

SERVICE NOTICE

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CASE NUMBER 88-1447-EL-BGN
CASE DESCRIPTION CINCINNATI GAS & ELECTRIC COMPANY
DOCUMENT SIGNED ON April 29, 1991
DATE OF SERVICE 4-29-91

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PARTIES OF RECORD

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NONE

BEFORE

THE OHIO POWER SITING BOARD

In the Matter of the Application)
of The Cincinnati Gas & Electric)
Company to Amend the Certificate) Case No. 88-1447-EL-BGN
for the Woodsdale Generating)
Station.)

ORDER ON CERTIFICATE AMENDMENT

The Board, coming now to consider the above-entitled matter; having appointed its Administrative Law Judge to conduct a public hearing; having reviewed the exhibits introduced into evidence at the public hearing held in this matter; and being otherwise fully advised in the premises, hereby waives the necessity for an Administrative Law Judge's report and issues its Order on Certificate Amendment in this case as required by Section 4906.10, Revised Code.

APPEARANCES:

Mr. David T. Musselman, P.O. Box 960, Cincinnati, Ohio 45201, on behalf of The Cincinnati Gas & Electric Company.

Mr. Lee I. Fisher, Attorney General, by Ms. Margaret A. Malone, and Mr. Shane A. Farolino, Assistant Attorneys General, Environmental Enforcement Section, 30 East Broad Street, 25th Floor, Columbus, Ohio 43266-0410, on behalf of the staff of the Ohio Power Siting Board.

OPINION:

I. INTRODUCTION

History of the Proceeding:

All proceedings before the Ohio Power Siting Board (Board) are conducted in accordance with the provisions of Chapter 4906, Revised Code, and Chapter 4906, Ohio Administrative Code (O.A.C.). On October 4, 1988, The Cincinnati Gas & Electric Company (CG&E, company, or applicant), an Ohio corporation engaged in the business of supplying electric and gas service within the state, submitted a Letter of Intent for the Woodsdale Electric Generating Station, pursuant to former Rule 4906-5-01, O.A.C. The letter described the company's plan to construct and operate a combustion turbine generating facility in Butler County, Ohio. The facility will be comprised of up to twelve single cycle combustion turbine

units each having summer and winter ratings of 78.6 megawatts and 94.6 megawatts, respectively, and is a "major utility facility" as defined by Section 4906.01(B)(1), Revised Code.

On April 12, 1989, a certificate application for the Woodsdale facility was submitted. After a hearing on the application, the Board issued a certificate for the construction, operation, and maintenance of the facility on October 30, 1989. One of the conditions in that certificate was that CG&E was required to obtain an amendment to the certificate if the company was unable to discharge wastewater to the LeSourdsville Wastewater Treatment Plant, and had to install an on-site sewage treatment plant. CG&E has determined that LeSourdsville is unable to accept the quantity of water to be generated by the reverse osmosis water treatment process, and that a discharge to the Great Miami River is required (Joint Ex. 1, at 4 and 5).

On March 6, 1990, CG&E filed a short form application for an amendment of the Woodsdale certificate issued by the Board. The amendment is to permit the company to construct, operate, and maintain the reverse osmosis water treatment plant and discharge pipeline (project) within the preferred site and from the Woodsdale Generating Station site to the Great Miami River in Madison Township, Butler County, Ohio. On September 5, 1990, the Board informed the company that its amendment application had been certified as being complete, whereupon copies of the application were served upon local government officials. In accordance with Rule 4906-5-07, O.A.C., public notice of the application was published in The Middletown Journal on October 27, 1990 and The Hamilton Journal on October 29, 1990, newspapers of general circulation in Butler County, Ohio. The staff of the Ohio Power Siting Board (staff) conducted an investigation concerning the environmental and social impacts of the proposed project and filed its Report of Investigation with the Board on November 15, 1990. To respond to the staff's findings in the report that more information was needed to properly review the application, the company submitted additional information to the Board on January 28, 1991.

A local public hearing on this matter was held on November 29, 1990, in Monroe, Ohio. In attendance at the local hearing were personnel from the company and a member of the Board's staff. No members of the public testified at the hearing. Adjudicatory hearings were held in Columbus, Ohio on November 30, 1990 and March 25, 1991. At the March 25th hearing, the company's application for amendment of the certificate and proofs of publication were admitted into evidence, as well as the staff's Report of Investigation. The parties tendered a Joint Stipulation of Findings and Recommendations which, if adopted, would resolved all matters at issue (Joint Ex. 1).

