



Mr. James L. Connaughton  
Chair, Council on Environmental Quality  
Executive Office of the President  
17<sup>th</sup> and G Street, NW  
Washington, DC 20503

September 24, 2001

Re: American Electric Power  
765 kV Transmission Reinforcement Project Permitting History  
SUBMITTED UNDER A CLAIM OF BUSINESS CONFIDENTIALITY

Dear Mr. ~~Connaughton~~<sup>J.M.</sup>:

In response to your recent request, American Electric Power ("AEP") is pleased to provide the enclosed information regarding the permitting history of its proposed 765 kV transmission reinforcement project. The proposed transmission reinforcement is needed in order for AEP to continue to supply reliable electric service within its southern West Virginia and southwestern Virginia service areas. The last major reinforcement of AEP's transmission system in this area was completed in 1973. Since that time, electricity demand in the area has increased more than 140 percent.

By way of background, AEP provides electric service to over 4.7 million residential, commercial, and industrial customers within a 197,000-square mile service territory.<sup>1</sup> AEP's service territory comprises areas within the States of Arkansas, Indiana, Kentucky, Louisiana, Michigan, Ohio, Oklahoma, Tennessee, Texas, Virginia, and West Virginia. AEP's U.S. customers are served by one of the world's largest transmission and distribution systems. Systemwide, there are more than 38,000 circuit miles of transmission lines and more than 186,000 miles

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<sup>1/</sup> AEP provides this service through its eleven operating companies -- Appalachian Power Company, Central Power and Light Company, Columbus Southern Power Company, Indiana Michigan Power Company, Kentucky Power Company, Kingsport Power Company, Ohio Power Company, Public Service Company of Oklahoma, Southwestern Electric Power Company, West Texas Utilities Company, and Wheeling Power Company.

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of distribution lines. These systems link our customers to AEP's 89 owned or co-owned generating facilities, with a combined generating capacity of almost 40,000 megawatts. AEP is responsible for constructing, operating, and maintaining electric power generation, transmission, and distribution facilities in order to provide reliable electric service throughout its service territory.

In response to your request, I have enclosed an Executive Summary of the permitting history of AEP's 765 kV transmission reinforcement project, which provides a brief description of the project and outlines the major milestones of the federal and state permitting processes to date. A more detailed description of the project and permitting chronology is also provided for your reference. In addition, I have provided information concerning the costs AEP has expended to date in its efforts to obtain the permits and authorizations necessary to construct the project. Please note that the enclosures contain confidential business information, which is exempt from disclosure under the Freedom of Information Act. 5 U.S.C. §552(b); 40 C.F.R. §1515.10(b).

Please do not hesitate to contact me if you have any questions or require additional information.

Sincerely,



Dale E. Heydlauff

Enclosures (2)

September 21, 2001

**AMERICAN ELECTRIC POWER  
765 kV TRANSMISSION REINFORCEMENT PROJECT PERMITTING HISTORY  
EXECUTIVE SUMMARY**

Since 1991, Appalachian Power Company, d/b/a American Electric Power ("AEP"), has sought to obtain the necessary state and federal authorizations to construct a 765,000 volt transmission line from southern West Virginia to southwest Virginia. The proposed transmission reinforcement is needed in order for AEP to continue to supply reliable electric service within these areas. The last major reinforcement of AEP's transmission system in this area was completed in 1973. Since that time, electricity demand in the area has increased by more than 140 percent.

As originally proposed in 1991, the project was to connect AEP's Wyoming Station, near Oceana, West Virginia, to its Cloverdale Station, near Roanoke, Virginia. Subsequent actions, most notably the 1992 Congressional designation of the New River in the area of the proposed crossing for study under the National Wild and Scenic Rivers Act, required AEP to consider other alternatives for reinforcing its transmission system. The current transmission reinforcement project would connect AEP's Wyoming Station with its Jacksons Ferry Station in Wythe County, Virginia, over a distance of 89.8 miles.

