excluding temporary right-of-way purchases), than the alternative northeastern route.

- c. All the alternatives KU considered are described in parts (a) and (b) above.

KENTUCKY UTILITIES COMPANY

**Response to Commission Staff's
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Case No. 2009-00325

Question No. 8

Witness: Lonnie E. Bellar

- Q-8. Provide the current projected start-up, testing, and commercial in-service dates for the TC2 generating unit.
- A-8. The current projected start-up is expected to begin with first fire on oil in January, 2010. Typically in the industry, "testing" is classified as the full load performance testing. Such testing is expected to occur in June 2010 prior to commercial in-service, which is planned for the same month. Any up-front operations that lead up to the final phase of full load generation are classified as "commissioning" and these activities are planned to begin later this year.