

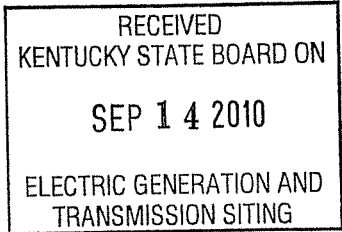
COMMONWEALTH OF KENTUCKY

BEFORE THE KENTUCKY STATE BOARD ON  
ELECTRIC GENERATION AND TRANSMISSION SITING

In the Matter of:

APPLICATION OF SOUTHERN INDIANA )  
GAS & ELECTRIC CO., D/B/A VECTREN )  
ENERGY DELIVERY OF INDIANA, INC. )  
FOR A CONSTRUCTION CERTIFICATE TO )  
CONSTRUCT AN ELECTRIC TRANSMISSION )  
LINE FROM ITS A.B. BROWN PLANT TO THE )  
BIG RIVERS EHV STATION )

CASE NO.  
2010-00223



**RESPONSE OF HENDERSON WATER UTILITY  
TO SITING BOARD STAFF'S FIRST INFORMATION REQUEST**

Comes Henderson Water Utility (hereinafter referred to as "HWU"), by counsel, and for its Response to Siting Board Staff's First Information Request states as follows:

1. Refer to page 2 of HWU's August 16, 2010 Motion for Intervention, in which HWU states that "the proposed route for the Vectren line and its subsequent operation will directly and adversely affect property owned and maintained by HWU."

a. Explain in detail HWU's assertion that the proposed route for the transmission line proposed in Vectren's July 15, 2010 application in this case "will directly and adversely affect" HWU's property.

**Person responsible: Bruce Shipley**

**Henderson Water Utility (HWU) Response:**

If the Brown-Reid line is installed in a 150 foot wide easement paralleling Drury Lane it would create technical design problems and operating and maintenance issues for the proposed new Headworks.

The two support structures which we understand will be constructed on HWU property will restrict, if not negate, the ability of the HWU to construct its expanded facilities. HWU has requested details of the location and design of those structures but has not received that information from the Applicant. A request for an extension of time to respond to this request has been made to the Board.

We are sure that Vectren would not allow, nor would we wish to locate our new facilities directly under Vectren's lines.

Location and placement of wastewater treatment facilities face many of the same obstacles and restrictions that electrical transmission facilities do, such as being too close to residential areas, etc. Given an existing plant location, any expansion of that facility must be located as close as possible to the existing plant to optimize engineering design for efficient operation and cost effectiveness.

The current location for the expanded Headworks is the only obvious choice. Good design practice dictates that the Headworks (primary treatment) be located at the front of the treatment plant and as close as possible to the secondary treatment and remainder of the treatment process. Furthermore, good design practice also dictates that the wastewater stream flow by gravity to the next step in the process instead of having to be pumped.

If the transmission line is allowed to encroach upon HWU property, we will be forced to move the Headworks farther away from the current treatment plant or perhaps to relocate the Headworks at another location altogether. Prudent stewardship of our publicly owned treatment plant dictates that we must plan for future expansion as our community grows and future expansions and other ancillary uses will be restricted by this

line dissecting our properties. The result will be inefficient operation and increased cost to the public. Moving the required Headworks expansion to another location would require the addition of major wastewater pumping systems to the facility.

Adding pumping systems to a Headworks facility adds significantly to capital cost, operating expenses, and preventative and long term maintenance. HWU lines going from the new Headworks to the existing wastewater treatment plant would pass directly under the Brown-Reid line and would have to be designed and constructed to protect against potential increased corrosion.

Depending on where the transmission line structures are placed, there could be access problems with the structures in reference to the Wastewater Treatment Plant and the new Headworks. There is a possibility of additional piping, fiber and other communication and electrical wiring that would have to be routed around the structure. This could add additional expense, and further cause an issue with the elevation of the Headworks facility. The towers would also potentially interfere with the line of sight for UHF repeaters at our Vine Street Tank.

Any changes to the current plan will impact our design and construction schedules. That will impact upon our required completion date of June 30, 2014, as specified in our Long Term Control Plan (LTCP). Changes caused by allowing Vectren to encroach on our property will at the very least require a more-expensive facility and increased operating costs; and potentially subject us to substantial fines and penalties for failing to meet our project completion deadline. Each of these items will have an impact upon our rate-paying customers.

b. Provide any data, reports, analyses, or any other information in HWU's possession which support HWU's assertions regarding adverse effects on HWU's property from Vectren's proposed transmission line.

**Person responsible: Bruce Shipley**

**Response:** We only recently learned of Vectren's plans to encroach on our property. We were not notified as a property owner. On September 8, 2010 we were finally provided with plans of the transmission line indicating the precise route and easement requirements. We did not receive specific information regarding the type of structures to be placed on HWU property. To date we have not received detailed information that we have requested to be shown these structural details so that we can evaluate potential impacts to our facilities. A request to compel this information is pending.

We have initiated one telephone conference call with the J.R. Wauford Company of Nashville TN to determine that firm's availability and expertise related to these issues. J. R. Wauford Company has not been retained.

