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October 1, 2012

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PUBLIC SERVICE  
COMMISSION

**VIA HAND DELIVERY**

Jeff DeRouen  
Executive Director  
Kentucky Public Service Commission  
211 Sower Boulevard  
Frankfort, KY 40601

**RE: The Application of East Kentucky Power Cooperative, Inc. to Transfer Functional Control of Certain Transmission Facilities to PJM Interconnection, LLC**  
**Case No. 2012-00169**

Dear Mr. DeRouen:

Enclosed please find and accept for filing the original and ten copies each of the Testimonies of Lonnie E. Bellar and Edwin R. "Ed" Staton on behalf of Louisville Gas and Electric Company and Kentucky Utilities Company in the above-referenced matter. Please confirm your receipt of this filing by placing the stamp of your Office with the date received on the enclosed additional copies and return them to me via our office courier.

Should you have any questions please contact me at your convenience.

Sincerely,

W. Duncan Crosby III

WDC:ec  
Enclosures  
cc: Parties of Record

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**COMMONWEALTH OF KENTUCKY**  
**BEFORE THE PUBLIC SERVICE COMMISSION**

**In the Matter of:**

**THE APPLICATION OF EAST KENTUCKY )  
POWER COOPERATIVE, INC. TO TRANSFER )  
FUNCTIONAL CONTROL OF CERTAIN )  
TRANSMISSION FACILITIES TO )  
PJM INTERCONNECTION, LLC )**

**CASE NO. 2012-00169**

**TESTIMONY OF  
LONNIE E. BELLAR  
VICE PRESIDENT, STATE REGULATION AND RATES  
LG&E AND KU SERVICES COMPANY**

**Filed: October 1, 2012**

1 **Q. Please state your name, position and business address.**

2 A. My name is Lonnie E. Bellar. I am the Vice President, State Regulation and Rates for  
3 Kentucky Utilities Company (“KU”) and Louisville Gas and Electric Company  
4 (“LG&E”). I am employed by LG&E and KU Services Company, which provides  
5 services to KU and LG&E (collectively “the Companies”). My business address is 220  
6 West Main Street, Louisville, Kentucky, 40202. A complete statement of my education  
7 and work experience is attached to this testimony as Appendix A.

8 **Q. Have you previously testified before the Kentucky Public Service Commission?**

9 A. Yes. I have testified before the Commission numerous times, including the Companies’  
10 most recent base rate cases,<sup>1</sup> and most recently in the Companies’ application for  
11 Certificates of Public Convenience and Necessity to purchase existing generating units  
12 and to build a new natural-gas combined cycle generating facility.<sup>2</sup>

13 **Q. What is the purpose of your testimony?**

14 A. The purpose of my testimony is to explain the Companies’ concern with regard to the  
15 possible change in transmission costs the Companies could face if East Kentucky Power  
16 Cooperative, Inc. (“EKPC”) becomes a full member of PJM Interconnection, LLC  
17 (“PJM”), and what the Companies ask the Commission to do to address the concern. I  
18 will also explain why it is important that the Commission require EKPC and PJM to fully  
19 develop a plan for how EKPC can fulfill its obligations as a member of the Contingency

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<sup>1</sup>*In the Matter of: Application of Kentucky Utilities Company for an Adjustment of Its Base Rates*, Case No. 2009-00548; *In the Matter of: Application of Louisville Gas and Electric Company for an Adjustment of Its Electric and Gas Base Rates*, Case No. 2009-00549.

<sup>2</sup>*In the Matter of: Joint Application of Louisville Gas and Electric Company and Kentucky Utilities Company for a Certificate of Public Convenience and Necessity and Site Compatibility Certificate for the Construction of a Combined Cycle Combustion Turbine at the Cane Run Generating Station and the Purchase of Existing Simple Cycle Combustion Turbine Facilities from Bluegrass Generation Company, LLC in LaGrange, Kentucky*, Case No. 2011-00375.