In order to construct the proposed transmission line, AEP is required to obtain certificates of public convenience and necessity ("CPCN"), which confirm the need for the line and authorize a construction route, from the Virginia State Corporation Commission ("SCC") and from the West Virginia Public Service Commission ("PSC"). On the federal level, AEP must obtain a Special Use Permit from the United States Forest Service ("USFS") to cross approximately 10.5 miles of the Jefferson National Forest, including the Appalachian Trail. AEP must also obtain a permit from the United States Army Corps of Engineers ("ACOE") under Section 10 of the Rivers and Harbors Act to cross the New River. AEP is currently working cooperatively with the USFS as lead agency to prepare an Environmental Impact Statement ("EIS") under the National Environmental Policy Act ("NEPA"), which is a prerequisite to issuance of the federal permits. AEP is also working with the United States Fish and Wildlife Service ("USFWS") and the other agencies to assure compliance with the consultation requirements of Section 7 of the Endangered Species Act ("ESA"). It is possible that AEP may in addition need to obtain from the USFWS an incidental take permit pursuant to Section 10 of the ESA. Finally, AEP has consulted in the past, and expects shortly to renew discussions with, the Advisory Council on Historic Preservation to assure compliance with the requirements of Section 106 of the National Historic Preservation Act ("NHPA") with respect to historic properties.

To date, AEP has spent over \$38 million in its efforts to obtain the federal and state authorizations needed to construct the proposed 765 kV transmission reinforcement project.

A chronology of the major milestones in the permitting process, from March 1990 to the present, is provided below.

- **March 23, 1990**  
AEP announces its intention to construct the Wyoming-Cloverdale 765 kV project, and commences a study of possible routing alternatives. The scheduled in-service date for the transmission upgrade is May 1998.
- **March 5, 1991**  
AEP files an application with the USFS for a Special Use Permit to cross the Jefferson National Forest. The USFS assumes the role of lead agency under NEPA to study the environmental impacts of the proposed project in an EIS.
- **August 15, 1991**  
AEP files an application for a CPCN with the Virginia SCC.
- **November 13, 1991**  
USFS publishes a Notice of Intent to prepare an EIS in the *Federal Register*.
- **June 22, 1992**  
AEP files an application for a CPCN with the West Virginia PSC.
- **August 21, 1992**  
At the request of the West Virginia PSC, AEP withdraws its application so that the PSC will have more time for evaluation and will be able to consider the federal EIS.
- **October 26, 1992**  
Public Law 102-525 designates 19.2 miles of the New River, including the area of the proposed crossing, for study under the Wild and Scenic Rivers Act, 16 U.S.C. §1276(a).
- **February 11, 1993**  
AEP re-files its application for a CPCN with the West Virginia PSC along a route that would avoid the New River Wild and Scenic study area.
- **May 10, 1993**  
West Virginia PSC dismisses AEP's re-filed application, stating that it will await the completion of the Draft EIS before considering the project.
- **July 1994**  
National Park Service ("NPS") determines that the New River study area is eligible for classification as a scenic river in the National Wild and Scenic Rivers System.

