

**COMMONWEALTH OF KENTUCKY
BEFORE THUBLIC SERVICE COMMISSION**

In the Matter of:

**APPLICATION OF KENTUCKY UTILITIES)
COMPANY FOR A CERTIFICATE OF)
PUBLIC CONVENIENCE AND NECESSITY)
FOR THE CONSTRUCTION OF)
TRANSMISSION FACILITIES IN HARDIN)
COUNTY, KENTUCKY)**

**CASE NO.
2022-00066**

KENTUCKY PUBLIC SERVICE COMMISSION CASE: 2022-00066
BRIEF BY HAGAN PROPERTY OWNERS



SUBMITTED BY: STEVE DOBSON
JOINTLY WITH BETTY DOBSON, DEANNA DOBSON
& RAYMOND DOBSON

DATE: WEDNESDAY, JUNE 15, 2022

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EXHIBITS

- Exhibit A – Kentucky Utilities Proposed Glendale East Route**
- Exhibit B – Hagan Commercial Business Park Development Plan**
- Exhibit C – Hagan Property Location & Zoning In Relation to Ford Site**
- Exhibit D – Transportation Cabinet Plan & Highway 222 Access to Property**
- Exhibit E – Possible Alternative Glendale East 345kV Line Route**
- Exhibit F – Hagan Owner's Proposed Route for KU Glendale East Route**

EXECUTIVE SUMMARY

As owners of the property at 1055 Glendale-Hodgenville Road West in Glendale, Kentucky, we acknowledge the rights and privileges of PP&L/LG&E/Kentucky Utilities under KRS 278.020, 807 KAR 5:001, and 807 KAR 5:120, to apply for a Certificate of Public Convenience and Necessity (“CPCN”) for the construction of certain electric transmission facilities to be located in Hardin County, Kentucky.

In Ms. Elizabeth McFarland’s testimony as provided in the Kentucky Utilities’ CPCN filing and stated further in her cross examination, Ms. McFarland stated that the Ford battery plant would be the largest customer on the company’s system with a served load of 320MW. This type of large power customer is worth millions of dollars in revenue to Kentucky Utilities. Ms. McFarland went on to testify that the primary purpose of the transmission infrastructure project was to serve the Ford plant and projected future growth in the area due to the Ford plant presence. So, the purpose of the project is more public use than public need. The project clearly benefits Ford and Kentucky Utilities more than any other entities or stakeholders.

One of the two proposed 345kV transmission lines, the Glendale East Proposed route, will cross part of our property in Glendale, Kentucky (see Exhibit A).

The Hagan property is zoned C-2 and the owners have had a plan in process to develop the property into a commercial business park with up to seven commercial lots (see Exhibit B).

The Kentucky Utilities proposed Plan B for the Glendale East route would result in the loss of at least three of the two (2) plus acre commercial lots in our development plan and those lots would be our most valuable lots in terms of site attractiveness and versatility for development. The proposed line route would also reduce the footprint of our commercial park limiting the types and sizes of businesses that could occupy the site.

SOCIAL RESPONSIBILITY & SMALL BUSINESS PRESERVATION

While PP&L/LG&E/Kentucky Utilities has the rights and privileges under the law to take property for public need, we believe that those rights and privileges come with social responsibility, particularly when the primary purpose of the infrastructure as stated in the testimony included in the Kentucky Utilities filing and affirmed in cross examination responses by Ms. Elizabeth McFarland is to provide power to one profit making entity (Ford) a \$136 billion company which will produce millions of dollars in for profit by PP&L/LG&E/Kentucky Utilities, a \$6 billion company.

To eliminate the opportunity for small business development in the area by rendering one of the prime pieces of commercial real estate adjacent to the Ford site useless for development and jobs creation seems counterintuitive to testimony by Ms. McFarland

that job creation and economic benefit to the area is a driving force behind Kentucky Utilities' justification for building the transmission line. We don't believe it is socially responsible for a monopolistic business with special rights and privileges to pocket millions of dollars from the largest economic development project in the Kentucky history to squash small business development when there is a workable solution that will maintain the advantages for the two large corporations without detriment to small business opportunities and other job growth in the area.

UNIQUE ATTRIBUTES & COMMUNITY VALUE OF HAGAN PROPERTY

The Hagan property is unique for many reasons. It has value to the community, state and potentially to Kentucky Utilities ratepayers. The parcel is one of the largest commercial properties that has Highway 222 frontage and adjoins the megasite property.

This location and the property's zoning status is documented in the Radcliff/Elizabethtown Metropolitan Planning Organization's Glendale Area Transportation Study Update (See Exhibit C). The property footprint is of a size and dimension that could support Ford Battery plant suppliers, distribution centers such as a FedEx hub, hotels, restaurants and a variety of other types of businesses. We can also envision our property being annexed into the megasite as an extension that would offer related or support businesses connected to the Ford site.