1 Reserve Sharing Group, of which the Companies and the Tennessee Valley Authority  
2 (“TVA”) are the other members.

3 **Q. Please explain the Companies’ concern with regard to transmission rates they will**  
4 **have to pay to serve their native load customers, and what the Companies are**  
5 **asking the Commission to do to address the concern.**

6 A. As noted in the testimony of Ed Staton in this proceeding, the Companies serve over 100  
7 MW (peak) of their native-load customers’ load using EKPC’s transmission system.  
8 Similarly, EKPC serves approximately 450 MW of its native-load customers’ load using  
9 the Companies’ transmission system. Under the existing Network Integration  
10 Transmission Service Agreement between the Companies and EKPC, the Companies  
11 currently pay EKPC formula rates to use EKPC’s transmission system, which rates  
12 EKPC’s Open-Access Transmission Tariff governs. Currently, the Companies pay cost-  
13 based rates under EKPC’s transmission tariff that are calculated using EKPC’s  
14 transmission-asset rate base. (EKPC pays the Companies transmission rates calculated in  
15 a similar manner.) These transmission service costs are included in the cost of providing  
16 service to the Companies’ native load customers, including the retail electric customers in  
17 Kentucky.

18 But EKPC’s full membership in PJM will change those rates and calculation  
19 methodology unless EKPC and PJM commit to continue the current arrangement, and the  
20 changes could impose new costs and risks on the Companies and their customers. As  
21 EKPC noted in its responses to the Companies’ data requests, its transmission rates and  
22 charges will become PJM’s transmission rates and charges, and EKPC suggested the

1 Companies should consult PJM about the matter.<sup>3</sup> PJM’s transmission rates and charges  
2 may not mirror EKPC’s current rates; PJM has not yet issued proposed rates to use  
3 EKPC’s system, so it is not clear what the costs to the Companies could be. Moreover,  
4 barring an explicit agreement to the contrary, the Companies would be exposed to market  
5 uncertainties associated with moving power in PJM, including real-time Locational  
6 Marginal Pricing differences between various market nodes and the costs of the hedging  
7 devices in the PJM markets to attempt to offset such price risks. These are risks and costs  
8 the Companies do not currently face to serve their customers using EKPC’s system, and  
9 the Companies’ customers should not be required to bear such costs and risks effectively  
10 to subsidize EKPC’s full membership in PJM.

11 Therefore, the Companies respectfully ask the Commission to include in its final  
12 order a requirement that EKPC and PJM charge to the Companies transmission rates and  
13 charges calculated in the same manner they are today (though any new EKPC-owned  
14 transmission facilities would be included in the calculation) for transmission service  
15 necessary to serve the Companies’ native-load customers.

16 **Q. Please explain why it is important that EKPC and PJM fully develop a plan for how**  
17 **EKPC can fulfill its obligations as a member of the Contingency Reserve Sharing**  
18 **Group.**

19 A. EKPC committed in its application to “continue as a member of the ... Contingency  
20 Reserve Sharing Group ... [to] assure[] that no harm comes to any ratepayers of the other  
21 members of the [group].”<sup>4</sup> Although EKPC’s remaining a member of the Contingency  
22 Reserve Sharing Group would not be sufficient to ensure no harm comes to the

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<sup>3</sup> See EKPC Response to Companies’ First DR No. 5b (July 24, 2012) (“LG&E-KU will work with PJM to determine what transmission services they choose to serve their load.”).

<sup>4</sup> EKPC Application at 14 ¶ 32.

1 Companies' customers from EKPC's full PJM membership, it is necessary to prevent  
2 such harm. The members of the Contingency Reserve Sharing Group carry fewer  
3 reserves than they would otherwise because they can rely on the group's resources to  
4 address contingencies rather than having each member rely solely on its own resources.  
5 This results in fewer costs for all members. The Companies therefore ask the  
6 Commission to include in any order approving EKPC's application a requirement that  
7 EKPC and PJM fully develop a plan for how EKPC can fulfill its obligations as a  
8 member of the Contingency Reserve Sharing Group, which plan must be completed and  
9 vetted with the Companies and TVA.

10 **Q. What is your recommendation?**

11 A. The Companies do not object to EKPC's full membership in PJM, but the transmission  
12 coordination and technical issues Mr. Staton raises in his testimony must be addressed,  
13 and the Companies' customers must be protected from higher transmission charges that  
14 could arise from EKPC's full PJM membership. I therefore recommend and the  
15 Companies request that the Commission include in its final order a requirement that  
16 EKPC and PJM charge to the Companies transmission rates and charges calculated in the  
17 same manner they are today (though any new EKPC-owned transmission facilities would  
18 be included in the calculation) for transmission service necessary to serve the Companies'  
19 native-load customers. I further recommend and request that the Commission include in  
20 its final order a requirement that EKPC and PJM fully develop a plan for how EKPC can  
21 fulfill its obligations as a member of the Contingency Reserve Sharing Group, which  
22 must be completed and vetted with the Companies and TVA.

