

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF KENTUCKY UTILITIES)	
COMPANY FOR A CERTIFICATE OF)	
PUBLIC CONVENIENCE AND NECESSITY)	CASE NO.
FOR THE CONSTRUCTION OF)	2022-00066
TRANSMISSION FACILITIES IN HARDIN)	
COUNTY, KENTUCKY)	

KENTUCKY UTILITIES COMPANY’S
RESPONSIVE POST-HEARING BRIEF

In accordance with the Commission’s June 2, 2022 Order, KU hereby submits this brief in response to the intervenor briefs filed by: (1) Wade Family Farm Management (“Wade”); (2) Steve Dobson, Betty Dobson, Deanna Dobson, and Raymond Dobson as the Hagan property owners (“Hagan”); (3) Grover Berry; and (4) Frank and Martha Brown (“Brown”). As set forth in KU’s June 15, 2022 brief, and as reflected in the record in this case, KU has demonstrated: (1) the public convenience and necessity requirement or the “need” for the transmission facilities proposed in this case; and (2) that it has meaningfully considered alternate transmission line routes and has identified the optimal routes given the totality of the circumstances, thereby proving the absence of “wasteful duplication.” Having demonstrated those two facts, the Commission must grant KU’s requested Certificate of Public Convenience and Necessity (“CPCN”) under KRS 278.020 and well-established Commission precedent, the most recent of which is a decision the Commission issued just 16 days ago.¹

¹ *Electronic Application of Big Rivers Electric Corporation for a Certificate of Public Convenience and Necessity to Construct a 161 kV Transmission Line in Henderson County, Kentucky*, Case No. 2022-00012, [Order](#) (Ky. PSC June 6, 2022).

I. ARGUMENT

The Wade brief is full of hyperbole, inappropriate accusations, and distortions of the record. That content is telling. It is indicative of the fact that KU has demonstrated that a CPCN should be granted and the absence of genuine facts upon which Wade can make a good faith legal challenge to the issuance of a CPCN. The Commission must see the Wade Brief content for what it is – a protest from a landowner who is unhappy about the fact that KU needs to construct a transmission line over its property to provide service.

The Wade Brief reflects a fundamental misunderstanding about what “least impactful” means. Siting methodology is performed so that a transmission line is least impactful to the Engineering Environment, Built Environment, and Natural Environment in an entire study area. Wade would have the Commission believe that least impactful means least impactful *just to Wade* – a single landowner on the proposed route for the proposed 345 kV West line. This shows Wade’s continued refusal to accept the most basic fact in this case: the proposed rerouted 345 kV line must go *somewhere* for KU to provide reasonable and reliable electric service. KU has proven the optimal route for the 345 kV rerouted line by demonstrating the need for it and the absence of wasteful duplication. Therefore, the Commission must grant the requested CPCN.

A. **KU HAS DEMONSTRATED A FUNDAMENTAL NEED FOR THE PROPOSED TRANSMISSION FACILITIES INCLUDING THE NEED TO REROUTE AN EXISTING 345 kV LINE TO SERVE THE GLENDALE SOUTH SUBSTATION BY CONSTRUCTING DUAL LINES FEEDING INTO THE SUBSTATION THUS EXTENDING THE TRANSMISSION NETWORK.**

Wade concedes that KU needs to construct the Glendale South Substation, the Glendale Industrial Substation, and two 138 kV lines connecting those two substations.²

² Wade Brief at 1.

But in making that concession, Wade’s argument and the motivation for it become clear: Wade seeks to avoid any transmission line crossing over its property. Wade argues that even though KU must get 345 kV service to the Glendale South Substation, it can and should do so only via the 345 kV East line which is a line that does not cross the Wade property.³ Wade claims that it “is not seeking to avoid having the proposed transmission line cross its property,” but the majority of Wade’s brief and Wade’s participation in this case prove otherwise.

Reduced to its essence, Wade’s Brief is simple: (1) KU should not be permitted to build dual 345 kV lines because dual lines are not needed; (2) only one 345 kV line is needed, so the one that should be built is the East line that does not cross the Wade property; and (3) if Wade is wrong and the Commission determines the 345 kV West line should be built, the Commission should order KU to build Route D for the 345 kV West line instead of the optimal Route A because Wade prefers Route D.

The Commission’s job is not to cater to the wishes of a single landowner to the prejudice of the public’s need for the project. The Commission’s job is to determine, based on the record, whether the public convenience and necessity require KU’s proposed transmission projects.⁴ KU has demonstrated that its plan to reroute the existing Brown North – Hardin County 345 kV line by constructing an East line and a West line is, in short, required.⁵ KU has demonstrated that prudent transmission planning and reliability

³ *Id.* at 10-15.

⁴ KRS 278.020(1).