The future Highway 222 plan has a termination point across from our property which could extend to the entrance to our commercial business park and provide access to businesses in the commercial development as well as to the Ford site on the southern border of our property. This is also documented in the Radcliff/Elizabethtown Metropolitan Planning Organization's Glendale Area Transportation Study Update (See Exhibit D).

Due to the projected growth in the area, the scarcity of property that directly adjoins the Ford site, the location of the property towards the Glendale side of the Ford site and the lack of many types of hospitality businesses in the area, we believe our property can be an important component of an economic engine that will provide needed businesses along with jobs, tax revenues and utility revenues which would benefit citizens, taxpayers and ratepayers.

In summary, we believe using our property for a utility easement and right-of way is not in the best interest of the community, the citizens of Glendale, taxpayers, property owners, Kentucky Utilities or Kentucky Utilities' ratepayers assuming that Kentucky Utilities would ultimately serve the commercial load to be developed on the property.

We would also like to reiterate the fact that sixty-four (64) acres of our land were taken against our will to aggregate the megasite which is tremendously benefitting both Ford and PP&L/LG&E/Kentucky Utilities, two large corporations.

Furthermore, four (4) additional acres of our property were taken against our will for road improvements to support the megasite. Given all of the benefits afforded to two large corporations that will reap millions upon millions of dollars from the Ford site and the transmission line that serves it, we believe it is fair to ask that the Glendale East 345kV line be routed to avoid our property by using the five-hundred (500) feet variance allowed under the filing of Kentucky Utility's Certificate of Public Need & Necessity.

COMMUNITY, ECONOMIC & JOBS IMPACT

In Ms. Elizabeth McFarland's cross examination responses on June 1, 2022, she enthusiastically stated the need for Kentucky Utilities to build transmission infrastructure to support what is the largest economic development project in Kentucky history. Ms. McFarland remarked that approximately 5,000 jobs would be created at the site and that for each 100 jobs that an O.E.M. such as Ford created, another 200 to 270 jobs resulted. We could not agree more that job creation results in other positive economic impact. Basic economic principles suggest that capital infusions trigger the multiplier effect in an economy and many synergies result. Additional job creation is part of that dynamic.

Given the unique location of the Hagan property, we believe that a significant number of jobs can be created by businesses in the Glendale area on our commercial property. With the Highway 222 frontage access coupled with the fact that two sides of our property (east and south) adjoin the Ford battery plant site, the property has the footprint, road access, megasite access and synergistic qualities that make it uniquely attractive for a variety of businesses. We estimate that, depending on future occupants, the site could provide 200 to 500 direct jobs. Using Ms. McFarland's estimates that 200 to 270 jobs could be created for every 100 jobs at an O.E.M. or O.E.M. supplier, those 200 to 500 direct jobs could result in 400 to 1,350 more indirect jobs (2 X 200 low side and 5 X 270 high side). Therefore, our property could be responsible for up to 1,850 direct and indirect jobs in accordance with Ms. McFarland's responses to cross examination and her testimony regarding the value of jobs related to the Glendale project.

EPRI & KENTUCKY SITING MODELS

In its filing, Kentucky Utilities referenced use of the EPRI and Kentucky Siting Models in line route selection. While we recognize the sophistication and validity of decision models such as the EPRI and Kentucky Siting models, any good analyst knows that the validity of an analytical tool is dependent upon the quality of data that goes into the model. The old adage "Garbage in, garbage out" holds true for any computational method or model. Further, the Modified Delphi Technique applied to the line route decision essentially amounts to judgement calls on the part of experts within the team

and, experts not only hold their own biases, but also rely on accurate information to make relevant judgements.

Since community impact was weighted 35% in the EPRI and Kentucky Siting models, we believe that Kentucky Utilities has not properly factored in the negative community and economic impact that routing transmission lines across the Hagan property would cause to the community.

As an example, Mr. Krueger, a Right-of-Way Agent for Kentucky Utilities visited our property in March of 2022 to present a letter stating that our property was being targeted for a transmission line project. Mr. Krueger did not know the Hagan property was zoned commercial at that time. Further, based on the Team Spatial document dated March 2, 2022 and submitted with Kentucky Utilities' Application for Certificate of Public Need and Necessity, the Team Spatial Study does not acknowledge that the Hagan property is zoned commercial.