23

1 Q. **Does this conclude your testimony?**

2 A. Yes, it does.



## APPENDIX A

### **Lonnie E. Bellar**

LG&E and KU Energy LLC  
220 West Main Street  
Louisville, Kentucky 40202

#### **Education**

Bachelors in Electrical Engineering;  
University of Kentucky, May 1987  
Bachelors in Engineering Arts;  
Georgetown College, May 1987  
E.ON Academy, Intercultural Effectiveness Program: 2002-2003  
E.ON Finance, Harvard Business School: 2003  
E.ON Executive Pool: 2003-2007  
E.ON Executive Program, Harvard Business School: 2006  
E.ON Academy, Personal Awareness and Impact: 2006

#### **Professional Experience**

##### **E.ON U.S. LLC**

Vice President, State Regulation and Rates	Aug. 2007 – Present
Director, Transmission	Sept. 2006 – Aug. 2007
Director, Financial Planning and Controlling	April 2005 – Sept. 2006
General Manager, Cane Run, Ohio Falls and Combustion Turbines	Feb. 2003 – April 2005
Director, Generation Services	Feb. 2000 – Feb. 2003
Manager, Generation Systems Planning	Sept. 1998 – Feb. 2000
Group Leader, Generation Planning and Sales Support	May 1998 – Sept. 1998

##### **Kentucky Utilities Company**

Manager, Generation Planning	Sept. 1995 – May 1998
Supervisor, Generation Planning	Jan. 1993 – Sept. 1995
Technical Engineer I, II and Senior, Generation System Planning	May 1987 – Jan. 1993

#### **Professional Memberships**

IEEE

#### **Civic Activities**

E.ON U.S. Power of One Co-Chair – 2007  
Louisville Science Center – Board of Directors – 2008 – Present  
Chairman of Louisville Science Center Board beginning June 2012  
Metro United Way Campaign – 2008  
UK College of Engineering Advisory Board – 2009 – Present

**COMMONWEALTH OF KENTUCKY**  
**BEFORE THE PUBLIC SERVICE COMMISSION**

**In the Matter of:**

**THE APPLICATION OF EAST KENTUCKY )  
POWER COOPERATIVE, INC. TO TRANSFER )  
FUNCTIONAL CONTROL OF CERTAIN )  
TRANSMISSION FACILITIES TO )  
PJM INTERCONNECTION, LLC )**

**CASE NO. 2012-00169**

**TESTIMONY OF  
EDWIN R. "ED" STATON  
VICE PRESIDENT, TRANSMISSION  
KENTUCKY UTILITIES COMPANY AND  
LOUISVILLE GAS AND ELECTRIC COMPANY**

**Filed: October 1, 2012**

1 **Q. Please state your name, position and business address.**

2 A. My name is Edwin R. (“Ed”) Staton. I am the Vice President of Transmission for  
3 Kentucky Utilities Company (“KU”) and Louisville Gas and Electric Company  
4 (“LG&E”). I am employed by LG&E and KU Services Company, which provides  
5 services to KU and LG&E (collectively “the Companies”). My business address is 220  
6 West Main Street, Louisville, Kentucky, 40202. A complete statement of my education  
7 and work experience is attached to this testimony as Appendix A.

8 **Q. Have you previously testified before the Kentucky Public Service Commission?**

9 A. Yes. I have testified before the Commission in the matters of: *Application of Kentucky*  
10 *Utilities Company for a Certificate of Public Convenience and Necessity for the*  
11 *Construction of Transmission Facilities in McCracken County, Kentucky*, Case No. 2010-  
12 00164, and *Application of Kentucky Utilities Company Concerning the Need to Obtain*  
13 *Certificates of Public Convenience and Necessity for the Construction of Temporary*  
14 *Transmission Facilities in Hardin County, Kentucky*, Case No. 2009-00325.

15 **Q. What is the purpose of your testimony?**

16 A. The purpose of my testimony is to explain the analysis the Companies performed to study  
17 how East Kentucky Power Cooperative, Inc.’s (“EKPC’s”) full membership in PJM  
18 Interconnection, LLC (“PJM”) might affect the Companies and their customers.

