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PUBLIC SERVICE
COMMISSION

Mr. Jeff DeRouen
Executive Director
Kentucky Public Service Commission
211 Sower Boulevard
Frankfort, Kentucky 40602-0615

Kentucky Utilities Company
State Regulation and Rates
220 West Main Street
PO Box 32010
Louisville, Kentucky 40232
www.eon-us.com

September 3, 2009

Rick E. Lovekamp
Manager - Regulatory Affairs
T 502-627-3780
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RE: ***APPLICATION OF KENTUCKY UTILITIES COMPANY
CONCERNING THE NEED TO OBTAIN CERTIFICATES OF
PUBLIC CONVENIENCE AND NECESSITY FOR THE
CONSTRUCTION OF TEMPORARY TRANSMISSION FACILITIES
IN HARDIN COUNTY, KENTUCKY***
Case No. 2009-00325

Dear Mr. DeRouen:

Enclosed please find an original and six (6) copies of Kentucky Utilities Company's ("KU") Application and Testimonies in the above-referenced docket.

Should you have any questions concerning the enclosed, please do not hesitate to contact me.

Sincerely,

Rick E. Lovekamp

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF KENTUCKY)	
UTILITIES COMPANY CONCERNING THE)	
NEED TO OBTAIN CERTIFICATES OF PUBLIC)	
CONVENIENCE AND NECESSITY FOR THE)	CASE NO. 2009-00325
CONSTRUCTION OF TEMPORARY)	
TRANSMISSION FACILITIES IN)	
HARDIN COUNTY, KENTUCKY)	

APPLICATION

Kentucky Utilities Company (“KU”), pursuant to 807 KAR 5:001 and KRS 278.020, hereby petitions the Kentucky Public Service Commission (“Commission”) by application to issue an order by December 2, 2009, finding that Certificates of Public Convenience and Necessity (“CPCNs”) are not necessary for the construction of temporary transmission facilities proposed herein because such temporary transmission lines are “ordinary extensions of existing systems in the usual course of business” under KRS 278.020(1), or in the alternative granting CPCNs for such temporary facilities.

In support of this Application, KU states as follows:

1. Address: KU’s full name and business address is: Kentucky Utilities Company, One Quality Street, Lexington, Kentucky 40507. KU’s mailing address is Kentucky Utilities Company c/o Louisville Gas and Electric Company, Post Office Box 32010, 220 West Main Street, Louisville, Kentucky 40232.

2. Articles of Incorporation: A certified copy of KU’s current Articles of Incorporation is on file with the Commission in Case No. 2005-00471, *In the Matter of: Application of Louisville Gas and Electric Company and Kentucky Utilities Company for*

Authority to Transfer Functional Control of their Transmission System, filed on November 18, 2005, and is incorporated by reference herein pursuant to 807 KAR 5:001, Section 8(3).

3. KU is a public utility, as defined in KRS 278.010(3)(a), engaged in the electric business. KU generates and purchases electricity, and distributes and sells electricity at retail in the following counties in Central, Northern, Southeastern and Western Kentucky:

Adair	Edmonson	Jessamine	Ohio
Anderson	Estill	Knox	Oldham
Ballard	Fayette	Larue	Owen
Barren	Fleming	Laurel	Pendleton
Bath	Franklin	Lee	Pulaski
Bell	Fulton	Lincoln	Robertson
Bourbon	Gallatin	Livingston	Rockcastle
Boyle	Garrard	Lyon	Rowan
Bracken	Grant	Madison	Russell
Bullitt	Grayson	Marion	Scott
Caldwell	Green	Mason	Shelby
Campbell	Hardin	McCracken	Spencer
Carlisle	Harlan	McCreary	Taylor
Carroll	Harrison	McLean	Trimble
Casey	Hart	Mercer	Union
Christian	Henderson	Montgomery	Washington
Clark	Henry	Muhlenberg	Webster
Clay	Hickman	Nelson	Whitley
Crittenden	Hopkins	Nicholas	Woodford
Daviess			

4. On May 11, 2005, KU and its sister utility, Louisville Gas and Electric Company (“LG&E”) (collectively, “Companies”) applied to the Commission for a CPCN to build a 41.9-mile, 345 kV transmission line running from LG&E’s Mill Creek Generating Station in Jefferson County, through Bullitt, Meade, and Hardin counties, to the KU Hardin County Substation in Elizabethtown.¹ In its September 8, 2005 Order in that proceeding, the Commission determined that, though the Companies needed to perform additional analysis to demonstrate that the route it

¹ *In the Matter of: Joint Application of Louisville Gas and Electric Company and Kentucky Utilities Company for the Construction of Transmission Facilities in Jefferson, Bullitt, Meade, and Hardin Counties, Kentucky*, Case No. 2005-00142, Application (May 11, 2005).

had selected would not result in wasteful duplication of facilities, the proposed line was indeed necessary and should be operational by a time certain: “Based on the testimony and other record evidence, the Commission finds that the need for the proposed line has been established and will be required upon commencement of operations at TC2 [the new coal-fired baseload unit the Companies are building at the Trimble County Generating Station].”² Pursuant to KRS 278.390, this order remains in full force and effect: “Every order entered by the commission shall continue in force until the expiration of the time, if any, named by the commission in the order, or until revoked or modified by the commission, unless the order is suspended, or vacated in whole or in part, by order or decree of a court of competent jurisdiction.”

5. The Companies subsequently filed another application on December 22, 2005, in Case No. 2005-00467, proposing a slightly modified, 42.03-mile, 345 kV transmission line running from LG&E’s Mill Creek Generating Station in Jefferson County, through Bullitt, Meade, and Hardin counties, to the KU Hardin County Substation in Elizabethtown (“MC-HC line”).³ In support of their application, the Companies submitted the testimony of several witnesses, including the then-Director of Transmission, who testified, “They [the transmission facilities that make up the MC-HC line] will need to be in service when TC2 comes on line in the second quarter of 2010.”⁴

6. On May 26, 2006, the Commission issued an order granting the Companies’ requested CPCN for the MC-HC line, stating, “In Case No. 2005-00142, the Commission found

² *In the Matter of: Joint Application of Louisville Gas and Electric Company and Kentucky Utilities Company for the Construction of Transmission Facilities in Jefferson, Bullitt, Meade, and Hardin Counties, Kentucky*, Case No. 2005-00142, Order at 6 (Sept. 8, 2005).

³ *In the Matter of: Joint Application of Louisville Gas and Electric Company and Kentucky Utilities Company for the Construction of Transmission Facilities in Jefferson, Bullitt, Meade, and Hardin Counties, Kentucky*, Case No. 2005-00467, Application (Dec. 22, 2005).

⁴ *In the Matter of: Joint Application of Louisville Gas and Electric Company and Kentucky Utilities Company for the Construction of Transmission Facilities in Jefferson, Bullitt, Meade, and Hardin Counties, Kentucky*, Case No. 2005-00467, Direct Testimony of Mark S. Johnson at 5 (Dec. 22, 2005).

that the Mill Creek to Hardin County 345 kV transmission line is necessary to support the integration of TC2,”⁵ and “grant[ing] a CPCN to construct and operate the proposed 345 kV transmission line as set forth in their joint application in Case No. 2005-00467.”⁶ Pursuant to KRS 278.390, that Commission Order, too, remains in full force and effect.

7. The Companies have now completed the construction of all 42.03 miles of the MC-HC line with exception of three small segments in Hardin County that cross over the properties of three landowners who appealed the Commission’s grant of the CPCN for the MC-HC line in Case No. 2005-00467. (The matter is now before the Kentucky Supreme Court.)⁷ Condemnation proceedings were initiated to obtain easements over the owners’ properties and the Hardin Circuit Court granted Interlocutory Judgments affirming KU’s right to condemn the easements; however, KU has been unable to acquire the land rights needed to complete the MC-HC line because the three landowners appealed the Hardin Circuit Court judgments and the Kentucky Court of Appeals recently ruled that KU’s right of entry is stayed while the CPCN is still on appeal. (This ruling is presently pending on KU’s Motion for Discretionary Review at the Kentucky Supreme Court.)⁸ As such, KU has currently not been able to obtain the right of entry onto these remaining parcels necessary to complete the MC-HC line.

8. To complete the MC-HC line when needed (i.e., before TC2 comes online) per the Commission’s September 8, 2005 Order in Case No. 2005-00142 and its May 26, 2006 Order in Case No. 2005-00467, KU proposes to build three temporary transmission line segments to

⁵ *In the Matter of: Joint Application of Louisville Gas and Electric Company and Kentucky Utilities Company for the Construction of Transmission Facilities in Jefferson, Bullitt, Meade, and Hardin Counties, Kentucky*, Case No. 2005-00467, Order at 6 (May 26, 2006).

⁶ *Id.* at 23.

⁷ *Kentucky Public Service Commission v. Hardin & Meade County Property Owners for Co-Location, et al.*, Case No. 2008-SC-000354.

⁸ *James L. Jent, et al. v. Kentucky Utilities Company*, Case No. 2008-CA-001565; *CDH Preserve, LLC v. Kentucky Utilities Company*, Case No. 2008-CA-001566; *Violet Monroe v. Kentucky Utilities Company*, Case No. 2008-CA-001567.

work around the parcels that are the subject of the ongoing litigation discussed above, only two of which temporary lines are the subject of this Application. (KU is filing this Application, rather than both Companies, because the needed temporary line segments are located along the KU-owned portion of the MC-HC line.)⁹

- A. The CDH Temporary Line will be 1.45 miles in length and located 2,647 feet, at its farthest point, from the center line of the MC-HC line.¹⁰ The estimated total cost of the CDH Temporary Line is \$3.0 million.
- B. The Jent Temporary Line will be 1.78 miles in length and located 3,390 feet, at its farthest point, from the center line of the permanent MC-HC line. The estimated total cost of the Jent Temporary Line is \$3.9 million.

The third segment, the Monroe Temporary Line, is less than a mile in length and is an ordinary extension in the usual course of business under KRS 278.020(1). Therefore, it is not part of the subject matter of this Application. (KU informed the Commission of the Monroe Temporary Line by a letter from Lonnie E. Bellar to the Commission, dated August 13, 2009.)

9. As explained in the testimony of Kathleen A. Slay, KU has obtained options to purchase temporary easements from all of the landowners who will be affected by the proposed

⁹ *In the Matter of: Joint Application of Louisville Gas and Electric Company and Kentucky Utilities Company for the Construction of Transmission Facilities in Jefferson, Bullitt, Meade, and Hardin Counties, Kentucky*, Case No. 2005-00467, Order at 4 n.4 (May 26, 2006) (“LG&E will own that portion of the proposed line beginning at the Mill Creek Generating Station and running to the east boundary of the Fort Knox Military Reservation, and KU will own the remainder of the proposed line from the east boundary of the Fort Knox Military Reservation to the Hardin County Substation.”).

¹⁰ The Commission’s May 26, 2006 Order in Case No. 2006-00467, stated at page 22:

LG&E/KU may move the approved centerline up to 500 feet in either direction (i.e., within a 1,000-foot corridor) as long as (1) the move does not shift the line or its right-of-way onto the property of a different landowner and (2) the property owner who is subject to the move agrees in writing to the requested move. Changes greater than this distance, or that involve other landowners, will require LG&E/KU to come back to the Commission with another application.

