

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF THE CINCINNATI GAS)
AND ELECTRIC COMPANY FOR A CER-)
TIFICATE OF PUBLIC CONVENIENCE AND)
NECESSITY TO CONSTRUCT A 138,000) CASE NO. 8901
VOLT TRANSMISSION LINE BETWEEN)
BUFFINGTON SUBSTATION AND EAST)
KENTUCKY POWER COOPERATIVE, INC.)

ORDER

Cincinnati Gas and Electric Company ("CG&E") filed its application on September 15, 1983, for a certificate of convenience and necessity to construct approximately 3.71 miles of 138 KV transmission line and to interconnect this line with the East Kentucky Power system. The new 138 KV line will originate at CG&E's Buffington Substation and will terminate near the East Kentucky Devon Substation where it will interconnect with a new 138 KV line which will be constructed by East Kentucky Power. CG&E will finance the new construction, which is estimated to cost \$1,054,100, from funds obtained by short-term borrowings from banks and by the issuance of commercial paper.

The matter was set for hearing on September 30, 1983, at 10:00 a.m., in the Commission's offices in Frankfort, and was combined with the hearing of East Kentucky Power in Case No. 8867.

The hearings were held as scheduled. There were no intervenors and all parties were present for offering testimony and responding to cross-examination. The Commission requested a copy of the interconnection agreement between CG&E and East Kentucky Power and both parties agreed to furnish it as soon as it was completed. The agreement was filed with the Commission on April 17, 1984.

The Commission, after considering the evidence of record and being advised, is of the opinion and finds that:

1. The construction of the proposed 138 KV interconnection between East Kentucky Power and CG&E will benefit both utilities by achieving the following:

- (a) Improvement of area reliability.
- (b) Stabilizing and improving area voltage during certain outage conditions.
- (c) Allow power interchanges between utilities and wheeling capability with a third party utility.
- (d) Eliminate or reduce the construction of redundant sub-transmission facilities to serve isolated service areas.
- (e) Allow the deferment of certain construction projects which otherwise would be required at earlier dates.

2. Public convenience and necessity require the construction by CG&E of the additions to its existing plant,

as described in the application and record, and a certificate should be granted.

3. The proposed new construction will not be in direct competition with any electric utility now located in the area for which the application is sought.

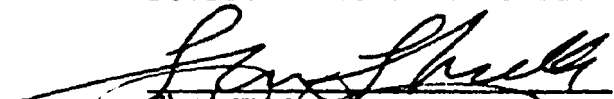
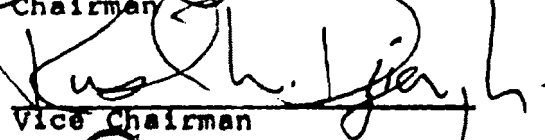

IT IS THEREFORE ORDERED that CG&E be and it hereby is granted a certificate of convenience and necessity to construct a new 138 KV transmission line and to interconnect it with East Kentucky Power, as more specifically described in the application and record.

IT IS FURTHER ORDERED that CG&E shall make periodic progress reports to the Commission, at 6-month intervals, showing the percentage of completion of the construction work and total expenditures to date for the construction.

IT IS FURTHER ORDERED that a final report shall be made to the Commission noting the completion date of the construction work and the interconnection with East Kentucky and the total expenditure of funds for the construction work.

Done at Frankfort, Kentucky, this 14th day of May, 1984.

PUBLIC SERVICE COMMISSION


Chairman

Vice Chairman

Commissioner

ATTEST:

Secretary