- **October 6, 1994**  
AEP meets with the Advisory Council on Historic Preservation, USFS, NPS, and ACOE to discuss compliance with the NHPA. The federal agencies fail to agree on how to apply the NHPA to a linear project traversing a number of state and federal jurisdictions.
- **December 13, 1995**  
Virginia SCC issues an Interim Order citing a compelling need for additional electric transmission capacity, but directs AEP to file additional information on alternative routes, including routes that would avoid Sinking Creek Valley in Virginia, and regional transmission improvements.
- **May 8, 1996**  
NPS recommends denial of any proposed power line crossing the New River in the area found eligible for classification as a scenic river in the Wild and Scenic Rivers System.
- **June 18, 1996**  
USFS releases the Draft EIS, which includes a preliminary preferred alternative of "No Build." If adopted as final, this would mean the USFS would not authorize a crossing of the Jefferson National Forest for the proposed Wyoming-Cloverdale transmission line.
- **September 30, 1997**  
AEP files new applications with the West Virginia PSC and Virginia SCC to construct the Wyoming-Cloverdale line along a modified route that would avoid the New River study area and Sinking Creek Valley, and reduce impacts on the Jefferson National Forest. Projected in-service for the transmission upgrade is revised to December 2002.
- **May 27, 1998**  
The West Virginia PSC approves construction of the 765 kV Wyoming-Cloverdale line along the preferred corridor in West Virginia.
- **September 22, 1998**  
Virginia SCC directs AEP to conduct detailed need and environmental studies of an alternative route that would terminate at or east of AEP's Jacksons Ferry Station in Wythe County, Virginia.
- **January 1999**  
In light of the continuing delays in approval of the 765 kV transmission reinforcement project, AEP installs automated equipment to facilitate controlled rotating blackouts of customer load in its southwest Virginia and southern West Virginia service areas, referred to as Special Transmission Emergency Procedures ("STEP").

- **May 7, 1999**  
AEP files report on Wyoming-Jacksons Ferry alternative route, projecting further delay in the earliest possible in-service date to December 2003.
- **October 2, 2000**  
The SCC Hearing Examiner's Report is issued, recommending approval of Wyoming-Jacksons Ferry alternative route.
- **October 27, 2000**  
AEP requests that the West Virginia PSC amend its Order to reflect the possibility of a new route in Virginia terminating at Jacksons Ferry. Projected in-service date for the transmission upgrade is revised to June 2004.
- **April 19, 2001**  
AEP, USFS, and the U.S. Fish and Wildlife Service hold a meeting to discuss compliance with the Endangered Species Act ("ESA"). The federal agencies do not agree on how to apply the ESA to a linear project traversing a number of state and federal jurisdictions.
- **May 31, 2001**  
Virginia SCC issues final Order approving construction of the 765 kV Wyoming-Jacksons Ferry line. The Order includes detailed conditions requiring ongoing review and approval by state and federal agencies during the process of designing and constructing the power line.
- **August 6, 2001**  
AEP files with the USFS a supplemental application for a Special Use Permit to construct its proposed 765 kV Wyoming-Jacksons Ferry transmission line across federal lands. USFS publishes a revised Notice of Intent to prepare a Supplemental Draft EIS in the *Federal Register*.

With respect to remaining permitting actions, AEP is actively pursuing a modification of its West Virginia CPCN to reflect the Jacksons Ferry terminus in Virginia. AEP is also working with the appropriate governmental agencies in Virginia to develop a final design for the line and its right of way. AEP will continue to work with the appropriate federal agencies to conduct the necessary studies and assure compliance with NEPA, the ESA, and the NHPA. The current schedule for federal permitting activities assumes issuance of the Supplemental Draft EIS in April 2002, and issuance of a Final EIS in December 2002. The necessary analyses and studies under the ESA and the NHPA will be timed to coincide with the issuance of the Supplemental Draft EIS and the Final EIS. Final decisions on the necessary federal permits are scheduled to be made by April 15, 2003. Under this current schedule, if the necessary permits are granted, project construction would begin in the summer of 2003, and the earliest in-service date would be the summer of June 2006. To date, AEP has spent a total of \$38,336,724 on costs relating to permitting of the proposed transmission

*September 21, 2001*

line.

**AMERICAN ELECTRIC POWER COMPANY, INC  
765 kV TRANSMISSION REINFORCEMENT PROJECT PERMITTING HISTORY**

Since 1991, Appalachian Power Company, d/b/a American Electric Power ("AEP"), has sought to obtain the necessary state and federal permits and authorizations to construct a 765,000 volt transmission line from southern West Virginia to southwest Virginia. The proposed transmission reinforcement is needed in order for AEP to continue to supply reliable electric service within these AEP service areas. The last major reinforcement of AEP's transmission system in this area was completed in 1973. Since that time, electricity demand in the area has increased more than 140 percent.