So, it is difficult to understand how the models used by Kentucky Utilities could have completely and accurately assessed the community impact of this particular transmission route if the model and decisionmakers were not acting on complete and accurate information. This would have impacted the scoring of the model and it would have most certainly impacted land acquisition cost which is listed as \$185,793 for the proposed route crossing the Hagan property and \$535,535 for alternative A. The cost of prime commercial lots next to the largest economic development project in Kentucky history will certainly be much more costly than the projected \$535,535 for the Glendale East route Alternative A. This was not a factor that could have been incorporated into the model as Mr. Krueger stated that Kentucky Utilities was unaware of the commercial zoning of the Hagan property.

We believe if complete and accurate information had been plugged into the model that the Glendale East transmission route might have followed a route that would not impact the community as negatively (see Exhibit E). We have talked to many property owners who are willing sellers and found that Kentucky Utilities has not contacted any of them. Thus, the fact that they hold residential properties is of no consequence to them and the model did not take those situations into consideration.

The model which looks at residences and other factors appears impressive but what Kentucky Utilities and Team Spatial call impactful is not necessarily accurate given some of the property owners would not view a sale of their property for easement and right-of-way use as negative and they have stated that in interviews we have conducted. We know that the Ryan, Elliott, Best and other property owners have not been contacted by Kentucky Utilities or any Kentucky Utilities agent or representative. So, it is evident the model has made assumptions, the evaluation team has made judgements and the model has been scored based on incomplete and inaccurate information.

In summary, while we find the information that went into the model and scoring to be flawed. However, we acknowledge that politics and big business are driving schedule at

perhaps a pace that cannot accommodate the precision that could otherwise be delivered. We also recognize that it is unlikely that Kentucky Utilities will consider another route, as illustrated in Exhibit E due to the aforementioned political and business pressures.

HAGAN PROPERTY OWNERS' PROPOSAL

To preserve the community benefit and avoid suppression of small business development, the Hagan property owners' respectfully request that Kentucky Utilities move the proposed line up to the maximum allowed five-hundred (500) feet so that the Hagan property will not be used for any power line easement or right-of-way and the line is as far as possible within tolerance to our property (see Exhibit F).

This proposal would result in the line being constructed over the Ashe property and residence. The Ashe property is also zoned commercial and the owners have told us directly that they are willing sellers. In a response to our request for information, Kentucky Utilities stated in a written response that there was a dwelling on the Ashe property that would need to be removed. We have obtained quotes from area demolition companies that remarked that the structure would likely not need asbestos remediation and estimates have come in around \$4.50 per square foot to demolish and remove the structures on the property. Estimates have ranged in totals of \$25,000 to \$32,000 range for that work.

KU's construction estimate per mile for the project is \$2.9 million per mile per the filing. Altering the current plan to include the allowed five-hundred (500) feet variance would result in the line being only a fraction of a line mile longer than the current Kentucky Utilities' planned route. The incremental cost of the extra line distance and the demolition costs would certainly be more than offset by the cost avoidance of not having to acquire the prime commercial lots adjacent to what is the largest economic development in Kentucky history as noted in Ms. Elizabeth McFarland's testimony in the case 2022-00066 filing as well as her emphasis on that point in her June 1, 2022 cross examination responses.

Since the Ashe property is already being impacted according to the current transmission line plan and the adjacent Mackey property is also being impacted, the Hagan property owners' proposed plan would not only avoid impact to additional property owners but would eliminate impact to the Hagan property and the Mackey property for a net impact of -2 property owners versus the current plan. Our proposed plan would result in the line moving further east and routing over the Ashe property main structure and then proceeding southward to the megasite property before turning towards Glendale (see Exhibit F).

In Exhibit F, we illustrate the boundaries of our property as well as the locations of the Ashe property, Mackey property and megasite. The black line has been drawn to show

the approximate location of our proposed revision to the Glendale East Proposed 345kV route.

In summary, the Hagan Property Owners' proposed plan would impact fewer property owners and would avoid severe negative economic impact to the community, a negative impact to small business opportunities, lost job creation opportunities, lost tax base and lost revenues from commercial customers. In our estimate, the incremental construction costs would be more than offset by cost avoidance in commercial land acquisition and the forward revenue stream from prospective commercial load customers that would occupy the Hagan development site.