We have not consulted with any other experts related to HWU's evaluation of the impacts of the Brown-Reid's current design on HWU's operations, facilities, expansion plans, etc. No data, report or analysis has been generated to quantify the impacts on Henderson Water Utility and our customers beyond what has been presented at the public hearing and in our previous answers.

2. Refer to page 2 of HWU's August 16, 2010 Motion for Intervention, in which HWU states that "the proposed route of the Vectren line will adversely affect HWU operations and obligations ...."

a. Explain in detail HWU's assertion that the proposed route for the transmission line proposed in Vectren's July 15, 2010 application in this case will adversely affect HWU's operations and obligations.

**Person responsible: Bruce Shipley**

**Response:** The answer to Question 1(a) explains in detail the impacts of Vectren's proposed transmission line upon HWU's property, proposed treatment plant expansion, construction costs, operating costs, long term maintenance issues and legal compliance with consent judgment and EPA administrative order.

b. Provide any data, reports, analyses, or any other information in HWU's possession which support HWU's assertion that Vectren's proposed transmission line will adversely affect HWU's operations and obligations.

**Person responsible: Bruce Shipley**

**Response:** See answer to Question 1(b).

3. Refer to page 2 of HWU's August 16, 2010 Motion for Intervention, in which HWU states that Vectren's proposed transmission line "will have a significant adverse impact upon legal, scenic, historic, aesthetic and perhaps archeological assets and property of HWU and [the] Commonwealth."

a. Explain in detail HWU's assertion that Vectren's proposed transmission line will have a significant adverse impact upon:

- (1) Legal assets and property of HWU and the Commonwealth.

**Person responsible: Bruce Shipley**

**Response:** See answer to Question 1(a).

- (2) Scenic assets of HWU and the Commonwealth.

**Person responsible: Bruce Shipley**

**Response:** The transmission line as proposed will affect more of our citizens if the transmission line is routed through the corporate boundaries of Henderson than it would if the transmission line were routed through the less-populated areas of the county. It will adversely impact the scenic beauty of the waterfront development currently underway.

- (3) Historic assets of HWU and the Commonwealth.

**Person responsible: Bruce Shipley**

**Response:** The route of the transmission line will pass near an old historic cemetery in the City.

HWU itself has no historic assets.

- (4) Aesthetic assets of HWU and the Commonwealth.

**Person responsible: Bruce Shipley**

**Response:** The transmission line as proposed will affect more of our citizens if the transmission line is routed through the corporate boundaries of Henderson than it would if the transmission line were routed through the less-populated areas of the county

instead. It will adversely affect the waterfront development. Please see responses of other Intervenors.

(5) Archeological assets of HWU and the Commonwealth.

**Person responsible: Bruce Shipley**

**Response:** HWU has no specific knowledge of archeological assets which will be damaged by the proposed transmission line, but the impact upon the historic cemetery may impact such assets.

b. Provide any data, reports, analyses, or any other information in HWU's possession which support HWU's assertion that Vectren's proposed transmission line will adversely affect "legal, scenic, historic, aesthetic and perhaps archeological assets and property of HWU and [the] Commonwealth."

**Person responsible: Bruce Shipley**

**Response:** HWU has no such specific data, reports, analyses or other information in its possession. Please see the complete responses herein and the responses of all Intervenors. HWU will supplement this response if and when such information is acquired by HWU.

4. Refer to page 2 of HWU's August 16, 2010 Motion for Intervention, in which HWU states that Vectren's proposed transmission line "will be in violation of applicable law."

a. Explain in detail HWU's assertion that Vectren's proposed transmission line will violate applicable law.

**Person responsible: Bruce Shipley**

**Response:** Property owned by Henderson Water Utility and used for a public purpose cannot be forcibly acquired by Vectren or any utility. See Kentucky Constitution § 163 and supporting case law. The application is incomplete since it does not describe a route in detail since the Applicant cannot legally acquire the right to that route proposed. This request calls for legal argument which will be supported by counsel at the appropriate time. HWU emphatically states that it will not grant an easement to Vectren as proposed.

b. Provide any data, reports, analyses, or any other information in HWU's possession which support HWU's assertions regarding the legality of Vectren's proposed transmission line.

**Person responsible: Bruce Shipley**

**Response:** Supporting information is available for inspection at our main office, if required, including but not limited to the deed covering the property at issue.

5. Refer to page 2 of HWU's August 16, 2010 Motion for Intervention, in which HWU states that Vectren's proposed transmission line "will adversely impact the ability of HWU to comply with existing legal orders and obligations and to conduct its business of providing water to its customers, both current and future."

a. Explain in detail HWU's assertion that Vectren's proposed transmission line will inhibit HWU's ability to comply with existing legal orders and obligations.

**Person responsible: Bruce Shipley**



**Response:** See answer to Question 1(a) which explains in detail the impacts of Vectren's proposed transmission line upon HWU's property, proposed treatment plant expansion, construction costs, operating costs, long term maintenance issues and legal compliance with consent judgment and EPA administrative order.

