

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

AN INVESTIGATION OF THE)	
PROPOSED CONSTRUCTION OF)	
138 KV TRANSMISSION FACILITIES)	CASE NO. 2003-00380
IN MASON AND FLEMING)	
COUNTIES BY EAST KENTUCKY)	
POWER COOPERATIVE, INC.)	

O R D E R

In mid-June 2003, the Commission received a number of letters and phone calls from residents of Mason and Fleming counties, Kentucky, expressing opposition to the planned route of a new 138 kV transmission line proposed to be built in that area by East Kentucky Power Cooperative, Inc. (East Kentucky). On June 24 and June 30, 2003, the Commission received petitions signed by approximately 28 and 31 residents, respectively. Protestors have filed proposed alternatives to East Kentucky s proposed transmission line, and have requested a formal investigation of East Kentucky s proposal.

The Commission had very little technical information at that time on East Kentucky s need for the proposed transmission facilities in Mason and Fleming counties or on the alternatives suggested by the protesting residents. In an effort to obtain the necessary information as quickly as possible, the Commission issued a letter to East Kentucky on July 9, 2003 requesting a report on the proposed facilities, including a discussion of alternative facilities and routes not selected, as well as its efforts to

address the concerns raised by of the residents of Mason and Fleming counties and by the respective fiscal courts of those counties. See Appendix A, attached hereto. East Kentucky promptly responded by filing, on July 25, 2003, its Response to the Kentucky Public Service Commission re: Landowner Complaints for the Kenton-Flemingsburg 138 kV Transmission Line (the July 25 Report), which is hereby incorporated into the record in this case.

The Commission retained Commonwealth Associates, Inc. (CAI), a consulting engineer, to review East Kentucky s engineering data, evaluate the need for electrical improvements in the area of Mason and Fleming counties, and to compare the electrical benefits of viable alternatives identified in East Kentucky s July 25, 2003 report. Preliminary information from CAI indicates that there is a need for electrical improvements in the area. CAI will provide a formal report of its evaluation for the record of this proceeding.

On September 12, 2003, the Commission requested information from East Kentucky concerning the subject transmission facilities as part of Case No. 2003-00333.¹ East Kentucky s response, received by the Commission on September 22, 2003, is incorporated into this case by reference.

Unfortunately, rather than definitively resolving all the questions raised about the proposed transmission facilities, information filed by East Kentucky has led to additional questions. Accordingly, and in recognition of East Kentucky s desire to expeditiously

¹ Case No. 2003-00333, Application of East Kentucky Power Cooperative, Inc. For a Certificate of Public Convenience and Necessity For the Construction of Certain Electric Transmission Facilities in Mason County, Kentucky and For Approval of Certain Obligations For the Construction of Related Transmission Facilities in Ohio.

resolve the issues surrounding the proposed 138 kV transmission line, the Commission finds that a formal investigation should be initiated on our own motion pursuant to KRS 278.260(1). Accordingly, by this Order, we set this matter for hearing and establish a procedural schedule. The purpose of this investigation is to review the reasonableness of the alternative chosen by East Kentucky and to consider all viable alternatives to ensure that East Kentucky's proposed facilities do not result in wasteful duplication.

The Commission notes that an alternative that has been considered by East Kentucky is the rebuilding of an existing transmission line in Mason and Fleming counties owned by Kentucky Utilities Company (KU). In addition, a review of the transmission facilities in the area indicates that the interests of Kentucky Power Company d/b/a American Electric Power (Kentucky Power) may also be at issue in this case. Consequently, a copy of this Order will be served on KU and Kentucky Power, both of whom will be deemed to be parties to this case. Copies of this Order will also be sent to each resident and government agency that previously contacted the Commission to question, or to express opposition to, East Kentucky's proposed transmission line. Those residents and agencies are hereby advised of their rights to request intervention. In the event that the residents choose to intervene, the Commission encourages them to do so on a collective basis with a designated spokesperson.

In the interests of ensuring that all potential parties are familiar with Commission processes, the Commission includes in its procedural schedule a date upon which parties and interested persons may discuss procedures that will apply in this case. To

ensure that all parties are given full and fair opportunity to discuss the technical issues to be filed by CAI, a conference for that purpose is also included in the procedural schedule in this case.

IT IS THEREFORE ORDERED that:

1. This investigation is opened on the Commission's own motion, pursuant to KRS 278.260(1), for the purposes set forth in the findings above.

2. The procedural schedule attached hereto as Appendix B shall be followed in this case.

3. East Kentucky shall file testimony in accordance with the attached procedural schedule addressing, but not limited to, the following issues: (a) the need for the proposed transmission project; (b) the alternatives it has considered to address this need; (c) the reasons for choosing the proposed project rather than other alternatives; (d) reasons it has altered its determination as to the appropriate manner in which to meet the transmission needs the proposed line is to address; and (e) the effects, if any, of this investigation upon its decisions.

4. KU and Kentucky Power are hereby made parties to this case and each shall, within 7 days of the date of this Order, file a notice of entry of appearance by counsel and the names of any additional personnel to be included on the service list.


5. A copy of this Order shall be served on each resident and government agency that previously contacted the Commission regarding the issues to be investigated.

6. Appendix A hereto, the July 25 Report, and the September 22, 2003 responses of East Kentucky Power to data requests in Case No. 2003-00333 are hereby incorporated into the record of this investigation.

Done at Frankfort, Kentucky, this 2nd day of October, 2003.

By the Commission

ATTEST:


Deputy Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2003-00380 DATED OCTOBER 2, 2003

(See document named 200300380_10022003apx.pdf)

APPENDIX B

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2003-00380 DATED OCTOBER 2, 2003

East Kentucky's testimony shall be filed no later than.....	10/10/03
An informal conference to discuss procedural matters shall be held at the Commission's offices at 211 Sower Boulevard, Frankfort, Kentucky, at 10:00 a.m., Eastern Daylight Time on	10/13/03
Interrogatories to East Kentucky shall be filed no later than.....	10/20/03
East Kentucky's responses to interrogatories shall be filed no later than	10/30/03
CAI's report and intervenor testimony, if any, shall be filed no later than	11/12/03
A technical conference to discuss the findings in the CAI report shall be held at the Commission's offices at 211 Sower Boulevard, Frankfort, Kentucky, at 10:00 a.m., Eastern Standard Time, on	11/18/03
A public hearing for the purpose of cross-examination of witnesses of East Kentucky, CAI, and intervenors shall be held in the Commission's offices at 211 Sower Boulevard, Frankfort, Kentucky, at 10:00 a. m., Eastern Standard Time, on	12/1/03