⁵ See KU’s response to PSC 3-6 describing the need for two lines – an East line and a West line – into the Glendale South Substation. PSC 3-6 also includes a map showing the East line, the West line, and the segment of the existing Brown North – Hardin County line that will be removed because it will become unnecessary.

concerns require a load of this size to be served by two sources as a circuited networked solution rather than via a single radial feed.⁶ Specifically, in response to PSC 2-(1)(a), KU provided the following detailed description of why dual lines are needed:

For expected load the size of the Glendale South Substation, which includes the Ford battery production facilities and future load growth in the area, prudent and reliable transmission planning require more than one source to allow the load to be served in the event of maintenance or emergency outages of one of the lines. A transmission line configuration consisting of two sources into Glendale South Substation greatly reduces the probability of a total Glendale South Substation outage which would leave ALL customers fed from this substation without power.⁷

Wade summarily dismisses this proof as “unsupported”⁸ and then distorts the record in attempting to demonstrate that alleged lack of support. The Commission’s job is to look beyond that distortion. The Commission should grant the CPCN for a rerouted 345 kV line based on the following record evidence proving that dual lines are necessary: (1) KU has as much or more transmission design experience than anyone in Kentucky, and, in its expert judgment, both the West and East 345 kV lines are necessary for reliable service; (2) KU’s transmission expert witness in this matter, Ms. McFarland, has stated repeatedly under oath that, in her judgment, both the West and East 345 kV lines are necessary for

⁶ PSC 2-1(a); Wade 2-1; PSC 4-3(c); Hearing Video Testimony (“HVT”) 14:10:00.

⁷ PSC 2-1(a) further states: “With only one transmission source into the substation, any line fault or failure, or any planned maintenance outage would leave the substation without a backup source and thus no power. To achieve this two-source configuration, the existing Brown North – Hardin County 345kV line will be segmented near the Hardin County Substation (West tap point) and rerouted into and out of the new Glendale South Substation, tying back into the 345kV line at the East tap point (a total of approximately 9 miles of new 345 kV line). The existing 2.7 mile segment of line between the two new tap points will be retired and removed. This will create one 345 kV source into the Glendale South Substation coming from the Hardin County Substation (i.e., the Glendale South – Hardin County 345 kV line), and a second 345 kV source from the Brown North Substation (i.e., the Glendale South – Brown North 345 kV line). Both sources will reliably serve the load with the loss of the other, i.e., no single line event will interrupt the load. Each of the two sources will be able to serve the entire load without overloading any other facilities.”

⁸ Wade Brief at 11.

reliable service;⁹ (3) KU has achieved good reliability statistics on its 345 kV transmission system *precisely because* it has been constructed in the same networked and circuited fashion KU proposed in this case; (4) use of only one feed into the Glendale South Substation would create the exact type of undesirable “radial” feed configuration that KU and LG&E seek to avoid because of the decreased reliability associated with radial feeds;¹⁰ and (5) in its entire 345 kV transmission system, KU has only one customer that is served by the “radial” feed model Wade proposes by using the single 345 kV East line, but 345 kV service to that customer is solely used to serve one of its processes, is curtailable, and that customer has other transmission and distribution circuits that supply the rest of its facility.¹¹

Wade did not dispute the need for dual 345 kV lines in its intervenor testimony. After Wade filed its intervenor testimony in which it did not question the need for dual 345 kV lines, it filed a data response in which it asserted, “the need for two 345 kV lines has not been demonstrated.”¹² At the same time, Wade admitted that it has not undertaken any independent analysis of what standard utility practice is to address the need presented in this case.¹³ Then, in its brief, without any testimony or analysis that actually challenges KU’s proof that dual lines are necessary, much less proves that dual lines are not necessary, Wade repeatedly argues KU has offered no proof dual lines are necessary. Even a cursory reading of the record reflects otherwise.

⁹ PSC 2-1(a); Wade 2-1; PSC 4-3(c); Hearing Video Testimony (“HVT”) 14:10:00.

¹⁰ PSC 2-1(a).

¹¹ Wade 2-4.

¹² Wade response to PSC 1-1(a) issued to Wade.

¹³ Wade response to PSC 1-1(b) issued to Wade.

Wade's argument that KU's good reliability statistics mean that dual lines are not necessary¹⁴ is just nonsense. As indicated above, KU has achieved good reliability statistics *because* it has designed its transmission system in accordance with the prudent planning it has proposed in this case. Wade would have the Commission believe that because KU has a historical record of good reliability on its 345 kV transmission system, KU should now depart from the very practices that achieved that good reliability in the first place. And why? So that a transmission line to be constructed to serve new load that is expected to provide economic benefits to the Commonwealth will not cross the Wade property.

Wade next disputes the elementary concept that the Ford facility and its creation of 5,000 jobs will drive additional load growth in the area.¹⁵ The Wade argument is that KU has offered no "credible evidence" to support the concept of additional load growth, so dual East and West 345 kV lines premised on that additional load growth are not needed. Here again, Wade has a fundamental misunderstanding of why dual networked lines are necessary. KU has not proposed dual lines to serve the total size of the load because one line will serve half the load and the other line will serve the other half of the load. Dual lines are necessary because of the rerouted networked circuit they will create, thereby ensuring the reliability KU is required to provide and customers like Ford rightfully expect.

KU is required to "make all reasonable efforts to prevent interruptions of service, and when such interruptions occur shall endeavor to reestablish service with the shortest

¹⁴ Wade Brief at 11-13.