CONCLUSION & REQUEST OF KENTUCKY UTILITIES & KPSC

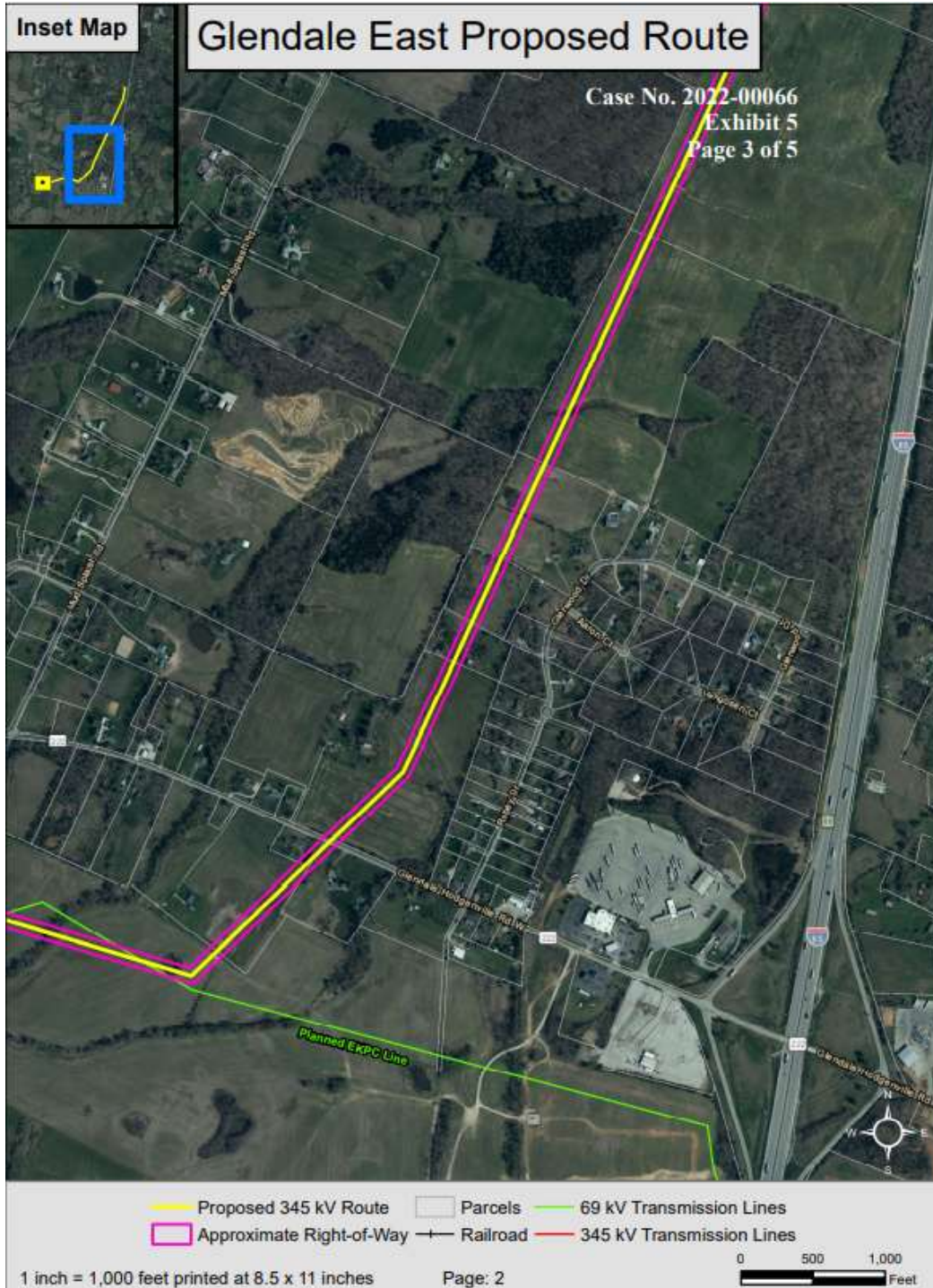
The Owners of the Hagan property would appreciate the consideration of Kentucky Utilities and the Kentucky Public Service Commission in utilizing the variance of up to 500 feet so that the easement and related right-of-way for the Glendale East proposed 345kV transmission line are clear of our property and as far from the property boundaries as the variance will allow. This will enable our property to create additional value to the community by being utilized for its best and highest use as a commercial business park. It is ideally suited for that purpose as you will find in this brief and related exhibits.

We truly do believe it is in the best interest of the community, for job creation, for the local and state tax base, and for Kentucky Utilities and its ratepayers for our property to be used as we intend it to be used.

We have already had 64 acres taken from us to assemble the Ford site and 4 additional acres taken to widen Highway 222 to support the site. It seems to be win-win situation for all to move the Glendale East proposed 345kV line to be routed over the Ashe property so that our property can realize its potential to deliver tremendous community benefits. We, as landowners, would appreciate not losing property for a third time to this project as we will be wiped out.

