

**STATE OF NEBRASKA
NEBRASKA POWER REVIEW BOARD**

IN THE MATTER OF THE APPLICATION OF)	PRB-3547
THE NEBRASKA PUBLIC POWER DISTRICT,)	
HEADQUARTERED IN COLUMBUS, NEBRASKA,)	
REQUESTING AUTHORIZATION TO)	
CONSTRUCT APPROXIMATELY EIGHTY MILES)	ORDER
OF 345 KILOVOLT TRANSMISSION LINE, AND)	
RELATED FACILITIES, FROM NEAR)	
COLUMBUS, NEBRASKA TO NEAR LINCOLN,)	
NEBRASKA.)	

ON THE 28th day of September, 2007, the above-captioned matter came on for consideration before the Nebraska Power Review Board (the Board). The Board, being fully advised in the premises, and upon reviewing said application and all evidence presented to the Board at said hearing, HEREBY FINDS AS FOLLOWS (references to testimony are designated by a "T" followed by the transcript page, then the lines upon which the testimony appears, while references to exhibits are designated by "Exh."):

FINDINGS OF FACT

1. That on the 10th day of September, 2007, the Nebraska Public Power District (NPPD) filed an application with the Board requesting authorization to construct approximately eighty (80) miles of 345 kilovolt transmission line in Platte, Colfax, Butler, Seward and Lancaster Counties, Nebraska. (Exh. 1). The application was designated "PRB-3547".

2. The estimated total cost of the project is \$136,633,000. (Exh. 1, page 3).

NPPD estimates construction of the transmission line would be completed in June 2009. (Exh. 1, page 3).

3. That those power suppliers, other than the applicant, that the Board deemed to be potentially affected by or interested in said application were the Butler County Rural Public Power District, the Cornhusker Public Power District, the Lincoln Electric System for the City of Lincoln, Nebraska, the Loup River Public Power District, the Municipal Energy Agency of Nebraska, the Norris Public Power District, the Omaha Public Power District and the Seward County Rural Public Power District. Written notice of the filing of the application and the hearing date was provided to these potentially interested parties and NPPD via certified U.S. mail. (Exh. 2).

4. Notice of the filing of the application and the hearing date was provided to the general public by publication in the Lincoln Journal Star newspaper on Friday, September 14 and Sunday, September 16, 2007 (Exh. 3), and in the Columbus Telegram newspaper on Friday, September 14, 2007 (Exh. 4). Both publications are legal daily newspapers serving all or part of the area where the proposed transmission line will be located.

5. That no Petitions to Intervene, written Protests, or Complaints were filed with the Power Review Board concerning this application.

6. That on September 28, 2007, the Board commenced the formal hearing on PRB-3547.

7. That Consent and Waiver forms were offered and accepted into evidence at the hearing before the Board, as provided by law and the Board's Rules of Practice and Procedure, whereby the Butler County Rural Public Power District, the Cornhusker Public Power District, the Lincoln Electric System, the Loup River Public Power District, the Norris Public Power District, and the Seward County Rural Public Power District consented to the approval of PRB-3547 and waived a hearing and any and all notice in the matter. (Exhs. 5, 6, 7, 8, 9, and 10, respectively).

8. That NPPD has experienced substantial load growth in recent years. Although growth has occurred in all customer sectors, major contributors to the increase in demand for electricity have been irrigation well motors and new ethanol plants. (T12:11 to T13:1). The peak demand on NPPD's system has risen sharply, particularly since 2005. (T11:23 to 12:10; Exh. 11, pages 5 and 10). Future demand is expected to continue to grow at a significant rate due to additional ethanol plants and upgrades to existing plants, additional irrigation, as well as crude oil and natural gas pipeline pumping stations, all located inside the area NPPD serves at either wholesale or retail. (T12:11 to 14:15; T15:11-17; T24:17 to 25:2; Exh. 11, pages 7-9 and 11, 12, and 14-16).

9. Some of NPPD's transmission system operates at or near capacity during peak use periods. The proposed line in PRB-3547 will help to alleviate the strain on NPPD's transmission system. (T27:4-11).