The temporary lines that are the subject matter of this proceeding do not fall under the rubric the Commission established in that order; rather, they are separate temporary lines that do not require or constitute the moving of the centerline of the MC-HC line. It is the Companies’ settled intent to complete the permanent MC-HC line—along its approved centerline—with all reasonable speed after the current litigation hurdles are overcome.

temporary transmission lines. As a result, no condemnation or other property-right-related proceedings will be necessary to build the proposed temporary transmission lines.

10. As explained in the testimony of Edwin R. Staton, KU worked with PhotoScience, Inc., and the affected landowners to determine the best routes for the temporary lines. KU selected routes to avoid the parcels that are the subject of the above-described litigation while affecting as few additional parcels as possible.

11. The estimated costs of the CDH and Jent Temporary Lines (\$3.0 million and \$3.9 million, respectively), whether taken individually or together, will not have a material financial impact on KU or its rates. KU has an adjusted jurisdictional capitalization for electric operations of approximately \$2.2 billion (for the twelve months ending December 31, 2008).

CPCNs Are Not Necessary for the Proposed Temporary Transmission Lines

12. CPCNs are not necessary for the CDH and Jent Temporary Lines for several reasons: (a) the temporary lines truly are meant to be temporary, as shown by the terms of easements (assuming they are exercised), and should be considered ordinary extensions in the usual course of business under KRS 278.020(1); (b) KU has a well-established course of conduct of building temporary facilities without requiring CPCNs; (c) the Commission has held in the past that temporary facilities do not require CPCNs; (d) all of the affected landowners have granted KU options to purchase the temporary easements needed to build the two temporary lines; and (e) there will be no material financial impact on KU or its rates as a result of building the temporary lines.

13. The testimony of Kathleen A. Slay fully describes the process by which KU acquired options to purchase the necessary temporary easements for the temporary lines, which required no condemnation proceedings. The result of the process is that KU has indeed acquired all the land rights it needs to build the two temporary line segments. One of the potentially

contentious issues in a CPCN proceeding is route selection. This is especially so for property owners over whose land the transmission line is proposed to cross. Because the affected property owners have granted KU options for temporary easements, that issue has already been resolved.

14. The terms of the easements (assuming KU exercises its options) clearly indicate the temporary nature of the CDH and Jent Temporary lines. KU has purchased options for an initial three-year easement term, with options for up to seven additional one-year terms; however, it is KU's clear and settled intent, as soon as the above-described litigation ends, to move with all reasonable speed to finalize acquisition of the necessary permanent easements which are the subject of that litigation, to complete the MC-HC line as the Commission approved it in Case No. 2005-00467. Once the disputes are resolved, KU will immediately start construction of the original route, removing all temporary structures and lines and restoring the property.

15. As stated above, there will be no material financial impact to KU or its rates as a result of building the temporary lines.

16. There is Commission precedent to support KU's ability to build the temporary lines without CPCNs. In its December 29, 1998 Order in Case No. 1998-00308, the Commission held that GTE could place a temporary cell phone service site (an 80' wooden pole with a PCS antenna on it) to provide service while its CPCN application for a permanent PCS cell site was pending with the Commission.¹¹ The temporary lines KU proposes to build are similarly

¹¹ *In the Matter of: The Application of GTE Wireless of the Midwest Incorporated for Issuance of a Certificate of Public Convenience and Necessity to Construct a Personal Communications Service Facility in the Cincinnati-Dayton Major Trading Area, Which Includes Boone, Kenton, Campbell, Gallatin, Grant, Pendleton, Bracken, Mason, Lewis, Greenup, Carter, Boyd, Elliott, Lawrence, Johnson, Martin, Floyd and Pike Counties, Kentucky (the CVG 320 Facility)*, Case No. 1998-00308, Order (Dec. 29, 1998).

temporary in nature and, unlike the case in the GTE temporary cell site case, the Commission has already approved the permanent facility, providing an even stronger basis for believing that CPCNs are not necessary for the CDH and Jent Temporary Lines.

17. As Mr. Staton testifies, KU routinely temporarily relocates lines for mining operations and then restores the lines to their original rights-of-way when the mining is complete. Also, KU often relocates lines on a temporary or permanent basis to accommodate state highway projects. Furthermore, KU frequently puts temporary lines in place when performing general maintenance to maintain continuity of the grid while repairs are made. Typically, such temporary transmission line construction falls within the exceptions to the CPCN requirement in KRS 278.020(2). Because the situation in this case is similar to the circumstances in which the General Assembly decided not to require CPCNs, a CPCN should not be required here.

In the Alternative, the Commission Should Grant KU CPCNs for the Proposed Temporary Transmission Lines

18. If the Commission determines that CPCNs are indeed needed for the CDH and Jent Temporary Lines, the Companies request that the Commission grant them on or before December 2, 2009, to ensure that KU is able to complete the already-certificated MC-HC transmission line when it will be needed.

19. As discussed above, the Commission definitively found building and completing the MC-HC line before TC2 comes online to be in the public convenience and necessity in Case Nos. 2005-00142 and 2005-00467. Pursuant to KRS 278.390, those orders continue to be in full force and effect. Therefore, because the two proposed temporary transmission line segments are necessary to complete the overall MC-HC line when it will be needed in accordance with the aforementioned Commission orders, they comport with the public convenience and necessity.

20. The proposed CDH and Jent Temporary Lines will not result in wasteful duplication of facilities because the lines will be truly temporary; as soon as the litigation concerning the parcels affected by the permanent MC-HC line ends, KU will move with all reasonable speed to complete construction of the original route, removing all temporary structures and lines and restoring the property.

21. Description of Proposed Facilities. KU seeks a CPCN to construct two segments of a 345 kV transmission line in Hardin County, Kentucky, more specifically described in paragraph 8 hereinabove and in the testimonies of Lonnie E. Bellar, Edwin R. Staton and Kathleen A. Slay. KU will own the facilities. 807 KAR 5:001, Section 9(2)(c).

22. Notice of Intent. KU filed its Notice of Intent to file this Application with the Commission on August 3, 2009, pursuant to 807 KAR 5:120, Section 1. A copy of the Notice of Intent is attached hereto as Exhibit 1.

23. Statement of Necessity. The proposed transmission facilities are necessary for the reasons set forth in paragraphs 7 and 8 hereinabove, for the reasons set forth in the testimony of Lonnie R. Bellar and Edwin R. Staton and for the reasons set forth in the Commission's orders dated September 8, 2005, in Case No. 2005-00142 and dated May 26, 2006, in Case No. 2005-00467. 807 KAR 5:01, Section 9(2)(a).

24. Statement of Convenience. The routes of the transmission line segments are designed to complete the MC-HC Line with as little negative impact as can be afforded, as set forth in paragraph 10 hereinabove and in the testimony of Edwin R. Staton and Kathleen A. Slay. 807 KAR 5:001, Section 9(2)(a).

25. Permits or Franchises. KU is not required to obtain franchises or permits from any public authorities, thus none are submitted herewith as required by 807 KAR 5:001, Section 9(2)(b).

26. Description of Locations and Routes. A full description of the proposed locations and routes of the transmission facilities and a description of the manner in which the same will be constructed is contained in the testimony of Edwin R. Staton and Kathleen A. Slay, as required by 807 KAR 5:001, Section 9(2)(c).

27. Route Maps. Pursuant to 807 KAR 5:120, Section 2(2), maps in a scale of no less than 1 inch equals 1,000 feet showing the proposed transmission line segments, including the affected property boundaries as indicated on the Hardin County property valuation administrator's maps, and the location of all facilities, rights of way and easements are attached to the testimony of Edwin R. Staton as Exhibit ERS-2. Sketches of proposed typical transmission line support structures are attached to Edwin R. Staton's testimony as Exhibit ERS-6. Separate maps showing any alternate routes that were considered are attached to Edwin R. Staton's testimony as Exhibit ERS-5.

28. Financing of Construction. KU expects to finance the cost of construction of the proposed facilities with internally generated cash. Ultimately, the cost will be consolidated in the capital structure and funded consistent with the Companies' overall mix of debt and equity. 807 KAR 5:001, Section 9(2)(e).

29. Cost of Operation. The estimated cost of operation of the proposed facilities is anticipated to be de minimis. 807 KAR 5:001, Section 9(2)(f).

30. Notice to Landowners. The undersigned hereby verifies that, according to the Hardin County property valuation administrator's records, each property owner over whose

property the transmission line segments are proposed to cross has been mailed, by first-class mail, a notice addressed to the property owner at the property owner's address as indicated by the property valuation administrator's records containing the information set forth in 807 KAR 5:120, Section 2(3). A sample copy of such notice is attached to the testimony of Kathleen A. Slay as Exhibit KAS-2, pursuant to 807 KAR 5:120, Section 2(4). A list of the names and addresses of the landowners to whom such notice was delivered is attached to the testimony of Kathleen A. Slay as Exhibit KAS-1. pursuant to 807 KAR 5:120, Section 2(4).

31. Newspaper Notice. Notice of intent to construct the proposed transmission line segments has been published in the newspaper of general circulation in Hardin County, Kentucky, which notice included the information set forth in 807 KAR 5:120, Section 2(5). A copy of the newspaper notice for the transmission line is attached hereto pursuant to 807 KAR 5:120, Section 2(6) and designated Exhibit 2.

32. Effect on Financial Condition of Utility. The proposed project does not involve sufficient capital outlay to materially affect the financial condition of KU. 807 KAR 5:120, Section 2(7).

33. The following testimony supports KU's Application:

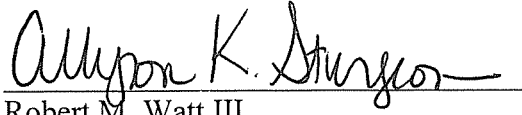
A. Lonnie E. Bellar, Vice President, State Regulation, presents testimony briefly explaining KU's need for the CDH and Jent Temporary Lines. Mr. Bellar's testimony also explains KU's view that these temporary transmission facilities do not require CPCNs, but explains in the alternative why the Commission should grant CPCNs for the temporary facilities if the Commission deems them necessary.

- B. Edwin R. Staton, Director of Transmission, presents testimony concerning the need for the CDH and Jent Temporary Lines, a description of the facilities and the routes, the route selection process, and KU's past use of temporary transmission facilities, which did not require CPCNs.
- C. Kathleen A. Slay, Director of Operating Services, presents testimony on KU's efforts to obtain easements for the Commission-approved MC-HC transmission line, as well as KU's acquisition of the necessary options for temporary easements to build the temporary transmission line segments along the Mill Creek to Hardin County transmission line.

WHEREFORE, Kentucky Utilities Company requests that the Commission issue an order by December 2, 2009, either: (1) finding that Certificates of Public Convenience and Necessity are not necessary for the CDH and Jent Temporary Lines, such temporary transmission lines being "ordinary extensions of existing systems in the usual course of business" under KRS 278.020(1); or (2), in the alternative, granting CPCNs for such temporary facilities.

Dated: September 3, 2009

Respectfully submitted,

A handwritten signature in black ink that reads "Allyson K. Sturgeon". The signature is written in a cursive style and is positioned above a horizontal line.