As originally proposed in 1991, the project was to connect AEP's Wyoming Station, near Oceana, West Virginia, to its Cloverdale Station, near Roanoke, Virginia. The original route traversed a number of areas under federal jurisdiction, including the Jefferson National Forest, the Appalachian National Scenic Trail, and the New River. In 1992, Public Law 102-525 designated 19.2 miles of the New River, including the area of the proposed crossing, for study under the Wild and Scenic Rivers Act, 16 U.S.C. §1276(a). In 1994, a study by the National Park Service ("NPS") determined that the area of the New River designated for study was eligible for classification as a scenic river in the National Wild and Scenic Rivers System. By 1996, the National Park Service concluded that it would recommend denial of the necessary permits for any proposed transmission line crossing this area of the New River as being inconsistent with the purposes of the Wild and Scenic Rivers Act, notwithstanding the fact that the proposed crossing location is already the site of an existing 345 kV power line crossing.

As a result of this and other developments at the state level, AEP withdrew its applications for approval of the original route and considered other alternatives for reinforcing its transmission system in the project area. After a number of additional studies, the Virginia State Corporation Commission ("SCC") determined that the best remaining option for reinforcing the transmission system would be to connect AEP's Wyoming Station with its Jacksons Ferry Station in Wythe County, Virginia, over a distance of 89.8 miles. The current proposed Wyoming-Jacksons Ferry route has fewer adverse environmental impacts than earlier project routes, particularly with respect to the Jefferson National Forest and the Appalachian Trail, and avoids crossing the section of the New River deemed eligible for inclusion in the National Wild and Scenic Rivers System.

A summary of AEP's federal and state permitting obligations is provided below. The relevant permitting agencies and necessary authorizations discussed below include all those identified to date, but it is possible that continuing reviews under the National Environmental Policy Act ("NEPA") and the Endangered Species Act ("ESA") could result in other permitting obligations.

*Federal Permits/Authorizations*

AEP must obtain a Special Use Permit from the United States Forest Service ("USFS") to cross approximately 10.5 miles of the Jefferson National Forest, including the Appalachian National

Scenic Trail. If the proposed transmission line crosses the Appalachian Trail outside of national forest land, AEP would have to obtain a separate right-of-way from the NPS. AEP must also obtain a permit from the United States Army Corps of Engineers ("ACOE") under Section 10 of the Rivers and Harbors Act to cross the New River. In addition, AEP must obtain a Consent to Easement in order to traverse a flow easement held by the ACOE as part of the R.D. Bailey Flood Control Project in the area of the Guyandotte River in West Virginia.

AEP is currently working cooperatively with the USFS as lead agency to prepare an Environmental Impact Statement ("EIS") under NEPA, which is a prerequisite to issuance of the federal permits. AEP is also working with the United States Fish and Wildlife Service ("USFWS") and other agencies to assure compliance with the consultation requirements of Section 7 of the Endangered Species Act ("ESA") applicable to areas under federal jurisdiction. AEP may also need to obtain from the USFWS an incidental take permit pursuant to Section 10 of the ESA for areas outside of federal lands, but this issue is dependent on the outcome of ongoing studies. Finally, AEP has consulted in the past, and expects shortly to renew discussions with, the Advisory Council on Historic Preservation to assure compliance with Section 106 of the National Historic Preservation Act ("NHPA"), which requires federal agencies to consider the effects of their undertakings on properties listed or eligible for listing in the National Register of Historic Places.