The Kentucky Division of Water combined sewer system consent judgment and U.S. EPA Administrative Order specifies that our Long Term Control Plan (LTCP) major projects must be completed by the year 2017. Changing our existing plan and timetables will create a unique and potentially costly burden on HWU. The potential delay of the Headworks projects scheduled for completion in 2014 also has the effect of delaying the Canoe Creek Interceptor project which connects into the new Headworks. The cost of our Consent Judgment compliance is currently estimated to be \$33 Million. Additional burdens will be placed on our citizens and ratepayers if costly changes are made or if construction is delayed.

b. Provide any data, reports, analyses, or any other information in HWU's possession which support HWU's assertions that Vectren's proposed transmission line will inhibit HWU's ability to comply with existing legal orders and obligations.

**Person responsible: Bruce Shipley**

**Response:**

SEE THE FOLLOWING APPENDICES:

- Appendix A – Consent Judgment (Civil Action No. 07-CI-1250), entered in Franklin Circuit Court on August 30, 2007
- Appendix B – U.S. EPA Administrative Order (Docket No.: CWA-04-2008-4757) Dated December 21, 2007
- Appendix C – U.S. EPA Administrative Order Addendum (Docket No.:

CWA-04-2008-4757) Dated April 18, 2008

- Appendix D – Henderson Water Utility – Long Term Control Plan (LTCP) submittal, Dated March 2009
- Appendix E – Henderson Water Utility – Long Term Control Plan (LTCP) Addendum No. 1 submittal, Dated October 2009
- Appendix F – Request for Statements of Qualifications – Engineering Services – New Headworks – North Wastewater Treatment Plant, Dated July 13, 2010

c. Explain in detail HWU's assertion that Vectren's proposed transmission line will inhibit HWU's ability to provide adequate service to its current and future customers.

**Person responsible: Bruce Shipley**

**Response:**

The answer to Question 1(a) explains in detail the impacts of Vectren's proposed transmission line upon HWU's property, proposed treatment plant expansion, construction costs, operating costs and long term maintenance issues.

Prudent stewardship of our publicly owned treatment plant dictates that we must plan for future expansion as our community grows in order to continue serving our current customers and expand our capacity to serve new customers.

Restrictions placed upon our property and this site by the location of Vectren's transmission line may significantly restrict future expansions and other ancillary uses to provide for our customers ongoing needs.

If the Headworks expansion project is not completed on time then we may be forced to restrict new growth and development along the proposed I-69 corridor and the high-growth northeastern section of our service area until the Headworks is completed

and can accept flow from the new Canoe Creek Sewer Interceptor being constructed to serve that area.

d. Provide any data, reports, analyses, or any other information in HWU's possession which support HWU's assertions that Vectren's proposed transmission line will inhibit HWU's ability to provide adequate service to its current and future customers.

**Person responsible: Bruce Shipley**

**Response:** HWU has no data, reports, analyses or other information in its possession other than that as stated herein. HWU will supplement this response if and when such information is acquired by HWU.

6. Explain in detail whether HWU has proposed any alternative route for the transmission line to Vectren.

**Person responsible: Bruce Shipley**

**Response:** HWU has not proposed to Vectren any alternative route for the transmission line.

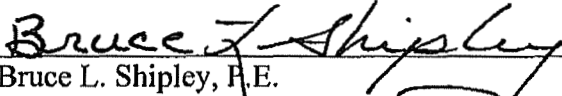
7. Provide, in both electronic (.pdf) format and paper format, a copy of any maps in HWU's possession of any alternative transmission line routes that HWU has proposed to Vectren for its proposed transmission line.

**Person responsible: Bruce Shipley**

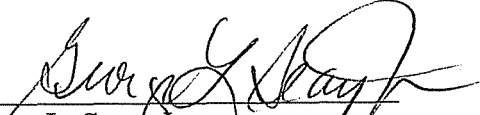
**Response:** HWU has not proposed an alternate route, and has prepared no maps showing any alternate routes.

**CERTIFICATE**

I certify that the responses set out above are true and accurate to the best of my knowledge, information and belief, formed after reasonable inquiry.

  
Bruce L. Shipley, P.E.  
General Manager, Henderson Water Utility

RESPECTFULLY SUBMITTED,

By: 

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*Counsel for Henderson Water Utility*

**CERTIFICATE OF SERVICE**

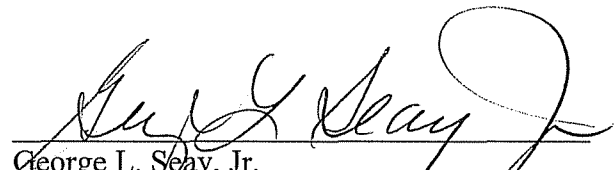
This is to certify that the original and ten true and correct copies of the foregoing has been served upon the following, by hand delivery, at the filing office of the Kentucky Public Service Commission, on this the 14<sup>th</sup> day of September, 2010:

Hon. Richard W. Bertelson, III  
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Public Service Commission  
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Frankfort, KY 40602-0615

Mr. Jeff Derouen  
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and via U.S. Mail, postage prepaid to:

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