Robert M. Watt III
Kendrick R. Riggs
Sarah K.M. Adams
W. Duncan Crosby III
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Allyson K. Sturgeon
Senior Corporate Attorney
E.ON U.S. LLC
220 West Main Street
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Counsel for Kentucky Utilities Company

VERIFICATION

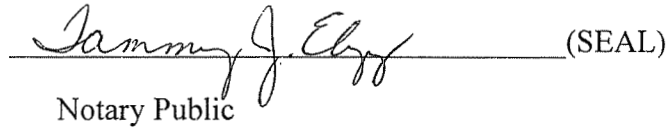
COMMONWEALTH OF KENTUCKY)
) SS:
COUNTY OF JEFFERSON)

The undersigned, **Lonnie E. Bellar**, Vice President State Regulation and Rates for Kentucky Utilities Company, hereby states that he has read the foregoing application and exhibits and that the statements contained therein are true and correct to the best of his knowledge and belief.



LONNIE E. BELLAR

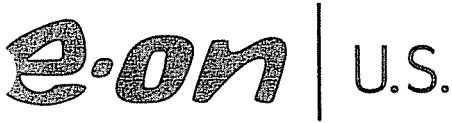
Subscribed and sworn to before me, Notary Public in and before said County and State, this 3rd day of September 2009.

 (SEAL)
Notary Public

My Commission Expires:

November 9, 2010

2009-00325



Mr. Jeff DeRouen, Executive Director
 Kentucky Public Service Commission
 211 Sower Boulevard
 Frankfort, KY 40601

RECEIVED

AUG 03 2009

**PUBLIC SERVICE
 COMMISSION**

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Lonnie E. Bellar
 Vice President
 T 502-627-4830
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 lonnie.bellar@eon-us.com

August 3, 2009

RE: In the Matter of: Application of Louisville Gas and Electric Company and Kentucky Utilities Company Concerning the Need to Obtain Certificates of Public Convenience and Necessity for the Construction of Temporary Transmission Facilities in Hardin County, Kentucky – Case No. 2009-00 325

Dear Mr. DeRouen:

Please take notice that, pursuant to KRS 278.020 and 807 KAR 5:120, Louisville Gas and Electric Company and Kentucky Utilities Company (the "Companies") plan to file with the Commission, on or after September 3, 2009, an application seeking a determination that certificates of public convenience and necessity are not required to build two temporary transmission line segments or, in the alternative, asking the Commission to grant certificates of public convenience and necessity for the construction of two temporary 345 kV transmission line segments in portions of Hardin County, Kentucky (the approximate lengths of the proposed temporary lines will be 1.78 miles and 1.45 miles).

The Companies need to build three temporary transmission line segments to complete the transmission line of approximately 42 miles the Commission granted a certificate of public convenience and necessity in its May 26, 2006 Order in Case No. 2005-00467,¹ which, when complete, will run from the Mill Creek Generating Station in Jefferson County to the Hardin County Substation in Hardin County. Three landowners affected by the already-certificated 42

¹ *In the Matter of: Application of Louisville Gas and Electric Company and Kentucky Utilities Company for a Certificate of Public Convenience and Necessity for the Construction of Transmission Facilities in Jefferson, Bullitt, Meade and Hardin Counties, Kentucky.*

Mr. Jeff DeRouen, Executive Director
August 3, 2009

miles of transmission line have created significant litigation delays that have thus far prevented the Companies from completing the transmission line as approved in the mentioned proceeding. Construction is expected to commence on the third temporary transmission line segment, comprising 0.89 miles, within the next two months. The proposed temporary transmission line segments work around these landowners to allow the 42 miles of transmission line to be energized in a timely manner, and will only remain in place until the permanent line is complete.

The business address and telephone number for these utilities are:

220 West Main Street
Louisville, Kentucky 40202
Telephone: (502) 627-2000

Should you have any questions, please telephone me at your earliest convenience.

Sincerely,

A handwritten signature in black ink that reads "Lonnie E. Bellar". The signature is written in a cursive, flowing style.

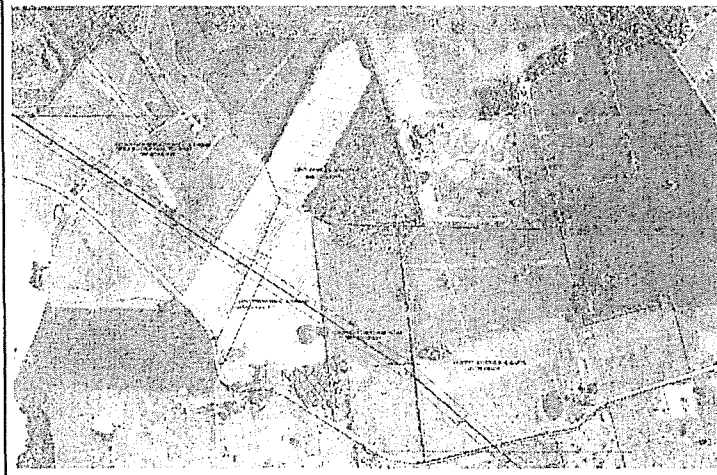
Lonnie E. Bellar

**NOTICE OF PROPOSED ELECTRIC TRANSMISSION LINE
CONSTRUCTION PROJECT**

Kentucky Utilities Company ("KU") proposes to construct two temporary 345 kV transmission line segments in portions of Hardin County, Kentucky (the approximate lengths of the proposed temporary lines will be 1.78 miles and 1.45 miles). The temporary transmission line segments are needed to complete the transmission line of approximately 42 miles for which the Commission granted a certificate of public convenience and necessity in its May 26, 2006 Order in Case No. 2005-00467, and which, when complete, will run from the Mill Creek Generating Station in Jefferson County to the Hardin County Substation in Hardin County. Maps showing the routes of the proposed line segments are shown below.

KU plans to file an application with the Commission on or about September 3, 2009, seeking a determination that certificates of public convenience and necessity are not required to build the two temporary transmission line segments or, in the alternative, asking the Commission to grant certificates of public convenience and necessity for the construction of the transmission line segments. Any interested person may request intervention in this proceeding and may request that the Commission conduct a public hearing in Hardin County.

To seek intervention in the Commission's proceeding on KU's application, or to request a local public hearing in that case, contact the Executive Director, Public Service Commission, 211 Sower Boulevard, P.O. Box 615, Frankfort Kentucky 40602, telephone number (502) 564-3940. The docket number under which this application will be processed is 2009-00325.



COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF KENTUCKY)	
UTILITIES COMPANY CONCERNING THE)	
NEED TO OBTAIN CERTIFICATES OF PUBLIC)	
CONVENIENCE AND NECESSITY FOR THE)	CASE NO. 2009-00325
CONSTRUCTION OF TEMPORARY)	
TRANSMISSION FACILITIES IN)	
HARDIN COUNTY, KENTUCKY)	

DIRECT TESTIMONY OF
LONNIE E. BELLAR
VICE PRESIDENT, STATE REGULATION AND RATES
KENTUCKY UTILITIES COMPANY

Filed: September 3, 2009

1 **Q. Please state your name, position and business address.**

2 A. My name is Lonnie E. Bellar. I am the Vice President, State Regulation and Rates for
3 Louisville Gas and Electric Company (“LG&E”) and Kentucky Utilities Company
4 (“KU”) (collectively, “the Companies”), and am an employee of E.ON U.S. Services
5 Inc., which provides services to the Companies. My business address is 220 West
6 Main Street, Louisville, Kentucky 40202. A complete statement of my education and
7 work experience is attached to this testimony as Appendix A, which shows that, in
8 addition to other positions I have held in the Companies, I have served as the
9 Companies’ Director of Transmission, so I have background relevant to the
10 transmission-related issues in this case.

11 **Q. Have you previously testified before this Commission?**

12 A. Yes. I have testified several times, including Case Nos. 2008-00251¹ and 2008-
13 00252,² the Companies’ most recent base rate cases, and Case Nos. 2009-00197³ and
14 2009-00198,⁴ the Companies’ most recent environmental surcharge mechanism
15 proceedings.

16 **Q. What is the purpose of your testimony?**

17 A. My testimony provides an overview of the testimony of our other witnesses and
18 briefly explains KU’s need for three temporary transmission line segments to
19 complete the 42.03-mile Mill Creek to Hardin County transmission line for which the
20 Commission granted the Companies a certificate of public convenience and necessity

¹ *In the Matter of: The Application of Kentucky Utilities Company for an Adjustment of Electric Base Rates.*

² *In the Matter of: The Application of Louisville Gas and Electric Company, Inc. for an Adjustment of its Electric and Gas Base Rates.*

³ *In the Matter of: Application of Kentucky Utilities Company for Certificates of Public Convenience and Necessity and Approval of Its 2009 Compliance Plan for Recovery by Environmental Surcharge.*

⁴ *In the Matter of: Application of Louisville Gas and Electric Company for a Certificate of Public Convenience and Necessity and Approval of Its 2009 Compliance Plan for Recovery by Environmental Surcharge.*

1 (“CPCN”) in Case No. 2005-00467.⁵ I will then explain KU’s view that these
2 temporary transmission facilities do not require CPCNs, but will explain in the
3 alternative why the Commission should grant CPCNs for two of the temporary
4 facilities if the Commission deems them necessary (the third segment clearly does not
5 require a CPCN and is not at issue in this proceeding).

6 ***Overview of Testimony***

7 **Q. Would you please provide an overview of the testimony of the witnesses**
8 **supporting KU's application in this proceeding?**

9 A. Yes. In addition to my testimony, KU is presenting the testimony of two other
10 witnesses in this case. These witnesses and the subjects of their testimonies are:

- 11 • Edwin R. Staton, Director of Transmission, presents testimony concerning the
12 need for the two temporary line segments at issue in this proceeding, a
13 description of the facilities and the routes, the route selection process, and
14 KU’s past use of temporary transmission facilities, which did not require
15 CPCNs.
- 16 • Kathleen A. Slay, Director of Operating Services, presents testimony on KU’s
17 efforts to obtain easements for the Commission-approved MC-HC
18 transmission line, as well as KU’s acquisition of options to purchase the
19 necessary temporary easements to build the temporary transmission line
20 segments along the Mill Creek to Hardin County transmission line.

21 ***Need for Temporary Transmission Line Segments***

22 **Q. What is the history of the Mill Creek to Hardin County transmission line?**

⁵ *In the Matter of: Joint Application of Louisville Gas and Electric Company and Kentucky Utilities Company for the Construction of Transmission Facilities in Jefferson, Bullitt, Meade, and Hardin Counties, Kentucky*, Case No. 2005-00467, Order (May 26, 2006).

1 A. On May 11, 2005, the Companies applied to the Commission for a CPCN to build a
2 41.9-mile, 345 kV transmission line running from LG&E's Mill Creek Generating
3 Station in Jefferson County, through Bullitt, Meade, and Hardin counties, to the KU
4 Hardin County Substation in Elizabethtown.⁶ In its September 8, 2005 Order in that
5 proceeding, the Commission determined that, though the Companies needed to
6 perform additional analysis to demonstrate that the route it had selected would not
7 result in wasteful duplication of facilities, the line was indeed necessary and should
8 be operational by a time certain: "Based on the testimony and other record evidence,
9 the Commission finds that the need for the proposed line has been established and
10 will be required upon commencement of operations at TC2 [the new coal-fired
11 baseload unit the Companies are building at the Trimble County Generating
12 Station]."⁷

13 The Companies subsequently filed another application on December 22, 2005,
14 in Case No. 2005-00467, proposing a slightly modified, 42.03-mile, 345 kV
15 transmission line running from LG&E's Mill Creek Generating Station in Jefferson
16 County, through Bullitt, Meade, and Hardin counties, to the KU Hardin County
17 Substation in Elizabethtown ("MC-HC line").⁸ In support of their application, the
18 Companies submitted the testimony of several witnesses, including the then-Director
19 of Transmission, who testified, "They [the transmission facilities that make up the

⁶ *In the Matter of: Joint Application of Louisville Gas and Electric Company and Kentucky Utilities Company for the Construction of Transmission Facilities in Jefferson, Bullitt, Meade, and Hardin Counties, Kentucky*, Case No. 2005-00142, Application (May 11, 2005).

