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February 6, 2007

Ms. Beth O'Donnell Executive Director Public Service Commission PO Box 615 211 Sower Blvd. Frankfort, KY 40602-0615 RECEIVED
FEB 0 7 2007

PUBLIC SERVICE COMMISSION

Re:

Cumberland Valley Electric, Inc. v. Kentucky Utilities, Inc.

Case No. 2006-00148

Dear Ms. O'Donnell:

Attached are the original and eight copies of the Response of Cumberland Valley Electric, Inc. to Kentucky Utilities Company's Request for Surrebuttal Testimony in the above-styled case. I have this day caused to be served a copy of the Response by first class mail on the parties named on the attached service list.

Please call if you have any questions concerning this filing. Thank you.

Sincerely,

Anthony G. Martin

Attorney for Cumberland Valley Electric, Inc.

KBMA

Cc: Attached Service List [w/enclosure]

J. Gregory Cornett Stoll Keenon Ogden PLLC 1700 PNC Plaza 500 West Jefferson St. Louisville, KY 40202

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Ted Hampton, Manager Cumberland Valley Electric, Inc. P.O. Box 440 Gray, KY 40734

S. Ross Kegan Richard Matda Black Mountain Resources 158 Central Avenue P.O. Box 527 Benham, KY 40807 F. Howard Bush III Manager, Tariffs/Special Contracts E.ON U.S. LLC 220 West Main Street Louisville, KY 40202

Allyson K. Sturgeon Attorney E.ON U.S. LLC 220 West Main Street Louisville, KY 40202

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COMMONWEALTH OF KENTUCKY BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:	
CUMBERLAND VALLEY ELECTRIC, INC.)
COMPLAINANT)
vs.) CASE NO. 2006-00148
KENTUCKY UTILITIES COMPANY)
DEFENDANT)

RESPONSE OF CUMBERLAND VALLEY ELECTRIC, INC., TO KENTUCKY UTILITIES COMPANY'S REQUEST FOR SUR-REBUTTAL TESTIMONY

Comes now Cumberland Valley Electric, Inc. ("CVE"), by counsel, and for its Response to the request of Kentucky Utilities Company ("KU") to file surrebuttal testimony if the Commission adopts a briefing schedule in lieu of a hearing, states as follows.

On February 1, 2007, KU filed a Reply in Further Support of its Motion to Reschedule Hearing. The Reply offers additional argument in support of KU's desire to postpone a hearing in this matter until at least March 20, 2007. KU then suggests that if the Commission adopts a briefing schedule in lieu of an evidentiary hearing, that the parties first be permitted to file sur-rebuttal testimony prior to the first briefing date. As support for this suggestion, KU

¹ KU makes no suggestion of any acceptable date for a hearing that will not result in delay until at least March 20, 2007as a means of resolving its originally stated conflicts.

states only that it believes that CVE has taken positions and made statements in its rebuttal testimony that KU alleges must be "corrected or clarified in order for the record to be complete and accurate." KU Reply at pg. 2.

KU has already filed two rounds of testimony in this proceeding. Its direct testimony that was filed on October 6, 2006, included substantial rebuttal testimony as to CVE's direct testimony filed with CVE's complaint on April 7, 2007. Although CVE filed no additional direct testimony on October 6, 2006, KU then filed additional rebuttal testimony on January 3, 2007. This second round of rebuttal testimony was additional testimony that KU's witness stated was "to clarify the issues in this case, in light of the discovery that has occurred, and to discuss those issues in light of all the evidence now of record." KU now seeks a third bite at the apple, to respond to unspecified positions and statements with which it apparently disagrees in CVE's rebuttal testimony.

CVE objects to a third round of rebuttal testimony for KU. KU has not demonstrated any need for a third round of rebuttal testimony. Should the Commission decide to establish a briefing schedule for submission of this case, neither KU nor any other party should be given a third opportunity to submit testimony.

² For example, see at a minimum Bush Direct Testimony at pp. 8-9, 10-15, and 19-20, and Bellar Direct Testimony at pp. 3-4.

³ Bush Rebuttal Testimony at pg. 1.

CVE has no objection to the March 2, 2007, date for initial briefs to be due as suggested by KU, although CVE requests that the reply brief deadline be set no later than March 16, 2007.

Respectfully submitted,

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