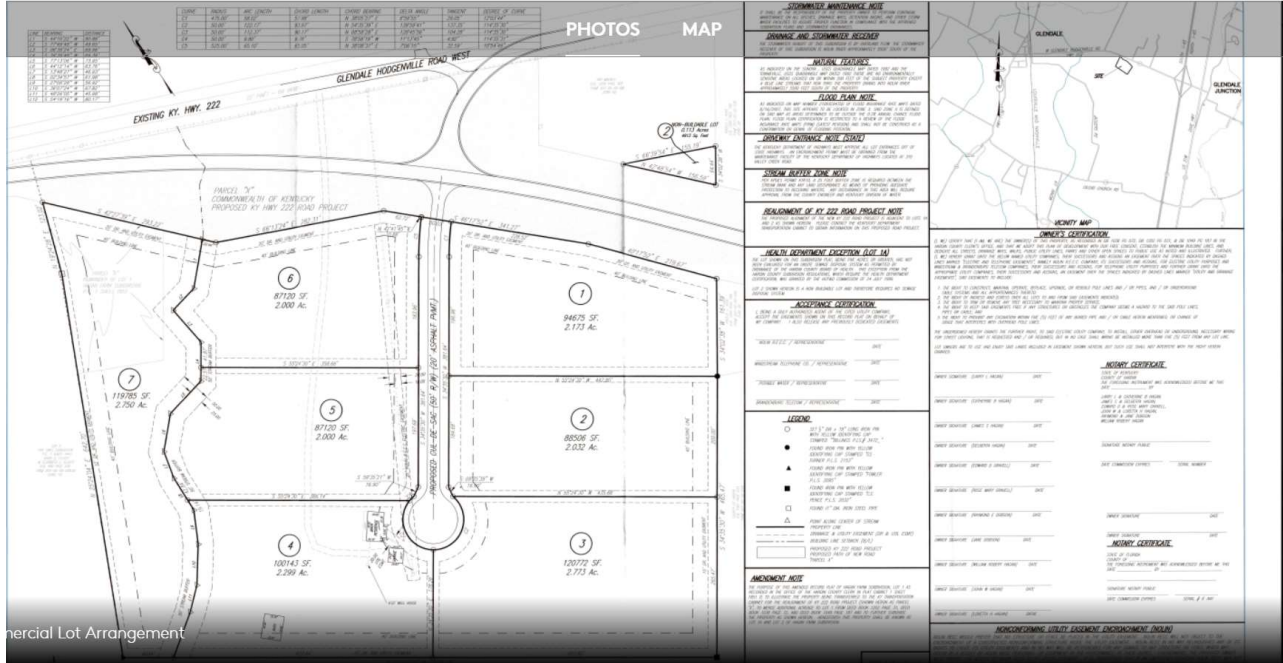
We appreciate the opportunity to state our position and would like to ask the consideration of Kentucky Utilities and the Kentucky Public Service Commission to honor our request to modify the route of the Glendale East proposed 345kV line to be moved within the allowed variance so that any easement or rights of way do not infringe upon our property.

EXHIBIT A
Kentucky Utilities 345kV Transmission Line
Glendale Proposed East Route



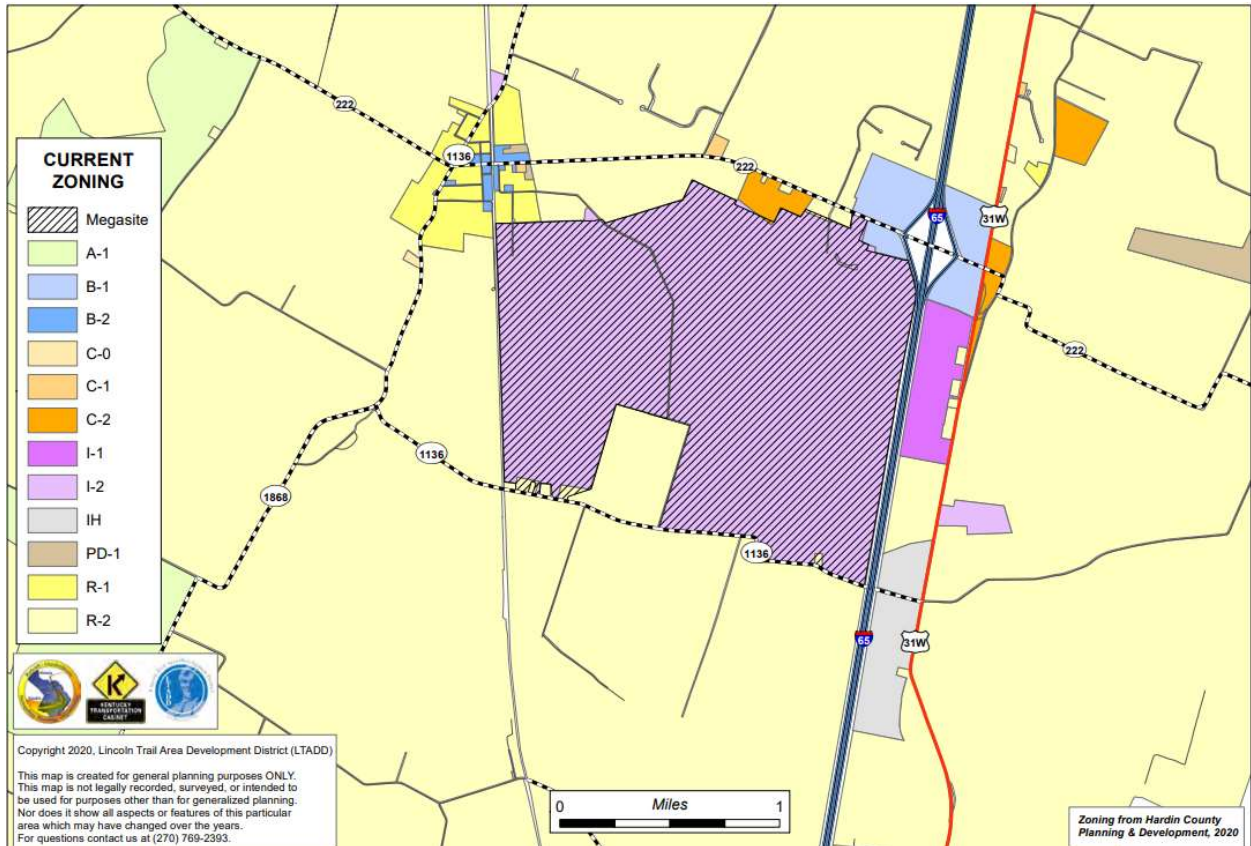
Source: Exhibit 5, page 3 of 5 - Kentucky Utilities KYPSC Filing March 31, 2022