⁷ *In the Matter of: Joint Application of Louisville Gas and Electric Company and Kentucky Utilities Company for the Construction of Transmission Facilities in Jefferson, Bullitt, Meade, and Hardin Counties, Kentucky*, Case No. 2005-00142, Order at 6 (Sept. 8, 2005).

⁸ *In the Matter of: Joint Application of Louisville Gas and Electric Company and Kentucky Utilities Company for the Construction of Transmission Facilities in Jefferson, Bullitt, Meade, and Hardin Counties, Kentucky*, Case No. 2005-00467, Application (Dec. 22, 2005).

1 MC-HC line] will need to be in service when TC2 comes on line in the second quarter
2 of 2010.”⁹

3 On May 26, 2006, the Commission issued an order granting the Companies’
4 requested CPCN for the MC-HC line, stating, “In Case No. 2005-00142, the
5 Commission found that the Mill Creek to Hardin County 345 kV transmission line is
6 necessary to support the integration of TC2,”¹⁰ and “grant[ing] a CPCN to construct
7 and operate the proposed 345 kV transmission line as set forth in their joint
8 application in Case No. 2005-00467.”¹¹

9 **Q. Have the Companies been able to complete the Mill Creek to Hardin County**
10 **transmission line as planned?**

11 A. No, the Companies have not been able to complete the MC-HC line due to litigation
12 delays. The status of the litigation is set out in KU’s Application in this proceeding.
13 That notwithstanding, with the exception of the three line sections at issue in the
14 above-described litigation, construction of the MC-HC line is expected to be
15 complete in September of this year.

16 **Q. What is KU’s plan for completing the Mill Creek to Hardin County transmission**
17 **line when it is needed (i.e., before TC2 goes online) per the Commission’s final**
18 **orders in Case Nos. 2005-00142 and 2005-00467?**

19 A. Because the MC-HC line must be completed by the time TC2 goes online for the
20 reasons stated in Case Nos. 2005-00142 and 2005-00467 and in the testimony of
21 Edwin R. Staton, KU must build three temporary transmission line segments to work

⁹ *In the Matter of: Joint Application of Louisville Gas and Electric Company and Kentucky Utilities Company for the Construction of Transmission Facilities in Jefferson, Bullitt, Meade, and Hardin Counties, Kentucky*, Case No. 2005-00467, Direct Testimony of Mark S. Johnson at 5 (Dec. 22, 2005).

¹⁰ *In the Matter of: Joint Application of Louisville Gas and Electric Company and Kentucky Utilities Company for the Construction of Transmission Facilities in Jefferson, Bullitt, Meade, and Hardin Counties, Kentucky*, Case No. 2005-00467, Order at 6 (Mar. 26, 2006).

1 around the parcels whose owners have created the litigation delays I mentioned
2 above; the temporary lines are the only means of completing the MC-HC line when
3 needed.

4 Two of the proposed temporary lines (the CDH and Jent Temporary Lines)
5 will be more than a mile in length and are the subject of KU's application; the third
6 temporary line segment (the Monroe Temporary Line), which I described in my letter
7 to the Commission dated August 13, 2009, will be less than a mile in length and is
8 unambiguously an ordinary extension in the usual course of business under KRS
9 278.020(1), so it is not included in this application.

10 **Q. Please describe the CDH and Jent Temporary Lines.**

11 A. The CDH Temporary Line is 1.45 miles in length and is located 2,647 feet, at its
12 farthest point, from the center line of the MC-HC line. The Jent Temporary Line is
13 1.78 miles in length and is located 3,390 feet at its farthest point, from the center line
14 of the permanent MC-HC line. Maps of the CDH and Jent Temporary Lines are
15 attached to Mr. Staton's testimony as Exhibit ERS-2.

16 **Q. Will either temporary line have a material financial impact on KU or its rates?**

17 A. No. The total estimated cost of the CDH Temporary Line is \$3.0 million, and the
18 total estimated cost of the Jent Temporary Line is \$3.9 million. Even taken together,
19 the cost of the temporary lines will not have a material financial impact on KU or its
20 rates. KU has an adjusted jurisdictional capitalization for electric operations of
21 approximately \$2.2 billion (for the twelve months ending December 31, 2008).

22 ***CPCNs Not Needed for Temporary Transmission Facilities***

¹¹ *Id.* at 23.

1 **Q. Does KU believe CPCNs are necessary for the two temporary transmission lines**
2 **at issues in this proceeding?**

3 A. No, KU does not believe CPCNs are necessary for the CDH and Jent Temporary
4 Lines. CPCNs are not necessary for several reasons: (a) the temporary lines truly are
5 meant to be temporary, as shown by the terms of easements (assuming they are
6 exercised), and should be considered ordinary extensions in the usual course of
7 business under KRS 278.020(1); (b) KU has a well-established course of conduct of
8 building temporary facilities without requiring CPCNs; (c) the Commission has held
9 in the past that temporary facilities do not require CPCNs; (d) all of the affected
10 landowners have granted KU options to purchase the temporary easements needed to
11 build all of the temporary lines; and (e) there will be no material financial impact on
12 KU or its rates as a result of building the temporary lines.

13 **Q. Please describe the arrangements KU has made to acquire the necessary land**
14 **rights to build the temporary transmission line segments it proposes and why**
15 **those arrangements support its belief that CPCNs are not necessary to build the**
16 **line segments.**

17 A. The testimony of Kathleen A. Slay fully describes the process by which KU acquired
18 options to purchase the necessary temporary easements for the temporary lines, which
19 required no condemnation proceedings. The result of the process is that KU has
20 indeed acquired all the land rights it needs to build the temporary line segments. One
21 of the potentially contentious issues in a CPCN proceeding is route selection. This is
22 especially so for property owners over whose land the transmission line is proposed
23 to cross. Because the affected property owners have granted KU options for
24 temporary easements, that issue has already been resolved.

1 **Q. Does any Commission precedent support KU's belief that CPCNs are not**
2 **necessary for these temporary line segments?**

3 A. Yes, there is Commission precedent to support KU's ability to build the temporary
4 lines without CPCNs. In its December 29, 1998 Order in Case No. 1998-00308, the
5 Commission held that GTE could place a temporary cell phone service site (an 80'
6 wooden pole with a PCS antenna on it) to provide service while its CPCN application
7 for a permanent PCS cell site was pending with the Commission.¹² The temporary
8 lines KU proposes to build are similarly temporary in nature and, unlike the case in
9 the GTE temporary cell site case, the Commission has already approved the
10 permanent facility, providing an even stronger basis for believing that CPCNs are not
11 necessary for the CDH and Jent Temporary Lines.

12 **Q. Does KU's prior course of conduct concerning temporary transmission facilities**
13 **support KU's position?**

14 A. Yes. As Mr. Staton states in his testimony, KU routinely temporarily relocates lines
15 for mining operations and then restores the lines to their original rights-of-way when
16 the mining is complete. Also, KU often relocates lines on a temporary or permanent
17 basis to accommodate state highway projects. Finally, KU also frequently puts
18 temporary lines in place when performing general maintenance to maintain continuity
19 of the grid while repairs are made. Typically, such temporary transmission line
20 construction falls within the exceptions to the CPCN requirement in KRS 278.020(2).

¹² *In the Matter of: The Application of GTE Wireless of the Midwest Incorporated for Issuance of a Certificate of Public Convenience and Necessity to Construct a Personal Communications Service Facility in the Cincinnati-Dayton Major Trading Area, Which Includes Boone, Kenton, Campbell, Gallatin, Grant, Pendleton, Bracken, Mason, Lewis, Greenup, Carter, Boyd, Elliott, Lawrence, Johnson, Martin, Floyd and Pike Counties, Kentucky (the CVG 320 Facility), Case No. 1998-00308, Order (Dec. 29, 1998).*

1 Because the situation in this case is similar to the circumstances in which the General
2 Assembly decided not to require CPCNs, a CPCN should not be required here.

3 *In the Alternative, KU Requests CPCNs*

4 *for the Two Temporary Transmission Line Segments*

5 **Q. If the Commission finds that CPCNs are necessary for the two temporary**
6 **transmission line segments at issue in this proceeding, what is KU's request for**
7 **relief?**

8 A. If the Commission determines that CPCNs are needed for the CDH and Jent
9 Temporary Lines, KU requests that the Commission grant them on or before
10 December 2, 2009, to ensure that KU is able to complete the already-certificated MC-
11 HC transmission line when it will be needed, in accordance with the need recognized
12 in the Commission's final orders in Case Nos. 2005-00142 and 2005-00467.

13 **Q. What is the public need for the two temporary transmission line segments?**

14 A. As I discussed above, the Commission definitively found that building and
15 completing the MC-HC line before TC2 comes online is in the public convenience
16 and necessity in Case Nos. 2005-00142 and 2005-00467. Pursuant to KRS 278.390,
17 those orders continue to be in full force and effect. Therefore, because the two
18 proposed temporary transmission line segments are necessary to complete the overall
19 MC-HC line when it will be needed, consistent with the aforementioned Commission
20 orders, they comport with the public convenience and necessity.

21 **Q. Will the proposed temporary lines result in wasteful duplication of facilities?**

22 A. No. The proposed CDH and Jent Temporary Lines will not result in wasteful
23 duplication of facilities because the lines will be truly temporary; as soon as the
24 litigation concerning the parcels affected by the permanent MC-HC line ends, KU

1 will move with all reasonable speed to complete construction of the original route,
2 removing all temporary structures and lines, and restoring the property.

3 ***Conclusion***

4 **Q. In summary, what is KU requesting from the Commission?**

5 A. For all of the reasons set forth in KU's Application and in the testimony submitted
6 therewith, KU is requesting that the Commission issue an order by December 2, 2009,
7 either: (1) making a determination that certificates of public convenience and
8 necessity are not required to build the two temporary transmission line segments that
9 are the subject matter of this proceeding, such temporary transmission lines being
10 "ordinary extensions of existing systems in the usual course of business" under KRS
11 278.020(1); or (2), in the alternative, granting certificates of public convenience and
12 necessity for their construction.

13 **Q. Does this conclude your testimony?**

14 A. Yes, it does.

APPENDIX A

Lonnie E. Bellar

E.ON U.S. Services Inc.
220 West Main Street
Louisville, Kentucky 40202

Education

Bachelors in Electrical Engineering;
University of Kentucky, May 1987
Bachelors in Engineering Arts;
Georgetown College, May 1987
E.ON Academy, Intercultural Effectiveness Program: 2002-2003
E.ON Finance, Harvard Business School: 2003
E.ON Executive Pool: 2003-2007
E.ON Executive Program, Harvard Business School: 2006
E.ON Academy, Personal Awareness and Impact: 2006

Professional Experience

E.ON U.S.