¹⁵ Wade Brief at 13-16.

possible delay.”¹⁶ KU’s proof has been clear that dual lines are necessary to meet those reliability obligations:

With only one transmission source into the substation, any line fault or failure, or any planned maintenance outage would leave the substation without a backup source and thus no power. . . . Both sources will reliably serve the load with the loss of the other, i.e., no single line even will interrupt the load. Each of the two sources will be able to serve the entire load without overloading any other facilities.¹⁷

This reliability is especially important when serving industrial customers such as Ford, whose very manufacturing process is critically dependent on the continuous flow of electricity. A residential customer who suffers a 30-minute outage may need only to reset the clock on his/her microwave oven. This is not true for industrial customers like Ford where even an extremely short outage can cause significant disruption to the entire manufacturing process.

In addition to Wade’s failure to understand why dual 345 kV lines and an extension of the network are necessary, Wade’s extensive criticism of KU’s argument that load growth in the area is anticipated is Wade “doth protesting too much.” It cannot be reasonably disputed that the Ford facilities and the 5,000 jobs they will create (according to Governor Beshear) will drive additional load growth in the area,¹⁸ and the Commission could reasonably take administrative notice of it. While Wade made much ado at the evidentiary hearing and in its brief¹⁹ about the standard warranty disclaimers footnoted in the Kentucky Cabinet for Economic Development (“KCED”) document addressing the

¹⁶ 807 KAR 5:041, Section 5(1).

¹⁷ PSC 2-1(a).

¹⁸ On the issue of future load growth, the Hagan Brief certainly takes the position that tremendous economic development will occur in the area. Hagan Brief at 3.

¹⁹ Wade Brief at 15.

economic ripple effect of new jobs, the fact remains that the KCED document²⁰ speaks clearly for the KCED, stating the following, all of which can be reasonably assumed to drive load growth:

- When a new business locates in the state, economic benefits ensue;
- The economic impact of adding 100 new jobs in the manufacturing sector is the creation of 270 total jobs with an additional \$29.3 million of growth to the state economy;
- With those new jobs come payroll dollars, increased demand for housing, goods and services, greater capital investment and a broader tax base all of which spreads throughout the economy.

Wade cannot reasonably dispute these fundamental tenets of economic development, based on years of KCED experience, with mere unsupported assertions to the contrary.

KU has proven that dual 345 kV lines are necessary to provide reliable power. Wade's protestations to the contrary are nothing but an attempt to prevent a line on the Wade property. As evidence of this, Wade has no opposition²¹ to the dual 138 kV lines that will connect the Glendale South Substation to the Glendale Industrial Substation even though those lines are proposed in a dual fashion for the exact same reliability reasons as the dual 345 kV lines. Wade does not oppose the dual 138 kV lines or describe them as "wasteful duplication" for one simple reason: they will not cross the Wade property.

After setting up the argument that dual 345 kV lines are not needed, Wade then tries to convince the Commission that a single 345 kV line is needed and that it should be KU's proposed 345 kV East line (which does not cross the Wade property). The

²⁰ See attachment to PSC 2-3.

²¹ Wade Brief at 1.

Commission should not get lured into this false and fabricated binary choice – that the Commission should choose between the 345 kV East line or the 345 kV West line. Given the reliability that dual networked lines deliver, there is no choice to be made. Both lines need to be constructed to achieve the necessary networked circuited configuration. Thus, all of the argument about why and how the 345 kV East line is “better”²² than the 345 kV West line is irrelevant.

What *is* noteworthy about Wade’s argument that the 345 kV East line is “better” than the 345 kV West line is that, to make that argument, Wade has to admit that the Team Spatial Siting Study (“Siting Study”) “was applied consistently in developing the proposed Eastern and Western transmission line proposal.”²³ This is critical because it shows that, for all of the Wade criticism of the Siting Study, the Wade assertion that KU somehow manipulated the siting methodology, and even the outrageous claim that “KU did not use the Kentucky Siting Model,”²⁴ Wade likes the Siting Study when it identifies a route – the 345 kV East route – that does not cross the Wade property. Wade cannot have it both ways. Wade cannot question the integrity of the Siting Study in its identification of the 345 kV West line while, at the same time, advocate for construction of the 345 kV East line which was identified by the exact same Siting Study.

B. WADE’S CRITICISM REGARDING THE METHODOLOGY USED IN THE SITING STUDY IS WRONG.

Even though Wade’s criticism of the Siting Study should be summarily dismissed because of Wade’s unprincipled and wholly inconsistent view of it depending on whether

²² *Id.* at 19.

²³ *Id.*

²⁴ *Id.* at 17.

the 345 kV East or West line is being discussed, KU is still compelled to respond to Wade's Siting Study criticism at pages 16-19 of the Wade Brief.