Proposed Facility:

The company has been issued a certificate for construction of the Woodsdale Generating Station comprised of simple cycle combustion turbines to be fuel by natural gas, propane, or No. 2 fuel oil. A water injection system is required for the combustion turbine units to meet air emission standards for oxides of nitrogen. Having reviewed various water purification technologies, CG&E has proposed a reverse osmosis/mixed bed demineralizer water treatment system. Due to the discharge of a larger volume of wastewater than previously anticipated, the installation of a discharge pipeline for the wastewater flow is needed. The company has requested that its certificate be amended to build a discharge pipeline from the Woodsdale facility to the Great Miami River to discharge the wastewater (Joint Ex. ICN #99, at 2). The discharge pipeline will be constructed of Class 3 reinforced concrete pipe, 18 inches in diameter, approximately 5,400 feet long, and at least 3 feet, 6 inches below grade (Id. at 4). The capital cost associated with this system is estimated to be \$8,412,000, and the annualized estimated operating and maintenance cost, over an assumed 25-year life of the plant, is to be \$288,350 (Id. at 20 and 25).

The alternative to the reverse osmosis/mixed bed system preferred by the company is an all demineralizer system which would generate smaller amounts of wastewater that could be discharged to the Butler County sewer system. However, capital and operating costs would be much higher, and approximately 10,000 square feet of additional floor space would be required (Id. at 5). In addition, a very costly expansion of the Butler County sewer system would be required to handle the wastewater flow. The capital cost associated with this system is estimated to be \$11,358,000, and the annualized estimated operating and maintenance cost is to be \$873,532 (Id. at 21 and 25).

The primary focus in the proceeding has been on the company's preferred project. Neither the staff nor the company supports the use of the alternate project. Therefore, the Board will apply the criteria established in Section 4906.10(A), Revised Code, to the preferred project.

II. CERTIFICATION CRITERIA

Pursuant to Section 4906.10(A), Revised Code, the Board shall not grant a certificate for the construction, operation and maintenance of a major utility facility, either as proposed or as modified by the Board, unless it finds and determines:

- (1) the basis of the need for the facility;
- (2) the nature of the probable environmental impact;
- (3) that the facility represents the minimum adverse environmental impact, considering the state of available technology and the nature and economics of the various alternatives, and other pertinent considerations;
- (4) in case of an electric transmission line, that such facility is consistent with regional plans for expansion of the electric power grid of the electric systems serving this state and interconnected utility systems; and that such facilities will serve the interests of electric system economy and reliability;
- (5) that the facility will comply with Chapters 3704, 3734, and 6111 of the Revised Code and all rules and standards adopted thereunder;
- (6) that the facility will serve the public interest, convenience and necessity;
- (7) the probable impact of the facility on the viability as agricultural land of any land in an existing agricultural district established under Chapter 929 of the Revised Code that is located within the site and alternative site of the proposed major facility;
- (8) that the facility incorporates maximum feasible water conservation practices as determined by the Board, considering available technology and the nature and economics of various alternatives.

The company's amendment application, as supplemented, addresses each of the criteria set forth above, as does the staff's Report of Investigation and the joint stipulation. The statutory criteria will be discussed below.

Basis of Need:

In the Staff Report of Investigation, the staff determined that the need for the project has been determined in the previous staff report filed on August 11, 1989 for the original application of the Woodsdale facility.

As part of the stipulation, the staff and the company agree that adequate data on the project has been provided to determine the basis of need for the facility as required by Section 4906.10 (A)(1), Revised Code (Joint Ex. 1, at 5).

Nature of Probable Environmental Impact and Minimum Adverse Environmental Impact:

Sections 4906.10(A)(2) and (3), Revised Code, require the Board to determine the nature of the probable environmental impact and whether the proposed facility represents the minimum adverse environmental impact, considering the state of available technology and the nature and economics of the various alternatives, and other pertinent considerations. After reviewing the company's application and conducting its investigation, the staff stated in its report, inter alia, the following:

- 1) Wastewater will be discharged into the Great Miami River through an 18-inch diameter gravity sewer pipe for a distance of 2,250 feet from the Woodsdale Station site boundary.
- 2) Total land requirement for the discharge pipeline and 60-foot easement is 3.44 acres. The proposed route consists mainly of agricultural cropland.
- 3) The discharge will contain wastewater from floor drains, uncontaminated run-off from developed and undeveloped portions of the station site, and reverse osmosis system reject water.
- 4) As stated by the applicant in the supplement to the application filed on April 26, 1990, ground water withdrawal from the aquifer during continuous operation of 12 combustion turbines at the Woodsdale station for 24 hours is estimated at 5.12 million gallons per day.