Vice President, State Regulation and Rates	Aug. 2007 – Present
Director, Transmission	Sept. 2006 – Aug. 2007
Director, Financial Planning and Controlling	April 2005 – Sept. 2006
General Manager, Cane Run, Ohio Falls and Combustion Turbines	Feb. 2003 – April 2005
Director, Generation Services	Feb. 2000 – Feb. 2003
Manager, Generation Systems Planning	Sept. 1998 – Feb. 2000
Group Leader, Generation Planning and Sales Support	May 1998 – Sept. 1998

Kentucky Utilities Company

Manager, Generation Planning	Sept. 1995 – May 1998
Supervisor, Generation Planning	Jan. 1993 – Sept. 1995
Technical Engineer I, II and Senior, Generation System Planning	May 1987 – Jan. 1993

Professional Memberships

IEEE

Civic Activities

E.ON U.S. Power of One Co-Chair – 2007
Louisville Science Center – Board of Directors – 2008
Metro United Way Campaign – 2008
UK College of Engineering Advisory Board -- 2009

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

**APPLICATION OF KENTUCKY)
UTILITIES COMPANY CONCERNING THE) CASE NO. 2009-00325
NEED TO OBTAIN CERTIFICATES OF)
PUBLIC CONVENIENCE AND NECESSITY)
FOR THE CONSTRUCTION OF)
TEMPORARY TRANSMISSION FACILITIES)
IN HARDIN COUNTY, KENTUCKY)**

**DIRECT TESTIMONY OF
KATHLEEN A. SLAY
DIRECTOR, OPERATING SERVICES
E.ON U.S. SERVICES, INC.**

Filed: September 3, 2009

1 **Q. Please state your name, position and business address.**

2 A. My name is Kathleen A. Slay. I am Director of Operating Services for E.ON U.S.
3 Services, Inc., which provides services to the Kentucky Utilities Company (“KU”)
4 and Louisville Gas and Electric Company (“LG&E”) (collectively, the “Companies”).
5 My business address is 220 West Main Street, Louisville, Kentucky 40202. A
6 complete statement of my education and work experience is attached to this testimony
7 as Appendix A.

8 **Q. Have you previously testified before this Commission?**

9 A. Yes. I filed testimony on December 22, 2005, in Case No. 2005-00467, *In the Matter*
10 *of: Application of Louisville Gas and Electric Company and Kentucky Utilities*
11 *Company for a Certificate of Public Convenience and Necessity for the Construction*
12 *of Transmission Facilities in Jefferson, Bullitt, Meade and Hardin Counties,*
13 *Kentucky.* That is the case in which the Kentucky Public Service Commission
14 (“Commission”) granted the Companies a certificate of public convenience and
15 necessity (“CPCN”) for the permanent Mill Creek-Hardin County (“MC-HC”)
16 transmission line. I have also testified in the Hardin County Circuit Court
17 condemnation proceedings related to the permanent line.

18 **Q. Are you sponsoring any exhibits?**

19 A. Yes. I am sponsoring the following exhibits:

20 Exhibit KAS-1 List of Landowners Receiving Letters

21 Exhibit KAS-2 Sample Letter to Landowner

1 **Q. What is the purpose of your testimony?**

2 A. My testimony provides an overview of KU's efforts to obtain easements for the
3 Commission-approved MC-HC transmission line. In addition, my testimony
4 documents KU's efforts to obtain options for the purchase of temporary easements to
5 construct the temporary transmission facilities necessary to work around the small
6 sections of the approved line which are still tied up in litigation.

7 **Q. Has the Commission already issued a CPCN for the construction of a Mill Creek
8 to Hardin County transmission line?**

9 A. Yes. The Commission granted LG&E and KU a CPCN for the MC-HC transmission
10 line in its March 26, 2006 Order in Case No. 2005-00467. The approved 42.03-mile
11 transmission line runs from LG&E's Mill Creek Generating Station in Jefferson
12 County, through Bullitt, Meade, and Hardin counties, to the KU Hardin County
13 Substation in Elizabethtown.

14 **Q. Have the Companies been successful in obtaining easements from the property
15 owners in the already certificated right-of-way?**

16 A. The Companies have made significant efforts to obtain easements from the property
17 owners along the route approved by the Commission. Indeed, the Companies have
18 obtained rights of possession to 96 out of a total of 101 easements needed to complete
19 construction of the line. Three landowners own the remaining parcels of property.

20 **Q. Did the Companies have difficulty obtaining the 96 easements?**

21 A. Obtaining easements for the construction of a transmission line is a complex
22 undertaking; however, the right-of-way department successfully worked with a
23 diverse set of interests and secured rights to construct the line across the 96 parcels of

1 property. For example, the Companies were successful in negotiating easements with
2 Fort Knox and various other governmental entities. The Companies also successfully
3 reached voluntary agreements with many landowners.

4 **Q. Of the 96 easements that have already been obtained, how many went through
5 condemnation proceedings?**

6 A. 27 of the 96 easements went through the condemnation process. Of those, three
7 remain in condemnation proceedings regarding compensation; the remaining cases
8 have settled. In those cases, the Companies' right to condemn was not challenged
9 and the Companies have been allowed access to the property for construction, but
10 some of the financial issues are still being resolved.

11 **Q. Why have the Companies been unable to obtain the additional five easements?**

12 A. Three landowners affected by the five additional easements have objected to any use
13 of their property by the Companies and through litigation have created significant
14 delays in the condemnation process.

15 **Q. Have the Companies made efforts to settle with these three landowners?**

16 A. Yes. The Companies have made multiple bona fide, good faith offers to settle with
17 the landowners, but have been refused.

18 **Q. If a permanent line is already certificated, why are the temporary lines proposed
19 in this proceeding needed?**

20 A. As explained in more detail in the testimony of Mr. Staton, the Companies need to
21 construct the temporary transmission facilities to work around the small portions of
22 the permanent line which are still tied up in litigation in order to energize the entire
23 MC-HC line in a timely manner.

1 **Q. Has KU been successful in negotiating easements over the properties of**
2 **landowners affected by the temporary facilities?**

3 A. Yes. KU has obtained the consent of all the affected landowners to construct
4 temporary transmission facilities on their property. As explained in more detail
5 below, KU has purchased a voluntary option for the purchase of a temporary
6 easement allowing construction of the planned temporary line across a portion of each
7 landowner's property.

8 **Q. How were the affected landowners identified?**

9 A. KU obtained route maps from its internal Transmission Engineering Group which
10 identified the parcels of property affected by the proposed temporary facilities.
11 Because all of the parcels of property are located in Hardin County, KU examined
12 property valuation administrator and other real estate records to identify the
13 landowners.

14 **Q. How did KU go about the process of making individual contact with the**
15 **landowners?**

16 A. Once the landowners were identified, KU contacted the landowners by telephone and
17 scheduled an appointment for each landowner to meet with a right-of-way agent.

18 **Q. Did KU comply with the regulatory notice requirement set forth in 807 KAR**
19 **5:120, Section 2 (3)?**

20 A. Yes. On, August 26, 2009, KU mailed by first class mail a letter, including a map of
21 the route, to each property owner over whose property the transmission line segments
22 are proposed to cross. The letter served to officially notify the landowners that KU
23 had notified the Commission that it planned to apply for a determination that

1 regulatory approval for construction of the planned line segments is not required, or,
2 alternatively, requesting that such regulatory approval be granted for the two
3 segments which are greater than one mile in length. In accordance with the
4 Commission regulation, the letters also provided the docket number of the case, a
5 description of the project, the address and telephone number of the director of the
6 Commission, and a description of the landowner's rights to request a local public
7 hearing and/or to intervene in the proceeding. Those letters were delivered to the
8 address of record for each landowner per the local property valuation administrator's
9 files. A list of the property owners to whom the letters were sent is attached as
10 Exhibit KAS-1. A sample of the letter is attached as Exhibit KAS-2.

11 **Q. How did KU explain its proposal to purchase an option to purchase a temporary**
12 **easement to the landowners?**

13 A. At the meeting between each landowner and KU, the landowner was advised that the
14 Companies are in the process of constructing a Commission-approved transmission
15 line that is required to reliably serve electric customers of Kentucky, but that court
16 proceedings are delaying construction of small portions of the line, necessitating
17 temporary line segments around the areas where construction of the permanent line
18 has been delayed. KU showed each landowner a map of the proposed route and
19 explained the proposal for the Company to purchase an option to purchase a
20 temporary easement across a portion of the landowner's property.

21 **Q. How was the temporary nature of the line described?**

22 A. KU has assured the landowners that its intent is to construct a temporary work-around
23 while litigation disputes regarding the permanent line are on-going. We explained

1 that the type of construction and materials being used for construction are suitable for
2 temporary use, but not designed to last the normal 60-80 years of a permanent
3 transmission line. Once the disputes are resolved, KU will immediately start
4 construction of the original route, removing all temporary structures and lines and
5 restoring the property. Following that, KU will release the temporary easement on
6 the property and record the release document.

7 **Q. What are the terms of the option?**

8 A. The option gives KU the right to obtain a temporary easement to construct
9 transmission facilities across a portion of each landowner's property. By its terms,
10 the option to purchase the easement must be exercised within six months of signing.
11 The options were signed on various dates from June 30, 2009, through July 13, 2009.

12 **Q. Once the option is exercised, what are the terms of the temporary easements?**

13 A. The initial easement lasts for three years. Though KU does not expect to utilize the
14 easements for longer than three years, in the event that resolution of the litigation
15 takes longer, KU has the option of securing up to seven-one year extensions.

16 **Q. Was it possible to obtain permanent easements?**

17 A. No. KU committed to the landowners that the facilities would only be in place until
18 construction was completed on a permanent line in the already certificated right-of-
19 way.

20 **Q. Does this conclude your testimony?**

21 A. Yes.

APPENDIX A

Kathleen A. Slay

Director of Operating Services
E.ON Services Services Inc.
820 W. Broadway
Louisville, Kentucky 40202

Education:

University of Rhode Island BA
Graduate Studies at Providence College and University of Louisville

Previous Positions with LG&E Energy Corp.:

Manager, Real Estate & Right of Way
Account Executive, Economic Development

Prior Employment

Assistant Director, Louisville Jefferson County Office for Economic Development
35 years in the land use and development profession

Professional Memberships:

International Right of Way Association- Past Member
Kentucky Industrial Development Association- Past Member

TC2 TEMP WORK AROUND OWNER MAILING LIST

Last Name	First Name	Spouse	Address	City	State	Zip	Parcel ID#	Partnership Last Name	Partnership First Name
Rosenberger	August	Carol	11851 Big Springs Rd	Rineyville	KY	40162	065-00-00-016		
McGehee	Chris		PO Box 309	Brandenburg	KY	40108	081-00-00-015	Deener	John
Thompson	Norbert A	Bonnie	345 Meredith Lane	Rineyville	KY	40162	065-00-00-018		
Stewart	Roland	Mary	3275 Dogwood Drive South	Salem	OR	97302	065-00-00-009		
Seagraves	Ronald	Rita	980 Horton Ridge Rd	Glasgow	KY	42141	101-00-00-024		
Welcher	Lennie	Karen	425 Tabb Rd	Cecilia	KY	42724	124-00-00-016		
Seagraves	Ronald	Rita	980 Horton Ridge Rd	Glasgow	KY	42141	124-00-00-015		
Cooper	James	Charlotte	3469 Bethlehem Academy Rd	Cecilia	KY	42724	124-00-00-004		
Estes	Bobby	Mary	538 Yates Chapel Rd	Cecilia	KY	42724	124-00-00-002.01		
Thompson	Robert	Kathy	117 Tabb Rd	Cecilia	KY	42724	124-00-00-003.01		
Thompson	James	Sandra	2162 Bethlehem Academy Rd	Cecilia	KY	42724	124-00-00-007		



August 26, 2009

August and Carol Rosenberger
11851 Big Springs Rd
Rineyville, KY 40162

RE: Notice of Proposed Construction of Electric Transmission Line

Dear Mr. and Mrs. Rosenberger:

Kentucky Utilities Company ("KU") (the "Company") plans to construct two temporary 345 kV transmission line segments in portions of Hardin County, Kentucky. As you know, the temporary transmission line segments are needed to complete the transmission line of approximately 42 miles the Kentucky Public Service Commission (the "Commission") granted a certificate of public convenience and necessity for its May 26, 2006 Order in Case No. 2005-00467, which, when complete, will run from the Mill Creek Generating Station in Jefferson County to the Hardin County Substation in Hardin County. As we have discussed, a portion of the temporary line would cross your property. The route of the planned line is shown on the map enclosed with this letter.