EXHIBIT B Hagan Commercial Business Park Plan



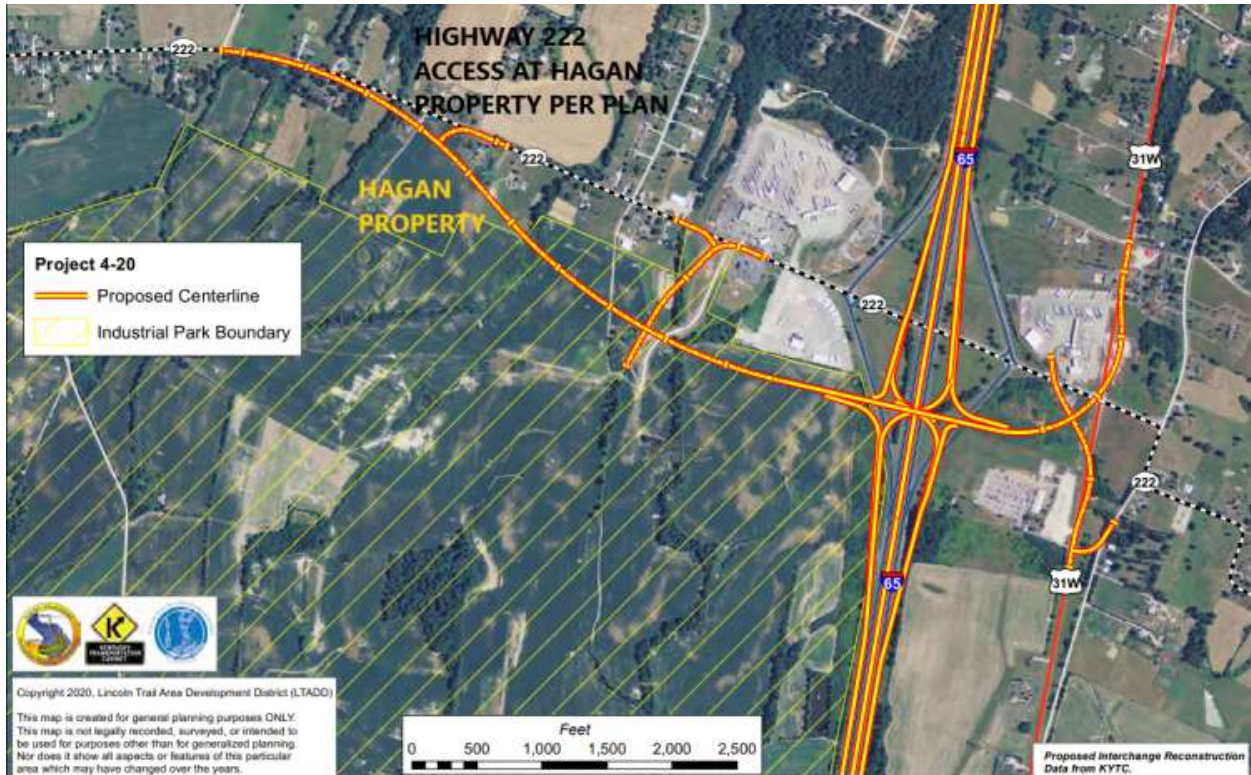
Commercial Lot Arrangement

EXHIBIT C
Hagan Property Location & Zoning
Largest C-2 Property Along Highway 222
& Adjoining Ford Site