First, Wade claims that "KU did not use the Kentucky Siting Model"²⁵ and notes Ms. McFarland's hearing testimony at 10:07:40 for support. This statement is plain false and is a troubling misrepresentation of the record. Ms. McFarland did not say that KU "did not use the Kentucky Siting Model" as Wade claims. She said that KU and Team Spatial applied modifications to the model that are "part of the model process itself."²⁶

Second, despite the claim that KU somehow modified the Siting Study to achieve a desired result, KU has plainly explained that there was no "departure" from the Kentucky Siting Model and Ms. McFarland explained why in her rebuttal testimony.²⁷ Ms. McFarland explained that the Kentucky Siting Model process uses "layers" that are given percentage weights in assessing alternate corridors. Layers are items such as: sinkholes and slope in the Engineering Environment; floodplain and wildlife habitat in the Natural Environment; and building density and proximity to eligible historic and archeological sites in the Built Environment.²⁸ The existing layers for a study area must add up to 100%. Therefore, if a layer does not exist in a study area, it is not considered, but the remaining layers that are present must be reweighted so the total is 100%. For example, there were no public lands in the Study Area. Thus, that layer of the Natural Environment was not assigned a weight and other layers in the Natural Environment were adjusted upward on a prorated basis.

²⁵ *Id.* at 17.

²⁶ HVT 10:07:54.

²⁷ McFarland Rebuttal at 6-7.

²⁸ Siting Study at 8 (the lines shaded in green with percentage weights are layers used in developing the alternate corridors).

To buttress this unprincipled argument, Wade asserts that it is “stunningly incomprehensible” that KU did not identify “an individual” who approved weighting changes to the criteria in the Siting Study. Wade’s assertion is mere rhetoric. There is nothing incomprehensible about that at all. Ms. McFarland has explained that her *team* made those decisions along with Team Spatial,²⁹ and that they were made, as set forth above, so that total weightings would equal 100%.³⁰ This is exactly how such decisions should be made – by a team of experienced professionals who collaborate from different professional perspectives to make the best decisions possible.

C. KU HAS DEMONSTRATED THAT ROUTE A FOR THE 345 kV WEST LINE IS SUPERIOR TO ROUTE D FOR THAT LINE.

Wade’s final alternative argument is that, if the Commission decides that the 345 kV West line should be constructed, it should order KU to build Route D instead of Route A that KU has proposed in this matter. Unlike Wade’s new argument that dual lines should not be built which was not raised in the Wade intervenor testimony at all, the “Route D is better than Route A” argument was made in the Wade intervenor testimony (by Mr. Marchaterre at pages 11-14) and KU addressed it in full in Ms. McFarland’s rebuttal and in its June 15, 2022 brief. KU will not repeat all of that content here and incorporates Ms. McFarland’s rebuttal and its June 15, 2022 brief as if fully set forth herein. Having said that, KU does make the arguments below to respond to the Wade Brief on this point.

Of significant note is that the Wade Brief completely abandons Wade’s “expert” witness testimony on the Route A versus Route D issue. The lone reference to Mr. Marchaterre’s testimony in Wade’s 29-page brief is buried in a footnote related to field

²⁹ HVT 10:14:00; 10:17:00.

³⁰ McFarland Rebuttal at 6-7; HVT 10:10:30.

studies on the proposed routes.³¹ This abandonment is not surprising given that the record reflects that Mr. Marchaterre has no relevant expertise for transmission line siting in Kentucky and that Team Spatial has abundant expertise.³²

KU explained Mr. Marchaterre's lack of credentials in its June 15, 2022 brief, but it bears repeating here. Mr. Jesse Glasgow of Team Spatial is a co-preparer of the Siting Study in this case and of the Siting Studies submitted in Case Nos. 2022-00012 and 2019-00417 (which also used the same basic methodology for identifying an optimal route the Commission approved). Mr. Glasgow was a team member on the very team that developed the 2006 EPRI-GTC methodology.³³ He was also the Project Manager and principal investigator for the team that developed the 2007 Kentucky Transmission Line Siting Methodology.³⁴ Mr. Marchaterre was not on either of those teams and had no involvement in the development of those methodologies.³⁵ Moreover, Mr. Marchaterre admitted the following at the hearing: (1) of the 128 "project experiences" identified in his resume, only three related to overhead electric transmission projects; (2) those three "project experiences" were all for a single Ameren transmission line that is not in Kentucky; (3) his work on those three projects was limited to environmental planning support;³⁶ and (4) he

³¹ Wade Brief at 18, fn. 65.

³² Consistent with that abandonment, the Wade Brief makes no mention of the following topics in Mr. Marchaterre's testimony: scope of study area, presence of cemeteries, pivot irrigation systems, "earthworks," snuffbox mussels, conservation areas, historic resources, roadway information, and underground storage tanks.

³³ See page 4-1 of the 2006 EPRI-GTC report that has been cited in this case and that can be reviewed at <https://www.epri.com/research/products/00000000001013080>.

³⁴ See Wade Family Hearing Exhibit No. 2 (which is the Kentucky Transmission Line Siting Methodology), page 1-1.

³⁵ HVT 15:03:30.

³⁶ HVT 15:05:00; see also Mr. Marchaterre's resume, generally, and page 15 specifically.

has never performed an electric transmission line siting study using the EPRI-GTC methodology or the Kentucky Line Siting Methodology.³⁷

Instead of directly relying on its expert who was shown to have no expertise, the Wade Brief simply makes the most of the same arguments Mr. Marchaterre made regarding Route A and Route D, but just without attributing them to Mr. Marchaterre. Regardless of whether Wade relies on Mr. Marchaterre or not, the Siting Study’s conclusion that Route A is preferable to Route D is correct.