Company representatives have met with you several times over the past few weeks and have agreed to purchase an option for a temporary easement allowing us to build the planned line across a portion of your property. We appreciate your assistance.

The regulations of the Commission require the Company to provide you this letter as a form of notice of the filing of an application with that agency. This letter serves to officially notify you that the Companies have notified the Commission that we plan to apply for a determination that regulatory approval for construction of the planned line segments is not required, or, alternatively, requesting that such regulatory approval be granted. The Commission has assigned the case docket number 2009-00325.

Under Kentucky law, after the Company has filed an official application with the Commission, you have the right to request that the Commission hold a local public hearing regarding the planned line. You also have the right to ask to intervene in the case. If you would like to request a local public hearing, the request must be made in writing to the Executive Director of the Commission. The Executive Director's address is:

August and Carol Rosenberger
August 25, 2009
Page 2

Executive Director
Public Service Commission
211 Sower Boulevard
P.O. Box 615
Frankfort, Kentucky 40602

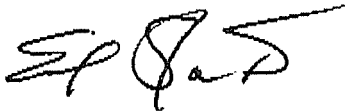
Any written request for a hearing must be made no later than thirty (30) days after KU has filed an application for a certificate of public convenience and necessity for the planned line. We have not filed that application yet but will file it on or after September 3, 2009. Any written request for a hearing will need to include the following:

1. the docket number of the case (the docket number for this case is 2009-00325);
2. the name, address, and telephone number of the person requesting the hearing; and,
3. a statement as to whether the person requesting the hearing wishes to participate in an evidentiary hearing or to make unsworn public comment.

If you wish to participate in an evidentiary hearing, you will also need to intervene in the case. You may request to intervene by filing a motion pursuant to 807 KAR 5:001, Section 3(8). If you would like to contact the Commission's Executive Director's office by telephone, the number is (502) 564-3940.

The planned line is very important to the continued reliability of our electric transmission system. We appreciate your assistance to date with this significant objective.

Sincerely,



Edwin Staton
Director - Transmission

In the Matter of:

APPLICATION OF KENTUCKY)
UTILITIES COMPANY CONCERNING THE)
NEED TO OBTAIN CERTIFICATES OF PUBLIC) CASE NO.
CONVENIENCE AND NECESSITY FOR THE) 2009-00325
CONSTRUCTION OF TEMPORARY)
TRANSMISSION FACILITIES IN)
HARDIN COUNTY, KENTUCKY)

**Testimony and Exhibits of
Edwin R. "Ed" Staton
Volume 2 of 2
Filed: September 3, 2009**

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF KENTUCKY)	
UTILITIES COMPANY CONCERNING THE)	CASE NO. 2009-00325
NEED TO OBTAIN CERTIFICATES OF)	
PUBLIC CONVENIENCE AND NECESSITY)	
FOR THE CONSTRUCTION OF)	
TEMPORARY TRANSMISSION FACILITIES)	
IN HARDIN COUNTY, KENTUCKY)	

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**PUBLIC SERVICE
COMMISSION**

**DIRECT TESTIMONY OF
EDWIN R. "ED" STATON
DIRECTOR, TRANSMISSION
E.ON U.S. SERVICES, INC.**

Filed: September 3, 2009

1 **Q. Please state your name, position and business address.**

2 A. My name is Edwin R. "Ed" Staton. I am Director of Transmission for E.ON U.S.
3 Services, Inc., which provides services to Kentucky Utilities Company ("KU") and
4 Louisville Gas and Electric Company ("LG&E") (collectively, the "Companies").
5 My business address is 220 West Main Street, Louisville, Kentucky 40202. A
6 complete statement of my education and work experience is attached to this testimony
7 as Appendix A.

8 **Q. Have you previously testified before this Commission?**

9 A. Yes. I have testified in Case No. 2006-00214¹ and most recently in the Commission's
10 Ice Storm Investigation.

11 **Q. Are you sponsoring any exhibits?**

12 A. Yes. I am sponsoring the following exhibits:

13 Exhibit ERS-1 - Map of Mill Creek to Hardin County ("MC-HC")
14 Transmission Line

15 Exhibit ERS-2 - Map of Jent and CDH Temporary Line Routes

16 Exhibit ERS-3 – PhotoScience Report

17 Exhibit ERS-4 – Schedule of Cost of Jent and CDH Temporary Lines

18 Exhibit ERS-5 – Maps of Alternative Routes Considered

19 Exhibit ERS-6 – Sketch of Typical Structure

20 Exhibit ERS-1 is a map depicting the entire route of the MC-HC line. Exhibit ERS-2
21 consists of two maps showing the proposed CDH and Jent Temporary Line routes, as
22 required by Commission regulations. Exhibit ERS-3 is a report prepared by

¹ In the Matter of: Petition of Kentucky Utilities Company and Blue Grass Energy Cooperative Corporation to be Designated as the Retail Electric Service Supplier for the new Wal-mart Store Number 591 location in Cynthiana, Kentucky.

1 PhotoScience, Inc., regarding the selection of the routes for the temporary lines.
2 Exhibit ERS-4 is a schedule of the estimated costs of the CDH and Jent Temporary
3 Lines. Exhibit ERS-5 consists of maps showing alternative routes considered by KU,
4 as required by Commission regulations. Exhibit ERS-6 is a sketch showing a typical
5 structure to be utilized on the proposed temporary lines, as required by Commission
6 regulations.

7 **Q. What is the purpose of your testimony?**

8 A. My testimony will provide an overview of the transmission facilities being proposed
9 in this proceeding, describe the route and ownership of those facilities, describe the
10 route selection process, and explain why the application should be approved. Also, I
11 discuss circumstances in which KU has constructed temporary transmission facilities,
12 which have not required Certificates of Public Convenience and Necessity
13 (“CPCNs”).

14 **Q. Why is KU proposing to construct temporary transmission facilities?**

15 A. KU is proposing to construct temporary transmission facilities to work around the
16 small portions of the permanent MC-HC line approved by the Commission in Case
17 No. 2005-00467 which are still tied up in litigation. The Companies initially applied
18 to the Commission for a CPCN for a permanent MC-HC transmission line on May
19 11, 2005. On September 8, 2005, the Commission issued an Order in that proceeding
20 determining that, though the Companies needed to perform additional analysis on the
21 route of the line, the line was indeed necessary and should be operational by a time
22 certain. After conducting additional route analysis, on December 22, 2005 the
23 Companies filed their second application for a permanent MC-HC line. On May 26,

1 2006, the Commission issued a CPCN for construction of the line. A map of the
2 certificated MC-HC line is attached as Exhibit ERS-1. The Companies have obtained
3 the right of possession for 96 out of the 101 easements needed to complete
4 construction of the permanent line. Indeed, construction of the MC-HC line is nearly
5 complete except for the portion traversing the remaining parcels of property owned
6 by three landowners. Because small portions of the MC-HC line cannot be completed
7 until the issues in litigation involving the three landowners are resolved, the
8 temporary transmission facilities are needed to complete the overall MC-HC
9 transmission line in a timely manner. Though the permanent MC-HC line was
10 determined by the Commission to be necessary for the public convenience and
11 necessity in Case No. 2005-00467, the temporary transmission facilities proposed in
12 this proceeding are needed to allow KU to work around the small portions of the
13 permanent MC-HC line which are still tied up in litigation. Without the construction
14 of these temporary transmission facilities, the MC-HC line could remain inoperable
15 for years as the litigation proceeds through the court system. Constructing the
16 temporary transmission lines at this time will allow the timely completion of the MC-
17 HC transmission line.

18 **Q. Please explain how the MC-HC line fits within the regional transmission grid.**

19 A. In the previous CPCN cases, the analysis of the need for the MC-HC line focused on
20 the regional multi-state transmission system. The MC-HC transmission line is a 345
21 kV line. Because the MC-HC line is a high-voltage line, it is part of the bulk electric
22 system. Lines of this voltage are not only a critical part of KU's overall transmission
23 system, but they are also part of the greater regional system. As such, the MC-HC

1 transmission line is not just a KU or Hardin County load serving line; it is part of a
2 larger grid. Interconnections to other transmission systems provide material benefits
3 to all of the interconnected systems. In addition, the MC-HC line enhances the
4 interconnection between KU and LG&E transmission facilities. Therefore, it is
5 crucial to energize the MC-HC line in a timely manner.

6 **Q. How is the transmission system distinct from the distribution system?**

7 A. There are typically three levels of electric systems: (1) the bulk electric system, with
8 lines over 100 kV, including the MC-HC line; (2) the transmission system, with lines
9 69 kV and over; and (3) the distribution system, with lines under 20 kV. The bulk
10 electric system is subject to the North American Electric Reliability Corporation
11 (“NERC”) reliability standards due to its role in the regional transmission system.
12 The bulk electric and transmission systems are designed to reliably transmit electrical
13 energy from designated network resources to network loads. The distribution system
14 delivers power from the transmission system to the end user. The transmission
15 system is designed to withstand multiple adverse events. The distribution lines are
16 radialized. If a distribution line goes out, load is dropped and work can begin to
17 restore the line. Because high voltage transmission lines, like the 345 kV MC-HC
18 line, are part of the bulk electric system and are networked, they are designed to
19 remain in continuous service even after a contingency. A contingency on one line in
20 the bulk electric system creates additional stress on the remaining system as the
21 energy flows across the remaining system. This suboptimization of the entire multi-
22 state regional system can affect large areas under certain conditions as the system
23 struggles to maintain the ability to serve loads and maintain voltage.

1 **Q. Please explain the relevance of the MC-HC line to the regional transmission**
2 **system planning process?**

3 A. NERC, the Federal Energy Regulatory Commission (“FERC”)-approved Electric
4 Reliability Organization, requires transmission owners to work with their regional
5 reliability coordinators when planning for new transmission facilities. When this
6 Commission approved the permanent MC-HC line, KU advised Tennessee Valley
7 Authority (“TVA”), KU’s FERC-approved reliability coordinator, and Southwest
8 Power Pool (“SPP”), KU’s Independent Transmission Organization (“ITO”), of the
9 approval of the construction of the line and TVA and SPP, in turn, used the line in
10 their regional transmission planning assessments. As mentioned above, because the
11 MC-HC line is part of the networked bulk electric system, it is a major part of the
12 regional transmission infrastructure. Thus, a failure to energize the MC-HC line in a
13 timely manner will affect the flows on the regional transmission system, which will
14 be inconsistent with the planning that has already occurred.

