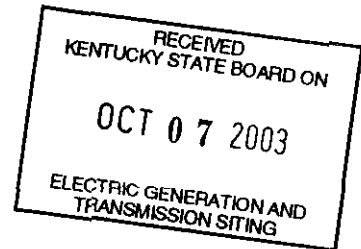


# Kentucky Resources Council, Inc.

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October 6, 2003

Docket Coordinator  
Kentucky State Siting Board on  
Electric Generation and Transmission Siting  
211 Sower Boulevard  
P.O. Box 615  
Frankfort, Kentucky 40602



Re: THE APPLICATION OF THOROUGHbred GENERATING COMPANY,  
LLC FOR A MERCHANT POWER PLANT CONSTRUCTION  
CERTIFICATE IN MUHLENBERG COUNTY, KENTUCKY; CASE NO.  
2002-00150

Dear Docket Coordinator:

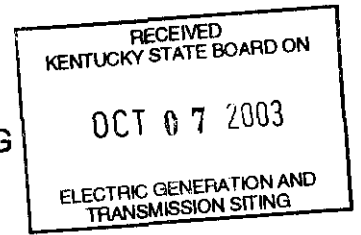
Please find enclosed, for filing, the original and ten (10) copies of the Direct Testimony Of Intervenor Gary Watrous. A copy was faxed today for filing and all parties have been served by mail and by email.

Thank you for your assistance in filing this.

Cordially,

Tom FitzGerald  
Counsel for Movant

COMMONWEALTH OF KENTUCKY  
BEFORE THE KENTUCKY STATE BOARD ON  
ELECTRIC GENERATION AND TRANSMISSION SITING



In the Matter of:

THE APPLICATION OF THOROUGHBRED )  
GENERATING COMPANY LLC FOR A )  
MERCHANT POWER PLANT CONSTRUCTION ) 2002-00150  
CERTIFICATE IN MUHLENBERG COUNTY, KY )

**DIRECT TESTIMONY OF INTERVENOR  
GARY WATROUS**

1 **Please state your name, address, and your occupation.**

2 My name is Gary Watrous, and I am a resident of Jefferson  
3 County, Kentucky. My address is 2711 West Main Street,  
4 Louisville, Kentucky, 40202. I am an architect specializing in  
5 solar and energy efficient design.

6 **From whom do you purchase electricity?**

7 From Louisville Gas & Electric.

8 **Please summarize your concerns about the proposed**  
9 **Thoroughbred power plant siting.**

10 As a resident of Metro Louisville who is in the business of designing  
11 buildings, my business depends on the need for new housing  
12 construction, which in turn relies on the desirability of this community  
13 to potential home buyers. The air quality in Metro Louisville,  
14 both in terms of fine particulate pollution and ozone pollution, is currently  
15 attaining the ozone and particulate standards, but very likely to be  
16 reclassified as non-attainment for the new health-based standards that

1 have been adopted and become enforceable within the next few years.  
2 The economic health of the Louisville Metro region is dependent on the  
3 quality of our environment, particularly air quality, since being classified as  
4 non-attainment imposes a health burden and both direct and indirect costs  
5 on the local economy, including industries and other sectors.

6 A component of our local air quality problems are caused by emissions  
7 of particulate matter and precursors of ozone from upwind sources,  
8 including the TVA power plant at Paradise in Muhlenberg County. Also,  
9 emissions of toxic air pollutants such as mercury are of concern. Given  
10 our current pollution situation, any new emissions of particulates and  
11 ozone precursors is of concern to the region's economy.

11 **Does the Thoroughbred application consider the potential economic  
12 impact of the new plant emissions on the Louisville Metro region?**

13 It is my understanding that the application did not discuss or analyze the  
14 potential negative economic impact on the Louisville Metro region, though  
15 KRS 278.706(2)(j) requires "[a]n analysis of the proposed facility's  
16 economic impact on the affected region and the state."