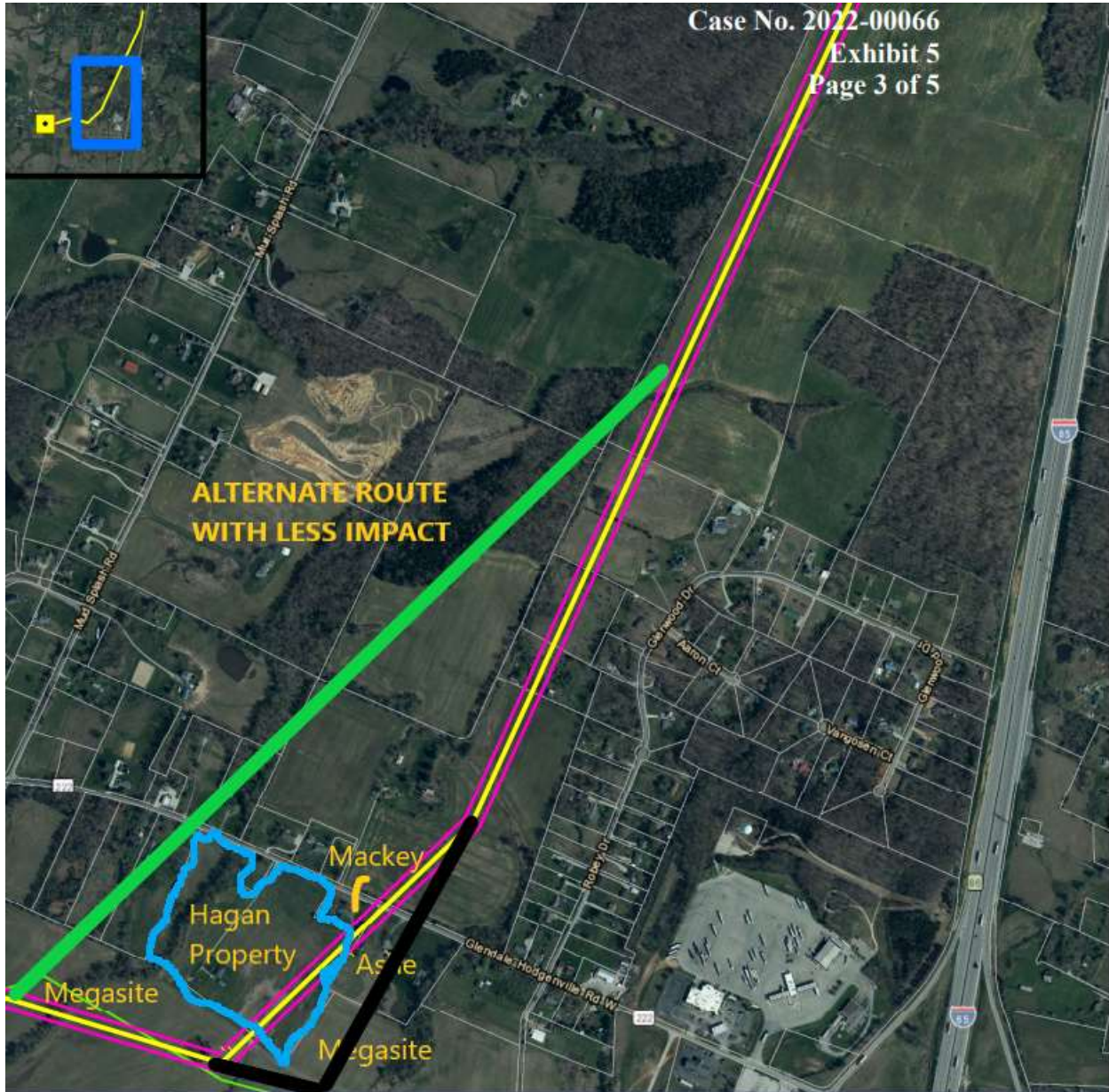
Source: Radcliff/Elizabethtown Metropolitan Planning Organization – Glendale Area Transportation Study Update, February 2021 (page 22).

**EXHIBIT D
TRANSPORTATION CABINET PLAN – HIGHWAY 222
IDEAL COMMERCIAL ACCESS TO
HAGAN PLANNED COMMERCIAL BUSINESS PARK**



Source: Radcliff/Elizabethtown Metropolitan Planning Organization – Glendale Area Transportation Study Update, February 2021 (page 28).