15 **Q. Please describe the temporary transmission facilities which KU is proposing to**
16 **construct?**

17 A. The two temporary transmission lines which are the subject of this proceeding are
18 known as the “Jent Temporary Line” and the “CDH Temporary Line.” The Jent
19 Temporary Line will be 1.78 miles in length and located 3,390 feet, at its farthest
20 point, from the center line of the permanent MC-HC line. The CDH Temporary Line
21 will be 1.45 miles in length and located 2,647 feet, at its farthest point, from the
22 center line of the permanent line. Maps of the Jent and CDH Temporary Lines are
23 attached to my testimony as Exhibit ERS-2.

1 The third temporary line, known as the Monroe Temporary Line, is 0.89 miles
2 in length and is located 479 feet, at its farthest point, from the center line of the
3 permanent line. Because the third temporary line will be less than a mile in length,
4 even as a permanent line a CPCN for its construction is not required under KRS
5 278.020(1). Therefore it is not included as part of this Application.

6 **Q. Why is KU proposing temporary and not permanent lines?**

7 A. The purpose of the proposed temporary lines is to allow the timely operation of the
8 MC-HC line approved by the Commission in Case No. 2005-00467. The timely
9 operation is in serious doubt due to the pending litigation in the courts. The
10 transmission route and line approved by the Commission in Case No. 2005-00467
11 continues to be the facility that is necessary on a permanent basis for the public
12 convenience and necessity.

13 As Kathleen A. Slay has stated in her testimony, another reason for proposing
14 temporary lines is that KU was required to obtain temporary, not permanent,
15 easements for the lines. In addition, the construction methodology to be used is
16 suited for temporary, not permanent, facilities due to cost and timing considerations.
17 For example, the structures will be guyed and not self-supporting; the span lengths
18 will be shorter than permanent span lengths; the wire tensions will be lower than
19 permanent line tensions; the right-of-way will be narrower and some wooden H-
20 frame structures will be utilized.

21 **Q. Who will own the facilities?**

22 A. LG&E will own the facilities on the MC-HC line from the Mill Creek Station to the
23 east boundary of the Fort Knox Military Reservation and KU will own the facilities

1 from the east boundary of the Fort Knox Military Reservation to the Hardin County
2 Substation. The temporary facilities are located on the portion of the line that is
3 owned by KU.

4 **Q. Did the Companies utilize the Electric Power Research Institute (“EPRI”)**
5 **Standardized Method of Siting Overhead Transmission Lines to select the route**
6 **of the temporary facilities?**

7 A. No. Temporary transmission lines, especially those of short distances, do not lend
8 themselves to the EPRI Standard route selection process. The EPRI macro-corridor
9 analysis is designed for siting permanent transmission lines of longer routes. The
10 temporary facilities at issue in this proceeding are 1.78 (Jent) and 1.45 (CDH) miles
11 in length.

12 **Q. How did KU select the route of the temporary facilities?**

13 A. KU chose the shortest and most direct routes that would avoid the contested
14 properties without traversing buildings or trees. KU then asked PhotoScience, Inc.,
15 which had assisted with the route selection analysis in Case No. 2005-00467, to
16 assess the suitability of the temporary routes. The PhotoScience study took into
17 account all of the criteria that are used in the Kentucky Transmission Line Siting
18 Model, including environmental and cultural studies. In addition, the routes for the
19 temporary facilities are very near the route approved by the Commission in Case No.
20 2005-00467. The complete PhotoScience report is attached as Exhibit ERS-3.

21 **Q. Did KU make any changes to the route it initially selected based on landowner**
22 **concerns?**

1 A. Yes. At the request of a landowner, the Jent Temporary Line was altered slightly in
2 order to avoid potential crops on the property.

3 **Q. When can KU begin construction on the temporary facilities?**

4 A. Contractors are expected to complete work on the permanent route by September 30,
5 2009. The litigation has delayed the construction schedule. Therefore, KU
6 anticipates beginning work on the Monroe Temporary Line on October 1, 2009 and
7 completing it by December 1, 2009. Following that, but subject to receiving an order
8 in this proceeding, construction is scheduled to immediately begin on the CDH and
9 Jent Temporary Lines and be completed by May 31, 2010.

10 **Q. Why is it important that the Commission rule on KU's Application by the end of**
11 **the year?**

12 A. The contractors KU is utilizing for the permanent MC-HC transmission line have
13 transmission line construction expertise and equipment that is in high demand. If
14 there is a break in the scheduling of the various projects associated with completing
15 the line, the contractor will commit to working on an unrelated project to fill the time
16 gap. This would mean that the Companies' preferred contractor may not be available
17 to immediately begin work on the two temporary line segments when the
18 Commission ultimately issues an order. Such a scenario would complicate the
19 Companies' ability to complete the MC-HC line in a timely manner. In addition,
20 there is additional incremental expense associated with demobilizing and
21 remobilizing the work force.

22 **Q. What is the expected cost of construction for the transmission line?**

1 A. A schedule of the estimated costs associated with the temporary lines which are the
2 subject of this proceeding is attached as Exhibit ERS-4.

3 **Q. Does KU construct temporary transmission facilities without CPCNs in the usual**
4 **course of its business?**

5 A. Yes. The Companies construct temporary transmission facilities for a number of
6 reasons. First, the Companies temporarily relocate lines for mining operations and
7 then restore the lines to their original right-of-ways once the mining is complete.
8 Further, the Companies relocate lines on a temporary or permanent basis to
9 accommodate state highway projects. The Companies also put a temporary line in
10 place when performing general maintenance to maintain continuity of the grid while
11 repairs are made.

12 **Q. Will the construction of the temporary transmission facilities result in any**
13 **unnecessary or wasteful duplication of facilities?**

14 A. No. As mentioned above, the temporary facilities are necessary to complete the MC-
15 HC line in a timely manner. KU's intent is to construct a temporary work-around
16 while litigation disputes regarding the permanent line are on-going. Once the
17 disputes are resolved, KU will immediately start construction of the original route,
18 removing all temporary structures and lines and restoring the property.

19 **Q. Does this conclude your testimony?**

20 A. Yes.

APPENDIX A

Edwin R. Staton

E.ON U.S. Services Inc.
220 West Main Street
Louisville, Kentucky 40202

Summary

Over 27 years experience in the gas and electric utility industry. Responsibilities have included but not limited to:

- Electric and natural gas service delivery including planning, engineering, and construction.
- Outage management, reliability, and system restoration.
- Operations management in rural, rural/urban, and large urban markets.
- Engineering experience in public works projects for electric transmission and distribution.
- Employee development and training.
- Safety management.
- Public speaking and community service.

Work History

- Director Transmission – E.ON U.S., Louisville, KY (current)
- Director of Distribution Operations – Kentucky Utilities Company, Lexington, KY
- Manager of Distribution Operations – Auburndale Operations Center, Louisville Gas and Electric Company
- District Manager – Kentucky Utilities Co. - Elizabethtown, KY
- Prior to my positions listed above, I was employed (in chronological order) as a Student Laborer – Substations, Drafter, Transmission Engineering Assistant, Line/Service Technician, and Local Service Manager with Kentucky Utilities Company

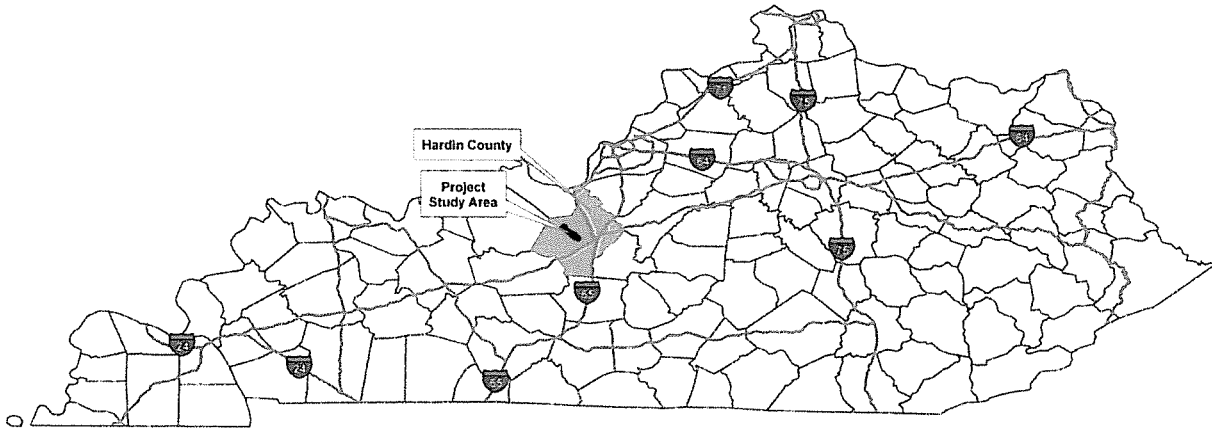
Education

- Diploma – Bates Creek High School, Lexington, KY
- Associate Degree – Business Management, University of Kentucky – Henderson Community College, Henderson, KY
- Bachelor of Science Degree – Business Administration (minor in Accounting), -University of Southern Indiana, Evansville, IN
- Master of Business Administration – Western Kentucky University, Bowling Green, KY

Vocational Training

- Kentucky Institute for Economic Development
- Public Utilities Regulations Guide
- Gas Distribution Operations – Institute of Gas Technology, Des Plaines, IL
- E.ON Academy - International Management Program – IMD (International Institute for Management Development), Lausanne, Switzerland
- M.I.T. Sloan School of Management, Executive Program in Corporate Strategy, Boston, MA

Temporary Route Evaluation Report
For
E.ON - US
Mill Creek – Hardin County 345 kV
Transmission Line Project



June 19, 2009

Chris Gundry

This route evaluation was undertaken on the request of E. ON - US in order to assess the suitability of three temporary routes along the proposed Mill Creek – Hardin County 345 kV transmission line. This study takes in to account all of the criteria that is used in the Kentucky Transmission Line Siting Model, both in the alternate corridor phase as well as the alternate route evaluation and summarizes the number of occurrences along each of the three routes. The three routes are known as the Jent Temporary Route, the CDH Temporary Route, and the Monroe Temporary Route and their locations are shown in Figure 1. The maps that accompany this report illustrate the temporary routes and the features that occur along each route. Table 1, shown below summarizes the number of occurrences of features along each route.

Feature	Number of Occurrences		
	Jent Temp Route	CDH Temp Route	Monroe Temp Route
Non-Spannable Water Bodies	0	0	0
Active Mines/Quarries	0	0	0
Buildings in ROW	0	0	0
Airports - within 1 mile	0	0	0
Military Facilities	0	0	0
Center Pivot Irrigation	0	0	0
EPA Superfund Sites	0	0	0
State/National Parks	0	0	0
USFS Wilderness Areas	0	0	0
Wild/Scenic Rivers	0	0	0
Wildlife Refuge	0	0	0
State Nature Preserves	0	0	0
Designated Critical Habitat	0	0	0
Listed Archaeology Site/Dist.	0	0	0
Listed NHRP Building/Dist.	0	0	0
City/County Parks	0	0	0
Day Care Parcels	0	0	0
Cemetery Parcels	0	0	0
School (K-12) Parcels	0	0	0
Church Parcels	0	0	0
Residences within ROW	0	0	0
Proximity to Residences (300')	0	3	0
Proposed Developments	0	0	0
Proximity to Commercial Bldg (300')	0	0	0
Proximity to Industrial Bldg (300')	0	0	0
NHRP Listed Struc. Dist. 3000' from ROW	0	5	0
Natural Forest (Acres)	0	1.05	0
Stream Crossings	4	1	2
Wetlands (Acres)	0	0	0
Floodplain (Acres)	0	0	0
Line Length (miles)	1.8	1.44	0.88
Easement Area (Acres)	44.32	35.71	22.17

Table 1: Summary of feature occurrences

This report should be seen as an independent evaluation of each of these three routes rather than a comparison of their statistics. These routes are not in competition with each other, nor is their viability being compared. Instead, these are three separate temporary route adjustments from the original Mill Creek – Hardin County 345 kV preferred centerline.