#### *Virginia Permits/Approvals*

The Virginia SCC issued an Order on May 31, 2001, granting AEP a Certificate of Public Convenience and Necessity ("CPCN"), which included a determination of need, approved a route across non-federal lands in Virginia, and granted AEP authority to construct the Virginia portion of the transmission line. The Order included detailed requirements for mitigation of the impact of the line on the environment, and requires AEP to obtain the approval of the SCC's Division of Energy Regulation for the placement of each tower. The Order further requires AEP to consult with the Virginia Department of Game and Inland Fisheries, which has jurisdiction over threatened and endangered animal species in Virginia. AEP must also consult with the Virginia Department of Agriculture and Consumer Services, which is responsible for threatened and endangered plants and insects in Virginia. Also pursuant to the SCC Order, AEP must consult with the Virginia Department of Conservation and Recreation and its Division of Natural Heritage regarding natural heritage resources, including threatened and endangered species and species of concern; areas of karst terrain, including caves; and all affected bat species, regardless of whether such species are threatened, endangered, natural heritage resources, or species of concern. Additionally, AEP must consult with the Virginia Cave Board, the Virginia Speleological Society, and other interested private groups to identify karst features in Virginia.

#### *West Virginia Permits/Approvals*

On May 27, 1998, the West Virginia PSC determined there was a need for the transmission

reinforcement project, and granted AEP permission to construct the West Virginia portion of the Wyoming-Cloverdale 765 kV transmission line. Under the West Virginia PSC Order, AEP is required to conduct surveys for cultural resources, wetlands, and other biological resources, and place the line and access roads so as to minimize impacts to these resources. AEP must also consult with and obtain approval from the West Virginia PSC and the West Virginia Division of Natural Resources regarding these resources, which would include all threatened and endangered species in West Virginia. As a result of the change in the Virginia terminus of the proposed line, AEP has submitted to the PSC an application for a minor amendment to the West Virginia Order to reflect the preferred route to Jacksons Ferry. The route in West Virginia for the Jacksons Ferry terminus is for the most part unchanged.

#### *Permitting Costs*

To date, AEP has spent over \$38 million in its efforts to obtain the federal and state authorizations needed to construct the proposed 765 kV transmission reinforcement project.

#### *Permitting Chronology*

A chronology of the federal and state permitting processes, from March 1990 to the present, is provided below.

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|----------------|--|
| March 23, 1990 | Following a year-long study of the adequacy of AEP's existing transmission capability serving customers in its southern West Virginia and southwest Virginia service territories, AEP announces a \$245 million transmission reinforcement program consisting of a 116-mile overhead 765 kV transmission line from AEP's Wyoming Station near Oceana, West Virginia to its Cloverdale Station near Roanoke, Virginia. The in-service date for the proposed transmission line is scheduled for May of 1998. |
| August 1990    | The Universities Study Team ("UST"), composed of experts from Virginia Tech and West Virginia University, is formed to identify the best route for the proposed transmission line.   |
| December 1990  | AEP has spent a total of \$201,686 on costs relating to permitting of the proposed transmission line.  |
| March 5, 1991  | A Special Use Permit Application is submitted to the USFS, seeking permission to cross the Jefferson National Forest, including the Appalachian Trail. The ACOE requests that AEP defer submitting a permit application under Section 10 of the Rivers and Harbors Act to  |

cross the New River until completion of the Draft EIS.