- 5) Based on the aforementioned estimated ground water pumping rate of 5.12 million gallons per day during the operation of the 12 turbines continuously for 24 hours, the maximum daily flow rate of wastewater into the Great Miami River will be 1.28 million gallons per day.
- 6) A waste water discharge rate of 2 cubic feet per second was identified, by the applicant in the supplement to the application filed on April 26, 1990 as the peak discharge rate during station operation at full load. Based on this discharge rate, modeling predictions of the thermal plume created under summer conditions showed a 2 degree F warming of the river over 4,756 square feet and a 5 degree F warming of the river over 476 square feet in the vicinity of the out fall structure.
- 7) Based on the peak waste water discharge rate of 2 cubic feet per second, modeling predictions of the thermal plume created under winter conditions showed a 2 degree F warming of the river over 5,726 square feet and a 5 degree F warming of the river over 707 square feet in the vicinity of the outfall structure.

After issuing its report, the company submitted additional information to the Board to help the staff make the determinations required by Sections 4906.10(A)(2) and (3), Revised Code. With the submission of the additional information, the staff and the company have stipulated that adequate data on the project has been provided to determine the nature of the probable environmental impact as required by Section 4906.10 (A)(2), Revised Code, and that the preferred site contained in the certificate application represents the minimum adverse environmental impact, considering the available technology and nature and economics of the various alternatives, and other pertinent considerations as required by Section 4906.10(A)(3), Revised Code (Joint Ex. 1, at 5).

Compliance with Chapters 3704, 3734, and 6111, Revised Code:

Section 4906.10(A)(5), Revised Code, requires that the Board find that the proposed facility will comply with Chapters 3704, 3734, and 6111, Revised Code, concerning air and water permits and solid waste disposal, and all rules and standards adopted thereunder. The staff has reviewed the company's description of compliance requirements with these chapters. The staff has noted that Ohio Environmental Protection Agency air quality permits are not required for this project and that solid waste generated during construction of the facility will be disposed of in compliance with Ohio EPA regulations (Joint Ex. ICN #0117, at 12). The company received a permit to install the wastewater collection, treatment, and disposal system for the project on February 9, 1991 (Id.).

The staff and the company have stipulated that adequate data has been provided to determine that the facility will comply with Chapters 3704, 3734, and 6111, Revised Code, and all regulations thereunder as required by Section 4906.10(A)(5), Revised Code.

Water Conservation Practices:

Section 4906.10(A)(8), Revised Code, requires the Board to determine if the facility incorporates maximum feasible water conservation practices. The staff and the company have stipulated that the facility incorporates maximum feasible water conservation practices as determined by the Board, considering available technology and the nature and economics of the various alternatives.

Consideration of Sections 4906.10(A)(4), (6), and (7), Revised Code:

Under Section 4906.10(A)(4), Revised Code, the Board is to determine if the proposed facility is consistent with regional plans for expansion of the electric power grid of the electric systems serving this state and interconnected utility system; and that such facility will serve the interests of electric system economy and reliability. Because the proposed facility is not an electric transmission line, this section is not applicable.

Section 4906.10(A)(6), Revised Code, requires that the Board find that the proposed facility will serve the public interest, convenience, and necessity. Based upon the information supplied by the company and the staff's findings discussed previously, the staff and the company have stipulated that the proposed project constructed and operated at the Woodsdale site will serve the public interest, convenience, and necessity.

Section 4906.10(A)(7), Revised Code, requires the Board to determine the impact on existing agricultural districts established under Chapter 929, Revised Code, that are within the site of the proposed facility. The staff has determined that there are no agricultural districts located within the project area (Joint EX. ICN #117, at 14).