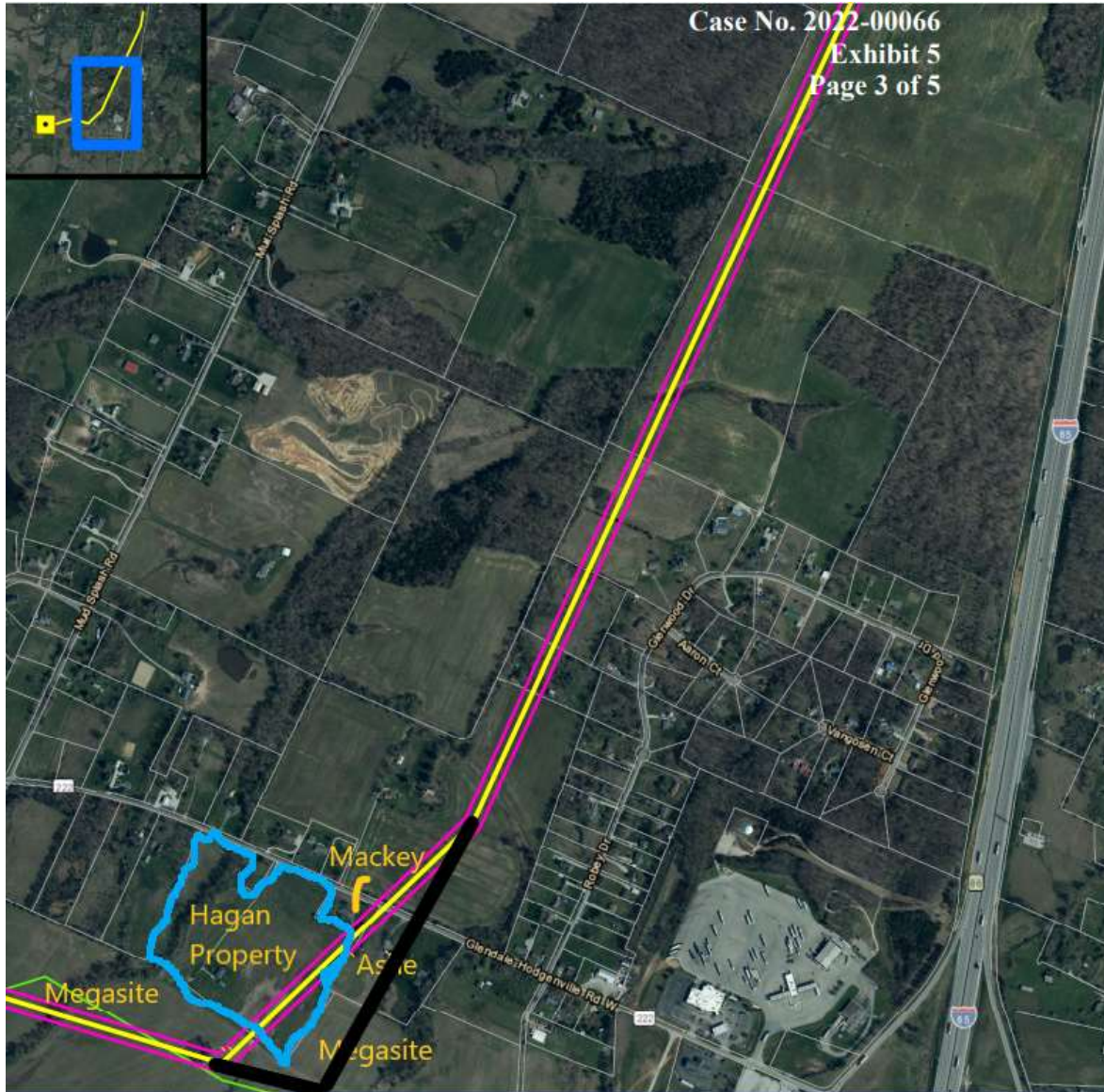
EXHIBIT E
Possible Alternate Transmission Line Route With
Significantly Less Negative Community Impact



Green line represents an alternate route that would avoid the highly populated area of Robey Lane and impact no greater number of property owners.

This alternate route is more direct, fewer linear feet and less costly in land acquisition costs and would not have the negative community impact in terms of eliminating small business opportunities near the Ford site. A few owners along the site, including residential property owners are willing sellers per direct interviews with the property owners.

EXHIBIT F
345kV Glendale East Proposed Route (Proposed Plan B)
& Hagan Property Owners' Request for 500' Variance



Hagan, Ashe, Mackey & Megasite/Ford Properties

Black line extended from the Kentucky Utilities proposed line represents the approximate change requested to the 345kV line within the 500 foot variance/deviation from proposed route.

Hagan and other referenced properties labeled in yellow font.