- May - June 1991      The UST holds six Public Information Workshops to present preliminary corridors for the proposed transmission line to the public.
- July 13, 1991      AEP, USFS, and NPS execute a Memorandum of Understanding and a Collection Agreement, which provide 1) AEP will pay the costs for a Third-Party Contractor to prepare the EIS; 2) the USFS will act as lead agency and direct the Third-Party Contractor; 3) AEP will reimburse the USFS for personnel costs relating to the project; 4) the Draft EIS will be issued by July, 1992; and 5) the Final EIS will be issued by December, 1992.
- August 15, 1991      AEP files an application with the Virginia SCC for a CPCN. The application projects a May 1998 in-service date.
- November 13, 1991      USFS publishes a Notice of Intent in the *Federal Register*. 56 *Fed. Reg.* 58,677 (Nov. 13, 1991). The scheduled date for publication of the Draft EIS is February 1993.
- November 22, 1991      USFS issues Request for Proposals for preparation of the EIS to potential contractors.
- December 1991      AEP has spent a total of \$1,968,573 on costs relating to permitting of the proposed transmission line.
- February 21, 1992      The USFS announces it will extend the public comment and scoping period for the proposed project. A new deadline for issuance of the EIS is not announced.
- March 20, 1992      The USFS selects Woodward Clyde Consultants ("WCC") as the Third-Party contractor to complete the EIS. The cost to complete the Draft EIS is estimated by WCC to be \$689,865.
- April 22, 1992      Congressman Nick Rahall (D-WV) announces his opposition to the power line and his intention to seek protection for 17 miles of the New River, including the area of AEP's proposed crossing, under the Wild and Scenic Rivers Act.
- June 22, 1992      AEP files an application with the West Virginia PSC for a CPCN for the construction and location of the 765 kV transmission line in West

Virginia.

- July 7, 1992                    The Virginia SCC begins a four-day hearing on the power line in Richmond, Virginia to accept testimony and exhibits from AEP, Protestants, and the SCC Staff.
- August 21, 1992                At the request of the West Virginia PSC, AEP withdraws its application so that the PSC will have more time for evaluation and will be able to consider the federal EIS.
- October 26, 1992                Public Law 102-525 designates 19.2 miles of the New River, including the area of the proposed crossing, for study under the Wild and Scenic Rivers Act, 16 U.S.C. §1276(a).
- December 1992                    AEP has spent a total of \$4,042,602 on costs relating to permitting of the proposed transmission line.
- February 11, 1993                AEP re-files its application for a CPCN with the West Virginia PSC along a route that would avoid the New River study area.
- May 10, 1993                    West Virginia PSC dismisses re-filed application, stating that it will await the completion of the Draft EIS before considering the project.
- September 14, 1993                Virginia SCC holds a supplemental evidentiary hearing to accept additional evidence on electric and magnetic fields ("EMF"), karst topography, and potential relocation of the Appalachian Trail crossing.
- December 2, 1993                Virginia SCC Hearing Examiner recommends approval of Wyoming-Cloverdale transmission line.
- December 1993                    AEP has spent a total of \$7,421,142 on costs relating to permitting of the proposed transmission line.
- June 21, 1994                    The USFS announces that the Draft EIS will be delayed until February 28, 1995, and the Final EIS delayed until August 1995. Public workshops will be held in July 1994 for the presentation of alternative corridors.
- July 1994                        National Park Service ("NPS") determines that the New River study area is eligible for classification as a scenic river in the National

Wild and Scenic Rivers System.

- August 19, 1994      Forty-six landowners file a lawsuit in U. S. District Court in Roanoke against the USFS, seeking to reopen the public comment and scoping period on the alternative routes for the proposed 765 kV power line.
- October 6, 1994      AEP meets with the Advisory Council on Historic Preservation, USFS, NPS, and ACOE to discuss compliance with the NHPA. The federal agencies fail to agree on how to apply the NHPA to a linear project traversing a number of state and federal jurisdictions
- November 17, 1994      The USFS announces that the Draft EIS will be delayed again. The Draft EIS had previously been scheduled for release on February 28, 1995. No new date is announced.
- December 1994      AEP has spent a total of \$9,292,851 on costs relating to permitting of the proposed transmission line.
- January 18, 1995      U.S. District Court grants the USFS's motion to dismiss the opponents' lawsuit filed August 19, 1994.
- February 8, 1995      The USFS announces that the new anticipated completion date for the Draft EIS is now October 20, 1995. Additional public input is requested by March 20, 1995.
- May 25, 1995      The USFS announces an extension of the public input period on recent corridor modifications by the federal agencies developing the Draft EIS. Comments received by June 30 will be incorporated into the Draft EIS analysis.
- September 15, 1995      The USFS announces that it needs another seven months to complete its environmental study of the Wyoming-Cloverdale 765 kV transmission line. The agency announces that the Draft EIS can be expected in mid-April 1996, instead of October 20, 1995.
- December 13, 1995      The Virginia SCC issues an Interim Order citing a compelling need for additional electric transmission capacity, but directs AEP to file additional information on alternative routes, including routes that would avoid Sinking Creek Valley in Virginia, and regional transmission improvements.