10. In 2006 NPPD performed a study of its transmission system and conducted tests and modeling experiments to determine what areas served by NPPD needed additional transmission assets to handle NPPD's projected increasing loads. (T35:6 to

36:22; Exh. 11, page 18). The models indicated that transmission assets were needed to maintain system reliability, prevent damage to NPPD's equipment, and to avoid brownouts and ultimately blackouts in certain areas. (T35:20 to 36:25). Actual events in 2006 confirmed much of what the transmission models indicated regarding areas where the transmission system is strained. (T37:6 – 13, Exh. 11, page 20).

11. That NPPD considered numerous options regarding where to locate additional transmission assets to alleviate the congestion and strain on its transmission system north of the City of Columbus. Modeling indicated a new 345 kV transmission line located anywhere in the corridor proposed in PRB-3547 with terminal points at the Columbus East Substation and the Northwest 68th Substation near the City of Lincoln was the best and most cost-effective method to alleviate the strain on NPPD's transmission system caused by the recent and projected load growth. (T38:18 to 39:9; T40:25 to 41:25). In fact, the proposed new line would strengthen the transmission grid in the entire eastern part of Nebraska, due to the interconnected nature of the grid. (T42:4-23). The proposed line would connect the 345 kV transmission loop surrounding the City of Lincoln with NPPD's 345 kV transmission system near the City of Columbus. (T38:5-9; T40:6-12; Exh. 11, page 21).

12. NPPD has identified a corridor within which the proposed transmission line would be located, and has identified a preferred route and two alternate routes within that corridor. (Exh. 1, page 4). However, which of the alternative routes may ultimately be chosen, or if any deviation or additional route through the proposed corridor may be considered, has not yet been finally determined by NPPD.

13. There are currently no 230 kV or 345 kV transmission lines anywhere in the corridor area where NPPD plans to locate the 345 kV transmission line proposed in PRB-3547. (T37:18 to 38:4; Exh. 11, page 21). There are 115 kV transmission lines located inside the corridor, but those lines are neither capable of moving, nor designed to move, the bulk quantities of power that a 345 kV line will carry. (T43:1-17). A 115 kV line can carry only approximately one-tenth as much power as a 345 kV line. (T43:23-25). The existing 115 kV lines inside the corridor are intended to distribute power to substations for use by towns or rural public power districts, not to move bulk amounts of power. (T43:5-17). In order to strengthen the reliability of NPPD's grid system in eastern Nebraska, it is necessary to move bulk quantities of power.

CONCLUSIONS OF LAW

14. Pursuant to Neb. Rev. Stat. §§ 70-1012, 70-1013, and 70-1014, the Board has jurisdiction to conduct a hearing and either approve or deny an application for authority to construct a transmission facility located in the State of Nebraska, but outside a power supplier's service area. Such approval is required prior to commencement of construction of facilities such as those described in application PRB-3547.

15. The Board concludes that the evidence shows the proposed transmission line will serve the public convenience and necessity.

16. The Board concludes that the evidence demonstrates that NPPD can most economically and feasibly supply the electric service resulting from the proposed transmission line.

17. The Board concludes that the evidence demonstrates that the proposed transmission line will not unnecessarily duplicate other facilities or operations.

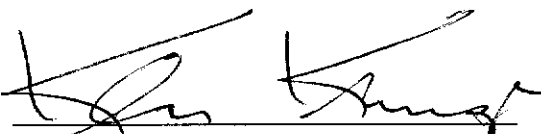
18. That based on the foregoing findings, NPPD is entitled to an Order approving the construction of the transmission line described in application PRB-3547.

ORDER

That during that part of its September 28, 2007, public meeting held subsequent to the hearing on application PRB-3547, a majority of the members of the Power Review Board (4 yes, 0 no) voted in favor of a motion to approve application PRB-3547.

IT IS THEREFORE ORDERED by the Nebraska Power Review Board that, pursuant to the Board's action taken during its public meeting held September 28, 2007, application PRB-3547 for authorization to construct approximately eighty (80) miles of transmission line in Platte, Colfax, Butler, Seward and Lancaster Counties, Nebraska be, and hereby is, APPROVED.

NEBRASKA POWER REVIEW BOARD

BY: 

Ken Kunze
Chairman

DATED: November 6TH, 2007.

CERTIFICATE OF SERVICE

I, Timothy J. Texel, Executive Director and General Counsel for the Nebraska Power Review Board, hereby certify that a copy of the foregoing **ORDER** in PRB-3547 has been served upon the following parties by mailing a copy of the same to the following persons at the addresses listed below, via United States mail, first class postage prepaid, on this 7th day of November, 2007.

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