A critical legal issue on Wade’s Route A versus Route D argument is that it is *not* the Commission’s job to decide whether Route A is better than Route D. Wade would have the Commission choose between Route A and Route D (“the Commission should require that line to be built along the proposed alternative Route D”³⁸), but the Commission has stated that it does not have the authority to do so. Just 16 days ago, in a remarkably similar case, the Commission stated:

It is important to note that the Commission has no statutory authority to *select the specific route* of a proposed transmission line. . . . In performing its review, the Commission must determine if the utility has *meaningfully considered alternatives* (including alternate routes) and made a reasonable choice, given the totality of the circumstances.³⁹

The Commission says that it does not have the authority to select a transmission route for good reason; the Commission would be substituting its judgment for the expert judgment Team Spatial and KU exercised. Instead, the Commission has accurately described its role as being limited to whether KU has “meaningfully considered alternatives.”

³⁷ HVT 15:07:25.

³⁸ Wade Brief at 27.

³⁹ Case No. 2022-00012, Order at 13 (Ky. PSC June 6, 2022) (emphasis added).

Despite all of the Wade hyperbolic criticism of Team Spatial's and KU's route consideration process, it cannot be genuinely disputed that KU has performed a "thorough review of all reasonable alternatives" via the Siting Study. The Siting Study speaks for itself and reflects the robust and comprehensive nature of the methodologies used to identify the optimal route for the West and East 345 kV lines. It describes the methodology used and how it reached the conclusion that the proposed "Route A" is the optimal route for the 345 kV West line.

As to the legal standard on wasteful duplication, the Commission recently held:

To demonstrate that a proposed facility does not result in wasteful duplication, we have held that the applicant must demonstrate that a thorough review of all reasonable alternatives has been performed. The fundamental principle of reasonable, least-cost alternative is embedded in such an analysis. Selection of a proposal that ultimately costs more than an alternative does not necessarily result in wasteful duplication. All relevant factors must be balanced.⁴⁰

In discussing the concept of lack of wasteful duplication when intervenors have challenged a proposed transmission route, the Commission also recently held:

The intervenors in this proceeding appear to be concerned with BREC's proposed route of the transmission line. The Commission's consideration of proposed routes of transmission lines is limited to its review of the utility's performance of analyses indicating the lack of wasteful duplication. In conducting this review, the Commission must determine whether the proposed route is reasonable, given the totality of the circumstances, including, but not limited to, cost. For example, when presented with a proposed route that is longer and more costly than an alternative, but the alternative would require the utility to purchase a number of residences, the Commission in consideration of the risk of timely constructability, may conclude that the proposed route was the more reasonable choice despite the greater cost. In such a hypothetical scenario, the Commission may find that there was no

⁴⁰ Case No. 2022-00012, Order at 8-9 (Ky. PSC June 6, 2022).

wasteful duplication of plant, equipment, or facilities even though the proposed route was merely more costly than an identified alternative.⁴¹

Team Spatial's consideration of alternate routes was reasonable. Team Spatial's methodology is summarized at page 7 of the Siting Study.⁴² Team Spatial's model uses the EPRI-GTC Siting Methodology and the Kentucky Siting Model. The model uses a "funnel" approach⁴³ whereby macro-corridors are first identified. Then alternate corridors are identified, followed by possible routes, and then, by using the Expert Judgment Model, a preferred route is identified.

This is the same basic methodology Team Spatial used in Case No. 2019-00417 in which the Commission approved a Big Rivers Electric Corporation ("BREC") transmission line in reliance on the Team Spatial study in that case.⁴⁴ It is also the same basic methodology Team Spatial used in Case No. 2022-00012 in which the Commission approved a different BREC transmission line just 16 days ago.⁴⁵ With respect to Team Spatial's basic methodology in that case, the Commission stated:

In an effort to explore alternate routes for the proposed transmission line and determine the preferred route, BREC hired Team Spatial to conduct a siting study to consider alternate routes for the proposed transmission line. The study selected a route based on the application of a methodology previously used by a utility where the Commission approved a CPCN. Based upon the studies of alternatives and the alternate routes, as well as the associated supporting documentation, the Commission finds that there

⁴¹ *Id.* at 12-13.

⁴² The methodology is also explained in KU's response to Brown 1-10.

⁴³ Siting Study at 7.

⁴⁴ *Electronic Application of Big Rivers Electric Corporation for a Certificate of Public Convenience and Necessity to Construct and Acquire a 345 kV Transmission Line in Meade County, Kentucky*, Case No. 2019-00417, [Order](#) at 6 (Ky. PSC May 1, 2020).

⁴⁵ Case No. 2022-00012, [Order](#) (Ky. PSC June 6, 2022).

is no wasteful duplication of plant, equipment, or facilities involved with the proposed projects.⁴⁶

Thus, in accordance with the same methodology used in the quoted BREC case, in this case, Team Spatial identified two final routes (Route A and Route D) for the 345 kV West line. Then Team Spatial applied the Expert Judgment Model to identify the preferred route which is Route A.