- December 1995 AEP has spent a total of \$12,414,740 on costs relating to permitting of the proposed transmission line.
- January 19, 1996 The USFS announces that it will not meet a mid-April goal for completing the DEIS. No new date is set.
- March 1996 AEP files with the Virginia SCC a study of alternative routes that will reduce the transmission line's impact on the Sinking Creek Valley and on Carvin Cove Reservoir, per the December 1995 SCC Order.
- April 1996 AEP files with the Virginia SCC its report on how the proposed line will interact with the East Coast power grid and how the line will be used, per the December 1995 SCC Order.
- May 8, 1996 NPS recommends denial of any proposed power line crossing the New River in the area found eligible for classification as a scenic river in the Wild and Scenic Rivers System.
- June 18, 1996 USFS releases the Draft EIS, which includes a preliminary preferred alternative of "No Build." If adopted as final, this would mean the USFS would not authorize a crossing of the Jefferson National Forest for the proposed Wyoming-Cloverdale transmission line. The total costs paid to WCC and the USFS for preparing the Draft EIS exceed \$5 million, compared to an original estimate of \$689,865.
- August 2, 1996 U.S. Department of Energy ("DOE") sends report to President Clinton concerning a power outage on July 2 and 3 that disrupted electric service to two million customers in 14 Western states. A transmission line sagging into a tree triggered the outage. The report includes warnings that delays in AEP's proposed transmission reinforcement could lead to something similar in the East -- "a cascading failure of the transmission network" and "a major blackout" in the Mid-Atlantic region from West Virginia to the East Coast.
- August 10, 1996 A second major power outage occurs in the Western United States due to problems in the electric transmission system.
- December 1996 AEP has spent a total of \$17,005,269 on costs relating to permitting of the proposed transmission line.

- March, 1997 Responding to a request from the U.S. Department of Energy (DOE), three reliability councils (ECAR, SERC and MAAC), in cooperation with NERC, file a report with DOE addressing the impact on reliability of the delayed completion of AEP's power line. The report confirms the existence of a serious power supply reliability risk and that AEP's proposed reinforcement is an effective means of mitigating that reliability risk.
- September 30, 1997 AEP files new applications with the West Virginia PSC and Virginia SCC to construct the Wyoming-Cloverdale line along a modified route that would avoid the New River study area and Sinking Creek Valley, and reduce impacts on the Jefferson National Forest. Applications revise the projected earliest in-service date from May 1998 to December 2002.
- November 7, 1997 The Virginia SCC issues an Order scheduling local hearings for March and April, 1998, with the formal evidentiary hearing in Richmond to begin July 14, 1998.
- December 1997 AEP has spent a total of \$21,743,062 on costs relating to permitting of the proposed transmission line.
- May 27, 1998 The West Virginia PSC approves construction of the 765 kV Wyoming-Cloverdale line along the preferred corridor in West Virginia.
- June 9, 1998 The Virginia SCC Hearing Examiner suspends the procedural schedule while AEP undertakes a preliminary study of a Wyoming-Jacksons Ferry alternative route.
- September 15, 1998 SCC Staff files a motion requesting a formal study by AEP of the Wyoming-Jacksons Ferry alternative route.
- September 22, 1998 Virginia SCC directs AEP to conduct detailed need and environmental studies of an alternative route that would terminate at or east of AEP's Jacksons Ferry Station in Wythe County, Virginia.
- December 1998 AEP has spent a total of \$26,368,981 on costs relating to permitting of the proposed transmission line.
- January 1999 In light of the continuing delays in approval of the 765 kV

*September 21, 2001*

transmission reinforcement project, AEP installs automated equipment to facilitate controlled rotating blackouts of customer load in Southwest Virginia and Southern West Virginia service areas, referred to as Special Transmission Emergency Procedures ("STEP").

