

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

In the Matter of:

APPLICATION OF THE CINCINNATI GAS &)	
ELECTRIC COMPANY FOR A CONSTRUCTION)	
CERTIFICATE TO CONSTRUCT AN ELECTRIC)	CASE NO. 2004-00351
TRANSMISSION LINE FROM THE BECKJORD)	
GENERATING STATION TO THE SILVER)	
GROVE SUBSTATION)	

O R D E R

PROCEDURAL HISTORY

On August 31, 2004, the Cincinnati Gas & Electric Company ("CG&E" or "Applicant") provided notice to the Kentucky State Board on Electric Generation and Transmission Siting ("Board") of its intent to file an application for a certificate to construct a non-regulated 138,000 volt ("138 kV") transmission line in Campbell County and in Melbourne, Kentucky. On October 4, 2004, CG&E filed an application with the Board for the certificate to construct the proposed transmission line, with the required application fee.

The Board Staff issued a letter to Applicant on October 7, 2004 stating that the application was deficient because Applicant's maps failed to show the location of supporting structures, right-of-way limits, and distance from residential neighborhoods, schools, and public and private parks. Applicant corrected this deficiency by filing additional maps with the Board on October 20, 2004. On October 21, 2004, Board Staff issued a letter to the Applicant stating that the deficiency was cured and that the

application met the minimum filing requirements. Based on October 20, 2004 as the official filing date, the Board issued an initial procedural schedule on October 28, 2004.

No person requested to intervene in the case, and the Board did not hold a public hearing. On November 23, 2004, MACTEC Engineering and Consulting, Inc., the Board's consultant, filed its visual impact analysis report ("MACTEC Report") for the proposed transmission line, concluding that the transmission line would result in no adverse visual impact.

BACKGROUND

CG&E proposes to build a merchant electric transmission line and regulated appurtenances between CG&E's Silver Grove Substation in Campbell County, Kentucky, and CG&E's W.C. Beckjord Generating Station ("Beckjord") in Clermont County, Ohio.

CG&E is an Ohio corporation and is a public utility providing gas and electric service in southwestern Ohio. CG&E is regulated by the Public Utilities Commission of Ohio. CG&E is the parent company of The Union Light, Heat and Power Company ("ULH&P"), a Kentucky public utility providing gas and electric service in Northern Kentucky. CG&E owns and operates a bulk transmission system that is used to deliver wholesale power from CG&E's generating facilities in Ohio and Kentucky.

This proposed transmission line would be part of CG&E's bulk transmission system, which is operated on a network basis. In an Order dated December 5, 2003, in

Case No. 2003-00252,¹ the Kentucky Public Service Commission conditionally approved CG&E's transfer of the following generating stations to ULH&P: East Bend, Miami Fort 6, and Woodsdale. After the transfer is completed, CG&E will continue to operate the bulk transmission system as an integrated, network system. CG&E has stated that the new transmission line would allow CG&E to continue providing safe, adequate, and reliable transmission service, which would ultimately benefit ULH&P's customers. Additionally, CG&E maintains that the transmission line would facilitate ULH&P's ability to purchase power from CG&E, and would mitigate, to some extent, the transmission congestion costs that would otherwise be imposed on ULH&P's customers after the Midwest Independent System Operator's "Day 2" energy markets become operational.

STATUTORY REQUIREMENTS

Introduction

The statutes require the Board to consider the factors delineated in KRS 278.714 in reviewing an application for a Siting Board certificate for a merchant transmission line. In this section, the Board will look at those factors in light of the statutory provisions.

Description of Proposed Route for the Transmission Line

An Applicant must fully describe the proposed route of the transmission line and appurtenances pursuant to KRS 278.714(2)(b). The application states that the line will

¹ Case No. 2003-00252, Application of The Union Light, Heat and Power Company For a Certificate of Public Convenience and Necessity to Acquire Certain Generation Resources and Related Property, For Approval of Certain Purchase Power Agreements, For Approval of Certain Accounting Treatment, and For Approval of Deviation From Requirements of KRS 278.2207 and 278.2213(6).

run its full length within existing easements owned by CG&E. Applicant's proposed transmission line and related appurtenances would begin at the Silver Grove Substation, which is located adjacent to State Route 547 in Melbourne, Kentucky. The line would run in a southeasterly direction for approximately 2.23 miles to a point near the intersection of Nine Mile and Gunkel Roads. This portion of the transmission line would be installed on new wood poles and would run parallel to an existing 345 kV Zimmer/Silver Grove/Red Bank transmission line, which runs between the Silver Grove Substation and CG&E's Zimmer generating station, which is also located in Clermont County, Ohio.