The root of Wade’s criticism is that, in applying the Expert Judgment Model in the final phase of the analysis, KU and Team Spatial “manipulated”⁴⁷ the outcome in favoring Route A over Route D. There was no “manipulation” at all. In accordance with the EPRI-GTC methodology and the Kentucky Siting Model, KU and Team Spatial appropriately applied their expert judgment to identify the optimal route. Any adjustments of values used in the Expert Judgment Model are perfectly appropriate and are contemplated by the EPRI-GTC methodology which states, “It is important to note that the specific evaluation criteria can be expanded or contracted as the unique aspects of routing situations vary.”⁴⁸ This is the very essence of a “meaningful consideration of alternatives” as it shows an exercise of professional judgment rather than blindly following raw data.

The Commission must review the Team Spatial methodology as a whole for whether it was a meaningful consideration of alternatives. To this point, Ms. McFarland said, “When we refer to the EPRI-GTC Siting Model, . . . you have multiple different stages to the study and multiple different levels of input as you start at the top of the funnel with your thousands of pieces of information around the . . . Built, Natural, and Engineering

⁴⁶ *Id.* at 15.

⁴⁷ Wade Brief at 21.

⁴⁸ See page 2-45 of the 2006 EPRI-GTC report that has been cited in this case and that can be reviewed at <https://www.epri.com/research/products/000000000001013080>.

environment.”⁴⁹ This is a simple description of how and why the Siting Study is robust and comprehensive as a whole.

Wade would have the Commission focus on just the final phase of the Siting Study – the Expert Judgment Model – and declare that because it is allegedly faulty, the Commission should order the construction of Route D. Here again, just like Wade does in its argument that the 345 kV East line is better than the 345 kV West line, Wade seeks to rely on the Siting Study when it suits Wade (before the application of the Expert Judgment Model), but then criticize it when it does not (after the application of the Expert Judgment Model). As Ms. McFarland testified, focusing on one aspect of the Siting Study in a vacuum as Wade proposes is inappropriate.⁵⁰ Such cherry-picking is results-oriented and inconsistent with the Commission’s role of determining whether alternatives were meaningfully considered and whether the proposed route is “reasonable, given the totality of the circumstances.”⁵¹

As to the specific Wade criticism of the Expert Judgment Model, in yet another distortion of the record, Wade claims that Ms. McFarland was “unable to explain how the weights assigned to the expert judgment criteria were [sic] determined, who proposed them, who approved them, or when they were developed and approved.”⁵² Wade is wrong on all points. Ms. McFarland explained that her team along with the experts at Team Spatial decided what the weights would be and their relative importance⁵³ (which is also

⁴⁹ HVT 10:24:30. The “funnel” to which Ms. McFarland refers is the funnel methodology Ms. McFarland has repeatedly described and depicted at page 7 of the Siting Study.

⁵⁰ HVT 10:56:30.

⁵¹ Case No. 2022-00012, Order at 12-13 (Ky. PSC June 6, 2022).

⁵² Wade Brief at 21.

⁵³ HVT 10:48:50 – 10:50:13.

exactly what the Siting Study itself states).⁵⁴ KU stated in discovery that the determination of weights and values was made through a collaborative effort between KU and Team Spatial in verbal discussions.⁵⁵ KU also provided documents in discovery reflecting communication between KU and Team Spatial reflecting consideration of weights and that the consideration occurred on and shortly after December 6, 2021, well before the siting methodology was performed⁵⁶ which is consistent with Ms. McFarland’s hearing testimony.⁵⁷ Thus, KU has answered all of those questions as proven by the following exchange at the hearing:

Counsel for Wade: You can’t tell me who made the decisions, how they made the decisions, why they made the decisions, or when they made the decisions?

Counsel for KU: I would object to all of those questions, Your Honor. She has already answered every single one of those questions.

Chairman Chandler: Sustained.⁵⁸

The Wade Brief also takes great issue with the scoring used in the Expert Judgment Model phase on the Siting Study.⁵⁹ The Wade implication is that by using either a “1” or “2” in scoring community issues, schedule delay risk, reliability, natural environment considerations, and construction/maintenance accessibility while using a “1.1” for cost is somehow flawed and skewed the results. That implication is wrong. KU has explained that a binary “1” or “2” should be used when scoring *qualitative* criteria as between two

⁵⁴ Siting Study at 60.

⁵⁵ KU’s response to Wade Post-Hearing Data Request No. 3.

⁵⁶ *Id.*

⁵⁷ HVT 10:55:00.

⁵⁸ HVT 11:15:57. Beyond that exchange, a review of the entire portion of the of the June 1, 2022 hearing on the topic of the Expert Judgment Model (10:48:00 to 11:19:00) demonstrates that it was appropriately applied, was not “manipulated,” and produced the reasonable recommendation that Route A is preferable over Route D. Such a review also confirms Wade’s distortion of the record at pages 21-23 of the Wade Brief.