- May 7, 1999 AEP files report on Wyoming-Jacksons Ferry alternative route, projecting further delay in the earliest possible in-service date to December 2003.
- June 1, 1999 The SCC Hearing Examiner directs that notice of the Wyoming-Jacksons Ferry alternative route be published and establishes further procedural schedule culminating in an evidentiary hearing in Richmond, Virginia, slated to begin November 29, 1999.
- September 29, 1999 Protestants file motion for an eight month continuance of the procedural schedule, alleging that they have had inadequate time to prepare.
- October 29, 1999 The SCC Hearing Examiner issues a ruling granting five month continuance, with the evidentiary hearing in Richmond, Virginia, scheduled to begin on May 1, 2000.
- December 1999 AEP has spent a total of \$31,128,617 on costs relating to permitting of the proposed transmission line.
- May 1-May 10, 2000 Evidentiary hearing before SCC Hearing Examiner in Richmond, Virginia.
- October 2, 2000 The SCC Hearing Examiner's Report is issued, recommending approval of Wyoming-Jacksons Ferry alternative route.
- October 27, 2000 AEP requests that West Virginia PSC amend its Order granting approval of Wyoming-Cloverdale 765 kV line to reflect the new preferred route to the Jacksons Ferry terminus in Virginia.
- December 2000 AEP has spent a total of \$35,802,095 on costs relating to permitting of the proposed transmission line.
- April 19, 2001 AEP, USFS, and the U.S. Fish and Wildlife Service hold a meeting to discuss compliance with the Endangered Species Act ("ESA"). The federal agencies do not agree on how to apply the ESA to a linear

project traversing a number of state and federal jurisdictions

- May 31, 2001 Virginia SCC issues Order approving construction of 765 kV Wyoming-Jacksons Ferry line. The Order includes detailed conditions requiring ongoing review and approval by state and federal agencies during the process of designing and constructing the power line.
- August 6, 2001 AEP files with the USFS a supplemental application for a Special Use Permit to construct its proposed 765 kV Wyoming-Jacksons Ferry transmission line across federal lands. USFS publishes a revised Notice of Intent to prepare a Supplemental Draft EIS in the *Federal Register*. 66 *Fed. Reg.* 40,967 (Aug. 6, 2001).
- August 31, 2001 AEP files supplemental testimony with the West Virginia PSC, revising its estimated earliest in-service date to June 2006.
- September 14, 2001 West Virginia PSC staff consultant files a report recommending approval of AEP's project as modified in its October 27, 2000, filing. A hearing date has not yet been established by the PSC.

With respect to remaining permitting actions, AEP is actively pursuing a modification of its West Virginia CPCN to reflect the Jacksons Ferry terminus in Virginia. AEP is also working with the appropriate governmental agencies in Virginia to develop a final design for the line and its right of way. AEP will continue to work with the appropriate federal agencies to conduct the necessary studies and assure compliance with NEPA, the ESA, and the NHPA. The current schedule for federal permitting activities assumes issuance of the Supplemental Draft EIS in April 2002, and issuance of a Final EIS in December 2002. The necessary analyses and studies under the ESA and the NHPA will be timed to coincide with the issuance of the Supplemental Draft EIS and the Final EIS. Final decisions on the necessary federal permits are scheduled to be made by April 15, 2003. Under this current schedule, if the necessary permits are granted, project construction would begin in the summer of 2003, and the earliest in-service date would be the summer of June 2006. To date, AEP has spent a total of \$38,336,724 on costs relating to permitting of the proposed transmission line.