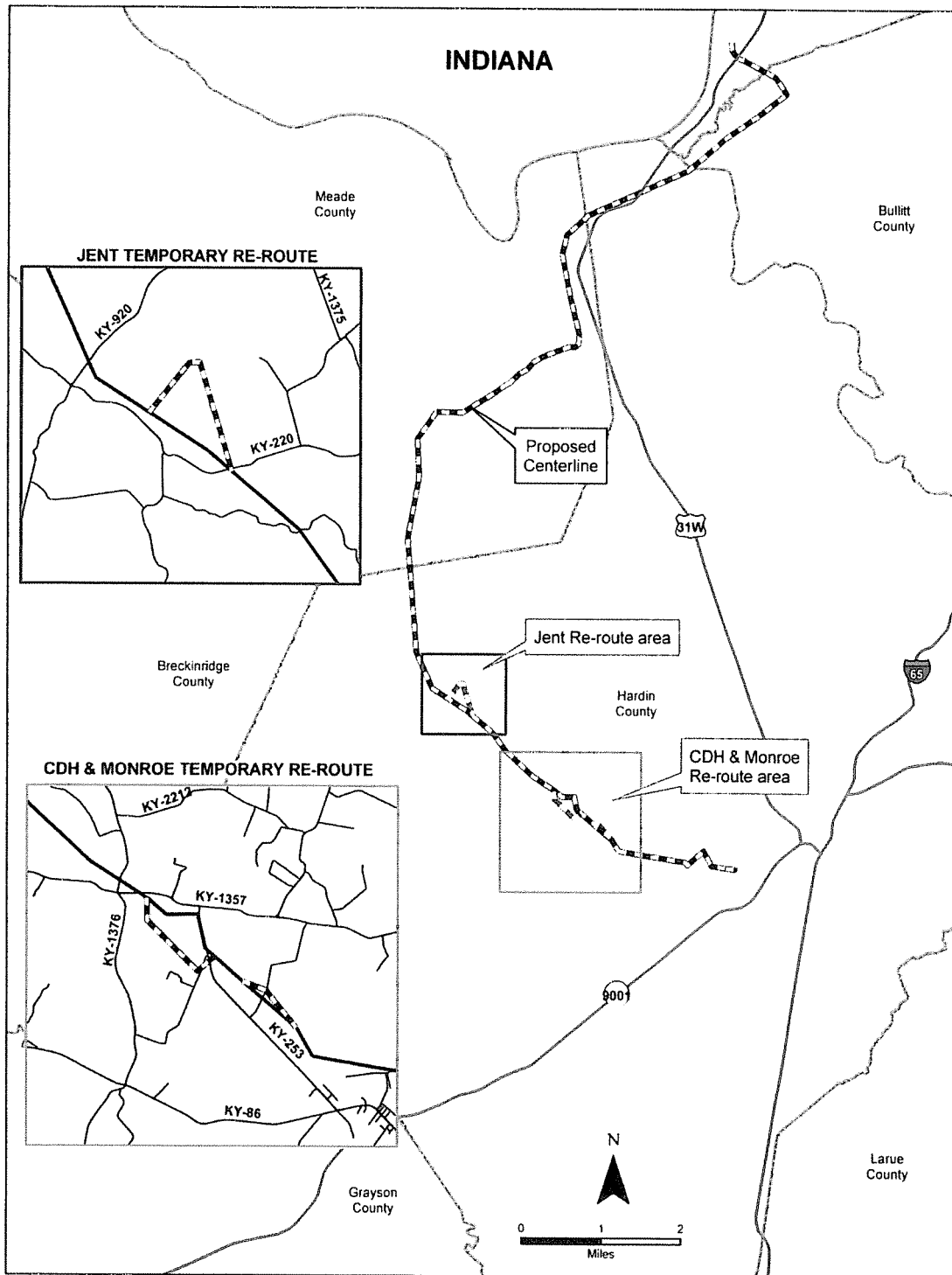
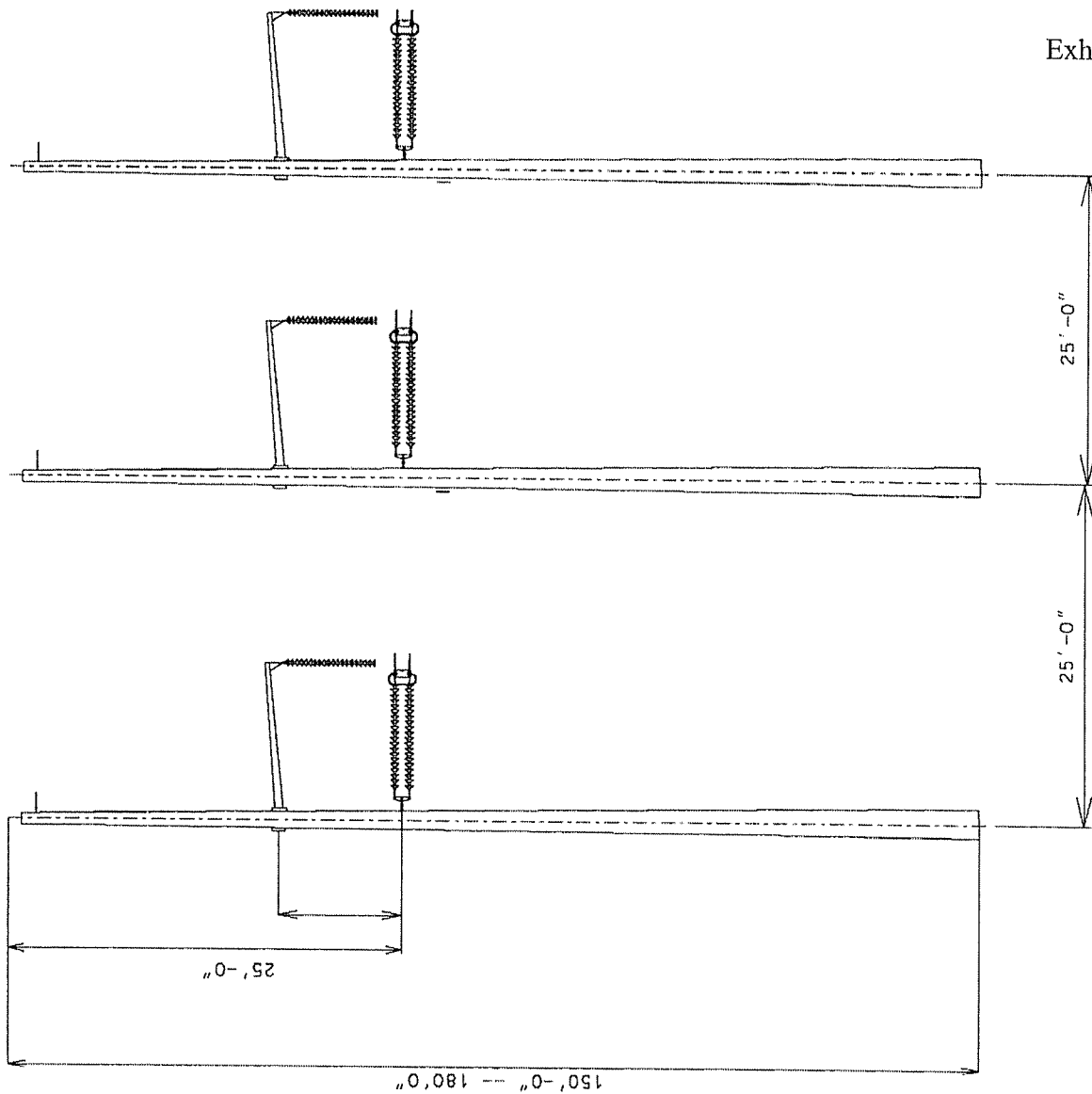


Figure 1: Location Map

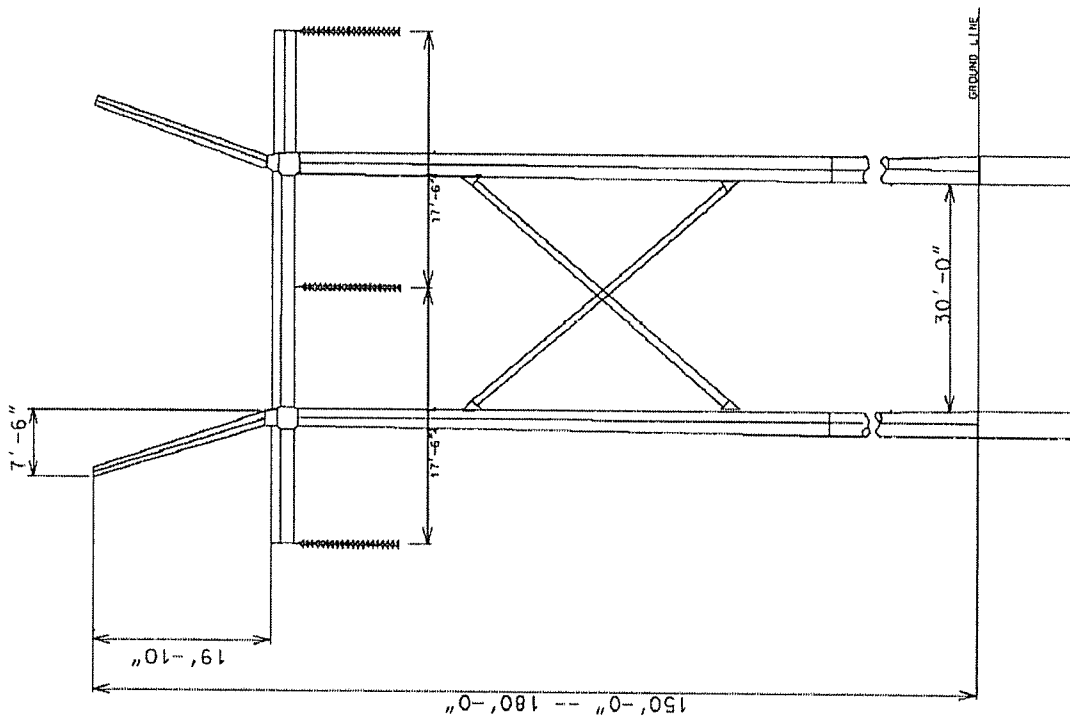
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Temporary Line	Length	Install Cost	Removal Cost	Option Costs	Easement Costs	Total
CDH Workaround	1.45 mi	\$ 1,850	\$ 405	\$ 391	\$ 391	\$ 3,036
Jent Workaround	1.78 mi	\$ 2,270	\$ 497	\$ 568	\$ 568	\$ 3,902

Install costs include company labor, contract labor and material.



Typical Three Pole
Tension Structure



Typical Tangent
H-Frame Structure

MILL CREEK - HARDIN COUNTY 345KV LINE
PROPOSED TYPICAL STRUCTURES