⁵⁹ Siting Study at 60-61.

routes, but that a precise score reflecting relative values should be used on the cost criteria which is *quantifiable*.⁶⁰ This explanation comports with the Chairman’s questioning of Ms. McFarland at the hearing,⁶¹ and it is not “*ex post facto*”⁶² at all. Indeed, a cursory review of the table at page 61 of the Siting Study and the accompanying language indicating cost is scored on a relative basis compared to the lowest cost route indicates very clearly how the Expert Judgment Model works.

Wade continues its allegation of inappropriate manipulation of the Expert Judgment Model in consideration of the existence of two residences⁶³ that would be affected by Route D. Here again, KU has explained the significance of that issue. KU and the Siting Study have explained that Route D is unfavorable because “it crosses over two parcels that have residences that would need to be bought for the transmission line to be built due to the proximity of the residences to the proposed route.”⁶⁴ Post-hearing, KU provided a map that shows that even though those two residential structures may not technically be in the proposed right-of-way, their yards are, and the right-of-way would end a mere few feet short of the residences.⁶⁵ From a practical standpoint, based on that proximity, KU believes those residences would have to be purchased.⁶⁶ On this point, the Commission got it exactly right in Case No. 2022-00012 when it addressed the possibility of having to purchase residences and the attendant delays and costs:

For example, when presented with a proposed route that is longer and more costly than an alternative, but the alternative would require the utility to purchase a number of residences,

⁶⁰ See KU’s response to Item No. 9 of the Commission’s Post-Hearing Data Requests.

⁶¹ HVT 2:08:10.

⁶² Wade Brief at 23.

⁶³ *Id.* at 23-25.

⁶⁴ Siting Study at 60-61.

⁶⁵ KU’s response to Wade Post-Hearing Data Request No. 1.

⁶⁶ KU’s response to Commission Post-Hearing Data Request Nos. 6 and 7.

the Commission in consideration of the risk of timely constructability, may conclude that the proposed route was the more reasonable choice despite the greater cost.⁶⁷

It is true that Ms. McFarland did not know all of the details on this particular issue at the hearing, but this is not “incredible”⁶⁸ at all. No witness can know everything, which is precisely why the Commission has a well-established procedure for post-hearing discovery. In accordance with that procedure, KU explained its reasoning on this issue and why the existence of those two residences is one of the reasons Route D is unfavorable compared to Route A.

More broadly, the Siting Study correctly favors Route A over Route D. Route D’s centerline is within 300 feet of 14 residences.⁶⁹ Route A’s centerline is within 300 feet of only 7 residences.⁷⁰ Under the Expert Judgment Model, Community Issues (such as proximity to residences) were heavily considered in deciding (a 30% weight) between Routes A and D for an obvious reason; proximity to residences is and should be highly significant. Route A has half the number of residences in close proximity to the centerline compared to Route D. That fact also means Route D is more susceptible to construction delay. As stated above, Route D would have also likely required the actual purchase of two residences because of its proximity to those two residences.⁷¹ Although Route A is slightly more expensive, Route A crosses more farmland, which makes it more accessible

⁶⁷ Case No. 2022-00012, Order at 13 (Ky. PSC June 6, 2022).

⁶⁸ Wade Brief at 24.

⁶⁹ Siting Study at 53.

⁷⁰ *Id.*

⁷¹ KU Response to Staff Post-Hearing Data Request Nos. 6 and 7 and Wade Post-Hearing Data Request Nos. 1 and 2.

than Route D, which crosses a more congested area. Thus, for all these reasons, the Siting Study appropriately identified Route A as the preferred route.⁷²

Finally, Wade's accusations of lack of transparency and manipulation of the Expert Judgment Model are as offensive as they are misplaced. As to this accusation, Ms. McFarland said it best at the hearing when she said, "We have no reason to manipulate the data. That makes no sense to me."⁷³ And she said, "Look, if we could build this line and never impact a single property owner, I would do that. That is not the reality of our business. The infrastructure has to go somewhere."⁷⁴

Through its testimony and brief, Wade has raised countless arguments against KU's proposals in this matter. KU has been able to respond to and refute every one of those arguments for the most basic of reasons; it has demonstrated a fundamental need for the entire project proposed in this case and has likewise demonstrated that its proposal is the best possible way to meet that need.

D. THE HAGAN BRIEF ESTABLISHES NOTHING TO PREVENT THE ISSUANCE OF KU'S REQUESTED CPCN.

The Hagan Brief does not appear to take the position that KU's requested CPCN should be denied. Instead, the thrust of the Hagan Brief is that the Hagens will suffer economic harm if KU's proposed 345 kV East line crosses their property and then attempts to establish that alleged economic harm. With respect to the Hagens, the issue of being fairly compensated for any easement KU acquires from them is not within the Commission's jurisdiction. As set forth above, the Commission's role in this matter is to determine whether the 345 kV East line is needed and whether KU has meaningfully

⁷² Siting Study at 60-61.

⁷³ HVT 11:15:30.

⁷⁴ HVT 10:58:45.

considered alternatives to the dual 345 kV lines. KU has explained above that the answer to both those questions is “yes.”