III. CERTIFICATE OF ENVIRONMENTAL COMPATIBILITY AND PUBLIC NEED

In addition to the stipulated matters discussed above, the company and the staff have agreed that the Certificate of Environmental Compatibility and Public Need for the proposed Woodsdale Generating Station should be amended to permit the company to construct, operate, and maintain the reverse osmosis water treatment plant and discharge pipeline within the preferred site to the Great Miami River in Madison Township, Butler County, Ohio, as described by the company in its amendment application and supplemental filings thereto. The parties also agree that the Board, by accepting this stipulation, does not waive any rights of enforcement of any environmental or wildlife protection laws or regulations by any department or agency of the state of Ohio, or the state of Ohio itself. Further, the parties agree that all conditions of the Certificate of Environmental Compatibility and Public Need for the Woodsdale Generating Station Facility remain in effect and shall apply to the subject facility, except that condition 7 contained on page 11 of the Certificate is deleted. The following new conditions are added to the Certificate, which conditions shall be read in conjunction with the conditions contained in the original Certificate and shall be deemed to supersede the conditions in the original Certificate only where any new conditions directly conflict with conditions contained in the original Certificate:

13. That at least 30 days before construction of the reverse osmosis plant and discharge pipeline begins, the applicant shall submit to the staff of the Ohio Power Siting Board one complete set of general arrangement drawings and will make available for staff review, upon request, the engineering drawings for the reverse osmosis plant and discharge pipeline that is the subject of the Amended Application so that the staff can determine that the final project design is in compliance with the terms of the Amended Certificate.
14. That the applicant shall provide to the staff of the Ohio Power Siting Board the following information regarding the reverse osmosis plant and discharge pipeline as it becomes known:

- (a) the date on which construction was begun; and
 - (b) the date on which construction was completed.
15. The Amended Certificate shall incorporate by reference all operating conditions contained in any permits issued by the Ohio Environmental Protection Agency for the Woodsdale Generating Station including, but not limited to, the Air Permit to Install, Application No.: 14-1905 ("PTI"). Furthermore, if said PTI is hereafter revised, a new PTI is issued, or a permit to operate is issued, which authorizes an increase in the number of operating hours for the turbines at the Woodsdale Generating Station, the applicant will be required to obtain an amendment of its Certificate prior to increasing the number of operating hours for the turbines at the Woodsdale Generating Station.
16. The applicant shall install and operate a piezometric monitoring well at a location to be approved by the Ohio Department of Natural Resources (ODNR) in the well field to collect water level data. The well shall be equipped with a continuous chart recorder or pressure transducer system with data logger or equivalent device approved by the ODNR to continuously record such data. Applicant shall retain such records and they will be made available to the Ohio Power Siting Board Staff upon request.
17. In the event a discharge from the facility to the Great Miami River results in a fish kill in the river, the applicant shall submit to the Ohio Power Siting Board a copy of any notification submitted to any other departments or agencies of the state of Ohio regarding any such incident. The reporting requirement created in this paragraph will terminate two (2) years after the twelfth turbine begins commercial operations unless a fish kill has been observed within said two year period, in which event, two (2) years after such incident.

18. The applicant shall undertake to operate the facility in a manner which does not adversely impact the ability of owners of residential wells from using them to supply the water needs for their homes. If the operation of the Woodsdale Facility adversely impacts residential well use in a manner which results in insufficient water being available for ordinary residential use, applicant agrees to work with the homeowner(s) whose residential well(s) has or have been impacted by such operation in an effort to solve the residential well impact problem(s).

Although not binding upon the Board, stipulations are given careful scrutiny and consideration, particularly where no party is objecting to the stipulation. Based upon the record in this proceeding, the Board finds that the joint stipulation is reasonable and that the proposed Woodsdale water treatment system and discharge pipeline fulfills the criteria established in Section 4906.10(A), Revised Code. Accordingly, the Board shall adopt the stipulation in its entirety.

FINDINGS OF FACT AND CONCLUSIONS OF LAW:

- 1) The Cincinnati Gas & Electric Company is organized under the laws of the state of Ohio, is doing business as an electric public utility, and is a "person" under Section 4906.01(A), Revised Code.
- 2) The certificate amendment application for a reverse osmosis water treatment plant and discharge pipeline for the Woodsdale facility was submitted on March 6, 1990.
- 3) CG&E caused public notice of the certificate amendment application to be published in the The Middletown Journal on October 27, 1990 and in the The Hamilton Journal-News on October 29, 1990 in accordance with Rule 4906-5-07, O.A.C. Proof of such notice was filed with the Board on November 1, 1990.
- 4) The reports of staff's investigation on the amendment application was filed on November 15, 1990.