19 **Q. Please summarize the analysis the Companies performed and its results, as well as**  
20 **any recommendations you have for the Commission.**

21 A. During the week in which data was made available, the Companies conducted a multiple-  
22 case analysis of possible impacts to their system and customers of EKPC’s becoming a  
23 full PJM member, and did not identify any significant concerns. However, EKPC and

1 PJM have not yet provided all of the information they plan to submit in this proceeding,  
2 namely a complete PJM network integration study, which the Companies understand will  
3 be provided by the end of this year. There are also additional steps remaining before  
4 EKPC can fully join PJM that the Companies, EKPC, and PJM will need to complete.  
5 These include: (1) performing a flowgate study with the potential power transfers  
6 between EKPC and PJM; and (2) clarifying how the Companies, EKPC, and PJM will  
7 manage impacts on their respective 69 kV transmission systems after EKPC fully joins  
8 PJM as required by the interconnection agreement between the Companies and EKPC.

9 Therefore, although Companies do not object to EKPC's fully joining PJM, the  
10 Commission and the parties to this proceeding need to be aware of these steps, ensure  
11 that they are completed, and analyze the data PJM and EKPC have yet to submit as the  
12 Commission considers issuing a final order in this proceeding. Thus, the Companies ask  
13 that any order granting EKPC's requested relief include the requirements explained in  
14 Lonnie E. Bellar's testimony in this proceeding concerning transmission rates, as well as  
15 a requirement that EKPC and PJM continue to operate and coordinate EKPC's 69 kV  
16 transmission system according to the interconnection agreements already in place  
17 between the Companies and EKPC, or in accordance with substantially identical  
18 interconnection agreements between the Companies, EKPC, and PJM.

19 **The Companies Have Intervened in this Proceeding because EKPC's and the Companies'**  
20 **Transmission Systems Are Highly Interconnected**

21 **Q. Please explain the extent to which the Companies' and EKPC's transmission**  
22 **systems are interconnected.**

23 A. The Companies' transmission system is more highly interconnected with EKPC's  
24 transmission system than with any other single entity's system. More precisely, the

1 Companies and EKPC share 67 points of interconnection, of which 43 are at the 69 kV  
2 level, and 24 are at 100 kV or above. This is a unique situation when compared to the  
3 Companies' interconnections with other transmission systems in Kentucky.

4 **Q. Does this high level of interconnection create the opportunity for significant impacts**  
5 **between the Companies' and EKPC's systems?**

6 A. Yes. Such a high level of interconnection ensures that power flows on the Companies'  
7 system impact EKPC's system and vice versa. Indeed, EKPC more heavily uses the  
8 Companies' system than the Companies use EKPC's system; the Companies serve over  
9 100 MW of their customers' load using the EKPC transmission system, but EKPC serves  
10 an approximate peak of 450 MW load using the Companies' transmission system  
11 (primarily at the 69 kV level).

12 **Q. In addition to having electrical systems that are highly interconnected and**  
13 **impacting, how are the Companies' and EKPC's operations currently linked?**

14 A. The Companies and EKPC are linked in important ways, in addition to their physical  
15 interconnections.

16 First, the Companies and EKPC both use TVA as their Reliability Coordinator  
17 ("RC"), which administers the Congestion Management Process, a process by which  
18 flowgates are coordinated between TVA and PJM (PJM is also an RC). (A flowgate is a  
19 set of transmission elements that becomes a transmission constraint under certain  
20 circumstances.) This process helps prevent transmission limitations from being exceeded  
21 between and within each of the respective RCs, thus maintaining reliability across both  
22 RC footprints. Because of the importance of this process, and because the Companies  
23 understand that EKPC will use PJM for reliability coordination services, if it obtains full

1 PJM membership, the Companies request that EKPC and PJM continue to honor the  
2 Companies' flowgates that are coordinated through the Congestion Management Process.

3 Second, the Companies and EKPC have existing transmission service and  
4 interconnection agreements that govern their transmission interactions, including rates  
5 and operations. As I discuss further below, the Companies believe it is important to  
6 maintain the existing interconnection agreements between the Companies and EKPC, or  
7 that PJM, EKPC, and the Companies enter into substantially identical interconnection  
8 agreements as part of EKPC's full membership in PJM.