The Commission’s role is not to determine whether and how KU should compensate the Hagans for an easement. The Commission has said, “Claims pertaining to such property rights, including the location and valuation of easements, similarly fall outside the scope of the Commission’s jurisdiction over rates and services. Easement and condemnation are exclusively within the province of the circuit court’s jurisdiction.”⁷⁵ The Commission has also said, “the Commission does not have jurisdiction over the valuation of property or entering property to conduct surveys or negotiate easements with property owners.”⁷⁶ Of course, to the extent the Hagan Brief attempts to provide KU with information about the valuation of their property, its zoning status, and possible future use of that property, KU looks forward to having those discussions, but those discussions are not a part of this CPCN proceeding.

One aspect of the Hagan Brief that is relevant to the Commission’s consideration of this case is its advocacy in favor of the 500-foot from centerline request KU has made. To accommodate landowner location preference (and other landowner preferences that may arise) and to solve any unforeseen constructability issues, KU has requested authority to make minor deviations of 500 feet on either side of proposed transmission centerlines without having to return to the Commission for approval.⁷⁷ KU continues to believe such

⁷⁵ *Harold Barker, Ann Barker, and Brooks Barker v. East Kentucky Power Cooperative, Inc.*, Case No. 2013-00291, Order at 5 (Ky. PSC Apr. 7, 2014).

⁷⁶ *Vanessa Allen v. Louisville Gas and Electric Company*, Case No. 2019-00345, Order at 3 (Ky. PSC Oct. 2, 2019).

⁷⁷ KU’s Application at 6 and McFarland Direct at 9, both of which set forth certain caveats.

authority should be granted and notes that Commission precedent favors such authority as recently as the Commission’s June 6, 2022 Order in Case No. 2022-00012.

Finally, to the extent the Hagan Brief proposes an alternate route that does not cross their property and to the criticism that the Siting Study is “flawed,”⁷⁸ KU stands by its position that its proposed 345 kV East line is necessary and fully supported by record evidence. That position is set forth in full in the Siting Study, KU’s direct and rebuttal testimony, KU’s responses to discovery, KU’s June 15, 2022 brief, and this brief.

E. KU IS IN CONTINUED AGREEMENT THAT IT WILL LOCATE THE 345 kV WEST LINE IN ACCORDANCE WITH THE BROWN LOCATION PREFERENCE.

As for the Brown preference of where the 345 kV West line should be located on their property, Ms. McFarland has explained that KU will construct the 345 kV West line in accordance with the Brown location preference,⁷⁹ so the concerns in the Brown testimony appear to be resolved. If the Commission approves the KU proposed 345 West kV line and the 500-foot centerline deviation request, then KU will be able to do so. Thus, as KU has repeatedly stated, the Commission should grant that 500-foot request. This is the simplest and legally correct way to achieve the Brown preference.

As to the Brown Brief and its statement that the Commission should order KU to build the line as set forth in Brown Alternative C, KU disagrees that the Commission has the authority to do so. As set forth above, the Commission recently held that it “has no statutory authority to *select the specific route* of a proposed transmission line.”⁸⁰ The Commission must either approve the CPCN, refuse the CPCN, or approve it in part and

⁷⁸ Hagan Brief at 4.

⁷⁹ McFarland Rebuttal at 12-14 (subject to the caveats explained in that testimony which include Commission approval of KU requested 500-foot centerline deviation for landowner preference).

⁸⁰ Case No. 2022-00012, Order at 13 (Ky. PSC June 6, 2022) (emphasis added).

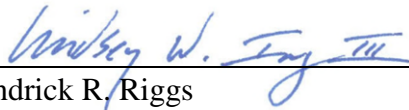
refuse it in part. Although the difference between: (1) approving KU's requested CPCN, which request includes the 500-foot deviation flexibility; and (2) ordering the line to follow Brown Alternative C is immaterial to where the actual line will be located because KU has committed to accommodate the Brown preference using a 500-foot centerline deviation, there is a legal distinction as the Commission has observed. Under that distinction, the Commission should approve the CPCN as proposed including the 500-foot deviation request.

II. CONCLUSION

KU has demonstrated: (1) a "need" for the transmission facilities proposed in this case; and (2) that it has meaningfully considered possible transmission line routes and has identified the optimal route given the totality of the circumstances, thereby proving the absence of "wasteful duplication." The intervenor briefs prove nothing that affects that demonstration. Thus, the Commission must grant KU's requested CPCN pursuant to KRS 278.020 and consistent with well-established Commission precedent. The Ford facilities and the 5,000 jobs they will create offer a bright and prosperous future for its citizens and this Commonwealth.

Dated: June 22, 2022

Respectfully submitted,

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CERTIFICATE OF COMPLIANCE

In accordance with the Commission's Order of July 22, 2021 in Case No. 2020-00085 (Electronic Emergency Docket Related to the Novel Coronavirus COVID-19), this is to certify that the electronic filing has been transmitted to the Commission on June 22, 2022; and that there are currently no parties in this proceeding that the Commission has excused from participation by electronic means.



Counsel for Kentucky Utilities Company