- 5) Public hearings were held on the amendment application on November 28 and 29, 1990 and March 25, 1991.
- 6) CG&E's proposed reverse osmosis water treatment system requires the installation of an 18-inch, 5,400 feet long, reinforced concrete discharge pipeline from the Woodsdale generating facility to the Great Miami River.
- 7) Adequate data on the project has been provided to make the determinations required by Sections 4906.10(A)(1) through (8), Revised Code.
- 8) CG&E's application for a certificate amendment fully complies with the requirements of Chapter 4906.15, O.A.C.
- 9) The basis of the need for CG&E's proposed facility has been determined.
- 10) The nature of the probable environmental impact of the proposed facility has been determined.
- 11) The project indicated in the certified amended application for the proposed facility, and the supplements thereto, represents the minimum adverse environmental impact, considering the state of available technology and the nature and economics of the various alternatives, and other pertinent considerations.
- 12) Section 4906.10(A)(4), Revised Code, is not applicable to the proposed facility since the facility is not an electric transmission line.
- 13) The proposed facility will comply with Chapters 3704, 3734, and 6111, Revised Code, and all rules and standards adopted thereunder.
- 14) The project constructed and operated as indicated in the certified amended application, and the supplements thereto, will serve the public interest, convenience, and necessity.
- 15) The impact of the construction, operation, and maintenance associated with the proposed

facility on the viability of any existing agricultural district established under Chapter 929, Revised Code, at the preferred site has been determined.

- 16) The facility incorporates maximum feasible water conservation practices as determined by the Board, considering available technology and the nature and economics of the various alternatives.
- 17) The Joint Stipulation entered into by the parties to this proceeding is reasonable and should be adopted in its entirety.
- 18) Based on the record, the Certificate of Environmental Compatibility and Public Need for the Woodsdale Generating Station should be amended to include certification of the reverse osmosis water treatment plant and discharge pipeline as set forth in the application, and the supplements thereto, with the conditions set forth in Section III of the Opinion.

ORDER:

It is, therefore,

ORDERED, That the Joint Stipulation of Findings and Recommendations submitted in this proceeding is hereby approved in its entirety. It is, further,

ORDERED, That the Certificate of Environmental Compatibility and Public Need for the Woodsdale Generating Station is hereby amended to include certification of the reverse osmosis water treatment plant and discharge pipeline as set forth in the amendment application, and the supplements thereto. It is, further,


ORDERED, That all conditions of the original certificate for the Woodsdale Generating Station remain in effect and shall apply to the subject facility, except that condition 7 contained on page 11 of the certificate is deleted. It is, further,

ORDERED, That the certificate is hereby amended to contain the conditions set forth in Section III of the Opinion, and that those conditions shall be read in conjunction with and shall be deemed to supersede the conditions in the original certificate only where any new conditions directly conflict with conditions contained in the original certificate. It is, further,

ORDERED, That the Board, by accepting this stipulation, does not waive any rights of enforcement of any environmental or wild-life protection laws or regulations by any department or agency of the state of Ohio, or the state of Ohio itself. It is, further,

ORDERED, That a copy of this Order on Certificate Amendment be served upon each party of record in this case.

THE OHIO POWER SITING BOARD

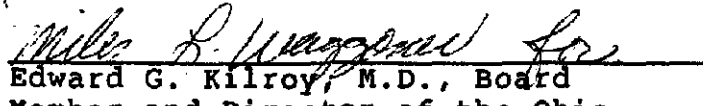


Craig A. Glazer, Chairman
Public Utilities Commission of Ohio

Donald E. Jakeway, Board Member and
Director of the Ohio Department
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Frances S. Buchholzer, Board Member and
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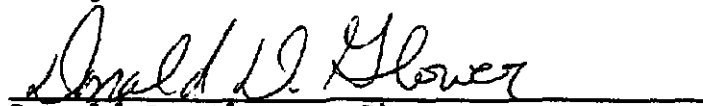


Edward G. Kilroy, M.D., Board
Member and Director of the Ohio
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Fred L. Bailey, Board Member and
Director of the Ohio Department
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Donald D. Glower, Ph.D.,
Board Member and Public Member

RRG/pdc

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Gary E. Agorito
Secretary