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BEFORE
THE OHIO POWER SITING BOARD

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In the Matter of the Application of :
Cinergy Capital and Trading, Inc. :
For a Certificate of Environmental : Case No. 00-637-EL-BGN
Compatibility and Public Need to :
Construct a Peaking Facility in :
Cincinnati, Ohio. :

Cinergy Capital and Trading, Inc.'s Response to
The Ohio Power Siting Board's Second Set of Interrogatories

April 3, 2001

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Case No. 00-637-EL-BGN
The Ohio Power Siting Board
Interrogatory Set No. 2
Request Date: March 27, 2001
Response Date: April 6, 2001
Staff-02-001

1. Provide a summary discussion of the typical hours, days, time of day and months the generation is estimated to operate.

RESPONSE:

The West End Electric Generating Station will operate during the peaking periods of the year. This facility is a pure merchant plant (peaking) that operates during the months of high demand for electricity. The high demand typically occurs from July to August, but the proposed station may be called on to operate during months outside this range. The on- peak periods are typically the hours from 6:00 am to 10:00 pm, Monday through Friday (not including holidays), but again the plant may be called on to operate during hours outside this band. The plant will only operate when the sale price for power exceeds the variable cost of the plant.

WITNESS RESPONSIBLE:
Rob Whitehead

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2. Provide or make available for staff review copies of correspondence, meeting notes or joint study reports provide to and received from neighboring interconnected transmission owner/operators concerning the project.

RESPONSE:

Since no specific recommendation was made in the official Transmission Interconnection Study completed by Cinergy Services, Inc. (Transmission) that there is, or that there may be, impacts on neighboring Transmission Provider's systems, no notifications or requests for studies on neighboring systems were requested by the Applicant. Therefore, there are no correspondence, meeting notes, or joint study reports with neighboring interconnected transmission owner/operators concerning the West End Project.

In other cases where the Applicant requested Transmission Interconnection Studies on the Cinergy Services, Inc. (Transmission) system where effects or issues on a neighboring Transmission Provider's system were suspected, Cinergy Services, Inc. (Transmission) has contacted the neighboring Transmission Service Providers directly, and alerted the Applicant of possible issues in neighboring systems.

In addition, when Interconnection Studies have been performed by other Transmission Service providers in other states for the Applicant, if effects or issues on neighboring systems were suspected, the Applicant was specifically advised to contact the neighboring Transmission Service Provider.

For these reasons, the Applicant believes that there are no significant effects or issues as a result of the West End Project on any neighboring transmission owner/operators.

WITNESS RESPONSIBLE:

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3. Provide information on who will construct, own, operate and maintain the interconnection transmission line, substation and associated facilities.

RESPONSE:

Since the interconnection is tied directly into the 138kV substation bus, an "interconnection transmission line" will not be necessary.

Also, because West End is an active substation, the interconnection facilities from the Generator Step-up Transformer (GSU) out to the 138kV connection into the existing switchyard bus will be designed and constructed by CG&E personnel, or CG&E selected contractors, at the expense of the Applicant. Ownership, operation and maintenance of the associated facilities will be negotiated as part of an Interconnection Agreement with CG&E (see also response to question 4).

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4. Because the proposed generating facility will be located on property owned by the Cincinnati Gas & Electric Company (CG&E) and inside of an existing CG&E substation, provide information on operation and maintenance activities for the proposed facility. Who will be responsible for these activities and how will they be carried out or coordinated with CG&E? What agreement(s) will the applicant be required to sign regarding operation and maintenance to ensure adequate operating and maintenance procedures are maintained during operation.

RESPONSE:

Please see the response to question number three above for the ownership, operation, and maintenance of the substation and interconnection equipment associated with the proposed project.

Applicant will negotiate operation and maintenance of the substation and interconnect equipment with Cinergy/CG&E (Cinergy/CG&E refers to Transmission Service Provider) as part of an Interconnection Agreement (see below). The Applicant or the Applicant's contractor(s) will be responsible for operation and maintenance of the generating and supporting equipment associated with the Project. The Applicant or the Applicant's contractors(s) will be responsible for coordinating any operations or maintenance activities that may have an impact on Cinergy/CG&E system or substation operations with Cinergy/CG&E.

The Applicant, as would any merchant facility, will have to execute an Interconnection Agreement, and a Facilities Construction Agreement with Cinergy/CG&E. Both of these agreements must be filed with the Federal Energy Regulatory Commission (FERC). These agreements outline, among other things, maintaining proper operating and maintenance procedures during construction and operation.

Finally, the Applicant will also have to arrange for, and obtain Transmission Service via Cinergy Services, Inc. Open Access Transmission Tariff (OATT), on file at the FERC, from Cinergy/CG&E in order to flow power into, or through, the Cinergy/CG&E transmission system.

WITNESS RESPONSIBLE:

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5. Describe how generation dispatch will be carried out, its coordination with the rest of the regional transmission system and who will be responsible for dispatch of the facility.

RESPONSE:

Dispatch will be carried out when economic conditions warrant plant operation. When the price of power is greater than the marginal cost to produce, the plant will be committed and dispatched. Generally, the power will be scheduled into the transmission system on an hourly basis. This scheduling will be the responsibility of the Cinergy Energy Merchant Business Unit.

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6. Provide a list of agreements/contracts the applicant will have to sign with the interconnecting transmission owner before the facility can begin commercial operation.

RESPONSE:

Please see the response to number four above.

In addition to the agreements mentioned in the above referenced response, a Generation Interconnection System Impact Study Agreement must be executed to maintain queue position and to authorize the charges necessary to complete the study.

Summarizing the list of agreements/contracts:

- 1.) Send initial letter requesting that a Generation Interconnection System Impact Study be performed for the Project.
- 2.) Execute the Generation Interconnection System Impact Study Agreement.
- 3.) Execute an Interconnection Agreement.
- 4.) Execute a Facilities Construction Agreement.
- 5.) Obtain Transmission Service via Cinergy's OATT.

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7. Provide a discussion of whom the applicant plans to sell power to and how the applicant plans to market its power from the proposed facility.

RESPONSE:

The plant will sell the output to the merchant power market. At the moment, there is an open power market where power is bought and sold hourly, daily, monthly or yearly. The price of power is published daily by the *Megawatt Daily*. The Cinergy Energy Merchant Business Unit, through Trading and Operations, will be in charge of physically trading the power produced by the Project. Generally, the traders will schedule power to be sold one day ahead to any marketing entity needing the power.

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8. Discuss any firm power contracts for power from the proposed facility that the applicant has committed to.

RESPONSE:

The Applicant has not committed to any firm power contracts directly associated with the proposed facility.

WITNESS RESPONSIBLE:

Rob Whitehead