17 **Are there other concerns that you have regarding the facility?**

18 Yes. The adverse economic effects of the additional emissions on the  
19 Mammoth Cave area are of concern to me, as a visitor of that area,  
20 and a member of the Sierra Club, since the protection of the air quality  
21 and in particular the visibility of the area is an integral part of safeguarding  
22 that unique resource for current and future users. The addition of

1 emissions of sulfur oxides, nitrogen oxides and particulates, and air toxics  
2 such as mercury into that airshed has the potential to lower air quality  
3 within the park and surrounding areas, lessening the desirability of visiting  
4 the park and adversely affecting the economic health of the area.

5 **Won't the Thoroughbred emissions be offsetting current emissions**  
6 **of those same air pollutants from other sources?**

7 Not necessarily. While Thoroughbred has represented that it anticipated  
8 selling wholesale power as a merchant power plant both within and  
9 outside of the state, it also admitted that it has no contracts for sale of  
10 power within the state. In the absence of such contracts, it is more  
11 prudent and appropriate for the Siting Board to assume that  
12 Thoroughbred's pollutant emissions and discharges will be in addition to,  
13 rather than offsetting or replacing, the existing pollution burden on local  
14 and regional economies from coal-fired power plants.

15 **How would you propose that Thoroughbred mitigate that potential**  
16 **harm to the economies of the region and state from its addition of**  
17 **new air toxics, NOx and sulfur oxides?**

18 If Thoroughbred acquires contracts with existing utilities to replace current  
19 generation from other plants that are operating less efficiently in terms of  
20 pollutant emissions, or otherwise offsets an amount of each pollutant from  
21 existing sources so that there is no net decrease in air quality or increase

1 in pollutant loading then that would mitigate the potential adverse effect on  
2 the regional economy. Such an offset would also be necessary to address  
3 other consequences such as water consumption and discharges of  
4 thermal and other water pollutants, which may affect other economically  
5 beneficial uses of the waterbodies.


6 **Are there other concerns that you have regarding the proposed**  
7 **facility's compliance with the siting board requirements?**

8 My concerns regarding the impact of the new facility on the reliability of  
9 the transmission grid, and the who pays the costs of any needed  
10 upgrades, will be addressed by other parties and I will not comment on  
11 them in order to minimize duplication. There is one other area of concern,  
12 which is the lack of discussion of mitigating any adverse impacts from  
13 the siting and construction of new transmission lines. The application  
14 indicates that new transmission lines will be constructed in order to link the  
15 facility to the existing grid, yet the application does not include a  
16 consideration of the impacts of the siting, design and location of those  
17 lines. Where transmission lines are part of a merchant power plant  
18 project, they should be included as part of the application in order that the  
19 impacts of the project can be considered as a whole rather than being  
20 piecemealed. If the transmission line routing impacts are not assessed at  
21 the same time as the power plant itself, the range of mitigation options is  
22 reduced, since the approval of the location of the plant will necessarily  
23 limit the range of alternatives for routing transmission corridors and lines.

1 **Does this complete your testimony?**

2 Yes.

**AFFIDAVIT**

  
\_\_\_\_\_  
Gary Watrous

Subscribed and sworn to before me, a notary public in the Commonwealth of Kentucky, by Gary Watrous, this 6<sup>th</sup> day of October, 2003.

  
\_\_\_\_\_  
Notary Public

My commission expires 2/20/2006.

**CERTIFICATE OF SERVICE**

I hereby certify that a true and correct copy of the foregoing Direct Testimony of Intervenor Gary Watrous was served this 6<sup>th</sup> day of October, 2003 by priority first-class mail to all parties on the service list and has been e-mailed to all parties whose e-mail was listed on the Service List.

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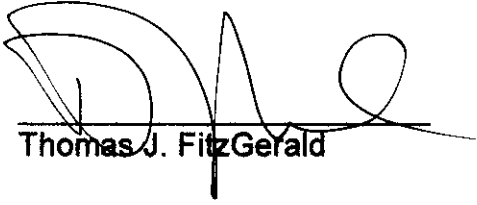
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