

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF EAST KENTUCKY POWER)	
COOPERATIVE, INC. FOR A CERTIFICATE OF)	
PUBLIC CONVENIENCE AND NECESSITY FOR)	
THE CONSTRUCTION OF CERTAIN ELECTRIC)	CASE NO.
TRANSMISSION FACILITIES IN MASON COUNTY,)	2003-00333
KENTUCKY AND FOR APPROVAL OF CERTAIN)	
OBLIGATIONS FOR THE CONSTRUCTION OF)	
RELATED TRANSMISSION FACILITIES IN OHIO)	

O R D E R

East Kentucky Power Cooperative, Inc. ("EKPC") filed its application on August 29, 2003 for a Certificate of Public Convenience and Necessity for the construction of electric transmission facilities in Mason County, Kentucky and for approval of EKPC's obligations relating to the construction of related transmission facilities in Ohio pursuant to an interconnection and operating agreement with the Cincinnati Gas and Electric Company, Columbus Southern Power Company, and the Dayton Power and Light Company. The table below shows the transmission plant investment.

<u>Component</u>	<u>Estimated Investment</u>
Spurlock-Zimmer/Stuart 345 KV Double Circuit Transmission Line	\$ 7,380,000
Spurlock 345 KV Substation Modifications and New Bus Tie Autotransformer	8,385,000
Modifications to Zimmer Substation	900,000
Modifications and Additions to Stuart Substation	1,420,000
Reconfigure of Spurlock-Flemingsburg Transmission Line	900,000
Reactor Installation in Spurlock-Kenton 2 Circuit	600,000
Avon-Louden Reactor Installation	<u>525,000</u>
 TOTAL	 \$20,110,000

EKPC indicated that the proposed transmission facilities are needed to provide reliable transmission capacity exits during peak output of the Gilbert Unit 3 at the Spurlock generation site. The existing five 138 KV and one 345 KV transmission lines at Spurlock are insufficient to handle the output from Gilbert Unit 3 and the other generation at that site during line outages and contingency conditions. The total generation, for existing and future generation, at the Spurlock site is 1394 MW. The analysis provided by EKPC supports the need for the proposed transmission facilities. The double circuit transmission line will be approximately 1.6 miles long in Ohio and 2.2 miles in Kentucky. EKPC considered several alternatives. The proposed alternative has the lowest system investment.

Based on the evidence of record and being sufficiently advised, the Commission finds that the Certificate of Public Convenience and Necessity requires the construction of the proposed transmission facilities in Mason County, Kentucky and in Ohio in order to provide reliable transmission capacity exit for the Gilbert Unit 3.

IT IS THEREFORE ORDERED that EKPC is granted a Certificate of Public Convenience and Necessity to proceed with the construction of the proposed facilities as set forth in its application.

Done at Frankfort, Kentucky, this 6th day of January, 2004.

By the Commission

ATTEST:

A handwritten signature in black ink, appearing to read "Charles H. [unclear]", written over a horizontal line.

Executive Director