

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

| | | |
|------------------------------------|---|------------|
| APPLICATION OF EAST KENTUCKY POWER |) | |
| COOPERATIVE, INC. TO TRANSFER |) | CASE NO. |
| FUNCTIONAL CONTROL OF CERTAIN |) | 2012-00169 |
| TRANSMISSION FACILITIES TO PJM |) | |
| INTERCONNECTION, LLC |) | |

COMMISSION STAFF'S SECOND REQUEST FOR INFORMATION TO
EAST KENTUCKY POWER COOPERATIVE, INC.

East Kentucky Power Cooperative, Inc. ("EKPC"), pursuant to 807 KAR 5:001, is to file with the Commission the original and ten copies of the following information, with a copy to all parties of record. The information requested herein is due on or before July 24, 2012. Responses to requests for information shall be appropriately bound, tabbed and indexed. Each response shall include the name of the witness responsible for responding to the questions related to the information provided.

Each response shall be answered under oath or, for representatives of a public or private corporation or a partnership or association or a governmental agency, be accompanied by a signed certification of the preparer or the person supervising the preparation of the response on behalf of the entity that the response is true and accurate to the best of that person's knowledge, information, and belief formed after a reasonable inquiry.

EKPC shall make timely amendment to any prior response if it obtains information which indicates that the response was incorrect when made or, though correct when made, is now incorrect in any material respect. For any request to which EKPC fails or refuses to furnish all or part of the requested information, it shall provide a written explanation of the specific grounds for its failure to completely and precisely respond.

Careful attention shall be given to copied material to ensure that it is legible. When the requested information has been previously provided in this proceeding in the requested format, reference may be made to the specific location of that information in responding to this request.

1. Refer to EKPC's response to Staff's First Request for Information, Item No. 6. As a PJM market participant, EKPC plans to bid all of its generation into the PJM market and purchase all of the energy required to serve its members. Under such a scenario when the PJM energy market is more expensive than EKPC's generation costs, explain how EKPC members will only pay EKPC's generation costs and not the more expensive PJM energy market prices.

2. On January 18, 2008, the Federal Energy Regulatory Commission ("FERC") mandated electric companies to adhere to eight standards proposed by the North American Electric Reliability Corporation ("NERC") related to cyber security. These eight standards were mandated by FERC in Docket No. RM06-22-000, Order No. 706. In Order No. 761, issued on April 19, 2012 in Docket 11 -1 1 -000, FERC approved modified cyber security standards CIP-002-4 through CIP-009-4 as proposed by NERC. On June 18, 2012, the Commission sent a letter

requesting that all jurisdictional utilities respond as to how they were meeting the mandates. Will EKPC's integration into PJM affect how EKPC will meet these mandates? What is PJM's role in meeting these cyber security standards?

3. Refer to EKPC's response to Staff's First Request for Information, Item No. 7a. Explain the current status and the expected completion date of the market integration generation deliverability studies being performed by PJM to determine the extent of any NERC reliability criteria violations.

a. Will EKPC need to await the completion of these studies to know with certainty its cost for transmission upgrades associated with having its generating units participate in the PJM capacity markets? If no, provide the anticipated cost of the needed transmission upgrades.

b. Upon completion, provide copies of the market integration generation deliverability studies being performed by PJM.

4. Refer to EKPC's response to the Kentucky Utilities Company ("KU") and Louisville Gas and Electric Company ("LG&E") Information Request, Item No. 10. Explain the current status and the expected completion date of the PJM integration studies that will consider the effects of EKPC's membership in PJM on the KU and LG&E systems.

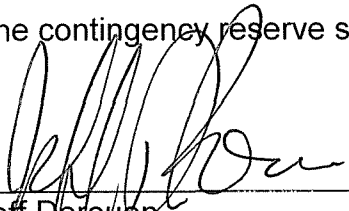
a. Upon completion, provide copies of the integration studies being performed by PJM and referenced in this data response.

b. Explain whether or not these PJM integration studies are the same studies that EKPC has referenced in its response to Staff's First Request for Information, Item 7a.

5. Refer to EKPC's response to the KU's and LG&E's Information Request, Item No. 14.

a. Explain in detail the status of the confidentiality issues referenced in this response, the entities involved, and the anticipated date that the confidentiality issue will be resolved.

b. State the date by which EKPC reasonably expects to be able to obtain verification from PJM as to the impact on the contingency reserve sharing group.



Jeff Derouen
Executive Director
Public Service Commission
P. O. Box 615
Frankfort, KY 40602

DATED JUL 11 2012

cc: Parties of Record

Case No. 2012-00169

Honorable Jason R Bentley
Attorney at Law
McBrayer, McGinnis, Leslie & Kirkland PLLC
305 Ann Street
Suite 308
Frankfort, KENTUCKY 40601

Mark David Goss
Goss Samford, PLLC
112 Windridge Drive
Nicholasville, KENTUCKY 40356

Jennifer B Hans
Assistant Attorney General's Office
1024 Capital Center Drive, Ste 200
Frankfort, KENTUCKY 40601-8204

Honorable Michael L Kurtz
Attorney at Law
Boehm, Kurtz & Lowry
36 East Seventh Street
Suite 1510
Cincinnati, OHIO 45202

Allyson K Sturgeon
Senior Corporate Attorney
LG&E and KU Services Company
220 West Main Street
Louisville, KENTUCKY 40202

Ann F Wood
East Kentucky Power Cooperative, Inc.
4775 Lexington Road
P. O. Box 707
Winchester, KY 40392-0707