From Nine Mile and Gunkel Roads, the line would begin to run in an easterly direction for another 2.67 miles to the Ohio River, where it would cross into Clermont County, Ohio and terminate at Applicant's Beckjord generating station. This portion of the transmission line would be affixed to open arms on the existing steel transmission towers that currently support the existing 345 kV Zimmer/Silver Grove/Red Bank transmission line.

An Applicant must include maps showing the route for the proposed transmission line. Applicant submitted six aerial photographs with its application. Applicant submitted additional maps on a brochure with the application and in its October 20, 2004 supplemental filing. The maps show the rights-of-way; the existing property lines to be crossed by the transmission line; the property owners' names; and the distance of the proposed line from residential neighborhoods, schools, and public and private parks located within one mile of the proposed facilities. No known public or private parks or schools are located within one mile of the transmission line's proposed route. The

transmission line crosses a residential neighborhood known as Yung Farm Estates in northern Campbell County. The existing 345 kV transmission line and transmission towers are already located in this neighborhood.

Description of the Proposed Transmission Line and Appurtenances

Under KRS 278.714(2)(c), the Applicant must describe the proposed transmission line and its appurtenances. The transmission line would be designed to operate at 138 kV, and its capacity would be 300 megawatts. The total length of the transmission line would be approximately 6.5 miles, including the Ohio portion. The portion of the transmission line located in Kentucky would be approximately 4.9 miles. The terminal points are the Silver Grove Substation and the Beckjord generating station. The Silver Grove Substation is the only substation connection.

The appurtenances include the new wood poles and existing steel transmission towers. The wood poles would be 70- to 100-feet high, and located 250- to 300-feet apart, depending on terrain. Multiple wood pole structures may be used if necessary due to terrain or possible obstacles; however, it is contemplated that only single wood pole structures will be needed. This portion of the transmission line will also utilize three 138 kV post insulators and static clamps for each wood pole connection. The remaining portion of the transmission line will utilize suspension assemblies to connect to the open arms of the existing steel transmission towers. The transmission line will use 954 ACSR conductors for the phase wires and an optical ground wire with 48 fibers for the static wire.

Construction and Maintenance

As required by KRS 278.714(2)(d), Applicant provided a statement that the proposed transmission line and appurtenances will be constructed and maintained in accordance with accepted engineering practices and the National Electrical Safety Code. In a December 1, 2004 supplement to the application, CG&E further stated that the proposed line and its appurtenances will be constructed and maintained in accordance with all legal requirements.

Public Notice and Proof of Service

Applicant provided public notice of the application by publication in the *Kentucky Post* and the *Kentucky Enquirer*. The public notice provided the location of the proposed transmission line, stated that the line is subject to Board approval, and provided the Kentucky Public Service Commission's address and telephone number. The public notice was published on September 25, 2004 in both newspapers. Applicant filed an affidavit from the newspapers attesting to the publication. Applicant also filed proof of service for the application. In response to these notices, the Board received no protests, requests for public hearings, or motions to intervene.

Impact

The application included assessments of the impact on the area's archaeology and ecology, and these reports concluded that the line would not adversely affect either.

The MACTEC Report concluded:

No adverse visual impact is anticipated because of the proposed electrical transmission line project. The proposed project does not change the existing physical features characteristic of the area or introduce any uncharacteristic development. The aesthetic features of hilly pastures and

woods remain visible and dominant in the public views of the area.

CONCLUSIONS

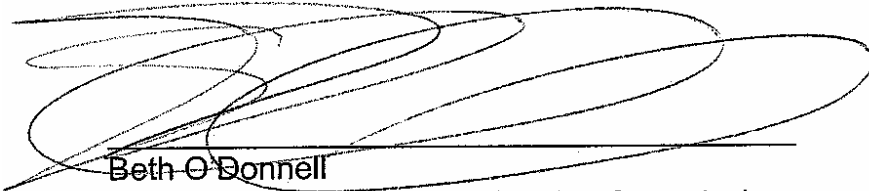
After carefully considering the criteria outlined in KRS 278.700 through 278.716, and the record in this case, the Board finds that CG&E has presented sufficient evidence to obtain the requested certificate to construct the subject transmission line and appurtenances. The Board specifically determines that the proposed route of the line will minimize significant adverse impact on the scenic assets of the Commonwealth and that CG&E will construct and maintain the line according to all applicable legal requirements. Accordingly, the Board finds that CG&E should be granted a certificate of construction pursuant to KRS 278.714 to construct a non-regulated transmission line and appurtenances as described in this Order.

IT IS SO ORDERED.

Done at Frankfort, Kentucky, this 14th day of January, 2005.

By the Board

ATTEST:

A large, stylized handwritten signature in black ink, consisting of several overlapping loops and a long horizontal stroke at the bottom.

Beth O'Donnell
Executive Director, Public Service Commission
on behalf of the Kentucky State Board on
Electric Generation and Transmission Siting