9 **The Companies Performed a Multiple-Case Analysis to Study the Potential Impacts to**  
10 **their System and their Customers of EKPC's Full Membership in PJM, Which Indicated**  
11 **No Significant Impacts to the Companies or their Customers**

12 **Q. In view of the significant interconnectedness of the Companies' and EKPC's**  
13 **systems, did the Companies study the potential impacts to their systems, and**  
14 **therefore to their customers, of EKPC's full membership in PJM?**

15 **A.** Yes; the Companies intervened in this proceeding precisely to understand such impacts.  
16 Broadly speaking, the Companies used computer models to identify any important  
17 differences between a world in which EKPC did not become a full PJM member and a  
18 world in which EKPC did fully join PJM. Using the data and scenarios described below  
19 to model outcomes for the 2013 and 2017 summer and winter peak load conditions, the  
20 Companies did not identify any significant impacts to their systems arising from EKPC's  
21 full PJM membership.

22 More precisely, the Companies' transmission-planning group used Siemens PSSE  
23 load-flow software to evaluate the possible impacts on the Companies' transmission  
24 system of different EKPC and PJM generation-dispatch scenarios. Consistent with the  
25 Companies' Transmission Planning Guidelines, the Companies performed a one-

1 contingency (“N-1”) analysis on each scenario to understand where system problems  
2 might arise if one important network element failed.

3 The Companies used three primary data sources in conducting their analysis: (1)  
4 data EKPC previously provided for North American Electric Reliability Council  
5 (“NERC”) planning purposes, which assumed EKPC would continue as a non-PJM  
6 member; (2) data provided by EKPC in this proceeding that assumed EKPC would  
7 continue as a non-PJM member; and (3) data provided by EKPC in this proceeding that  
8 assumed EKPC would become a full PJM member. (The Charles River Associates  
9 analysis used the latter two data sets.) The models described were used to evaluate 2013  
10 summer and winter peak load conditions, as well as 2017 summer and winter peak load  
11 conditions.

12 **Q. What did the Companies’ multiple-case analysis show?**

13 A. The analysis showed only minor impacts to the Companies’ system in all cases and  
14 scenarios studied. Importantly, the Companies did not identify any significant impacts  
15 attributable strictly to EKPC’s full PJM membership. In other words, based on the data  
16 available to the Companies through September 28, 2012, and the scenarios evaluated, it  
17 does not appear that EKPC’s full membership in PJM will have significant operational  
18 impacts on the Companies as compared to expected impacts if EKPC does not become a  
19 full PJM member.

20 **Q. Did the Companies’ analysis contain any noteworthy assumptions or limitations?**

21 A. Generally, the Companies believe they have performed a reasonably complete analysis of  
22 the data based upon the time allotted. Notably, the Companies assumed the information  
23 provided by EKPC was correct, though the Companies did ask EKPC to check and verify

1 certain data they provided. Also, the Companies assumed that their and EKPC's 69 kV  
2 transmission systems would operate in the future as they have in the past. However, if  
3 PJM plans to operate that system differently in the future, it could affect the results of the  
4 Companies' analysis because of the large number of 69 kV interconnections between the  
5 Companies and EKPC. The Companies did not have any information about PJM's plans  
6 concerning future operations of EKPC's 69 kV system, and therefore were unable to  
7 analyze the impacts of operating the system differently than EKPC's current mode of  
8 operation.

9 **Although the Companies' Analysis Did Not Indicate Any Significant Impacts Due to**  
10 **EKPC's Full Membership in PJM, the Companies Would Like to Review the PJM**  
11 **Network Integration Study When It Is Available**

12 **Q. What additional data would the Companies like to review concerning EKPC's**  
13 **proposal to join PJM as a full member?**

14 A. The Companies would like to review a complete PJM network integration study, which  
15 the Companies understand will be available by the end this year. PJM has already posted  
16 on its website a part of the overall integration study, the "N-1" contingency analysis. The  
17 Companies received this information on September 25. The Companies' initial review  
18 indicates that the results of PJM's contingency analysis are substantially similar to the  
19 results of the Companies' analysis. Both analyses show no significant impacts to the  
20 Companies of EKPC's full PJM membership.

21 But there is at least one more important component of the PJM integration study  
22 outstanding, namely an "N-1-1" analysis. That analysis will show projected impacts of  
23 losing two important network elements. (An N-1 contingency study projects impacts of  
24 losing a single network element).

25 **Q. Why should the Commission and the Companies carefully analyze this information?**

1 A. Although the Companies' analysis and the PJM analysis produced to date do not indicate  
2 any significant impacts to the Companies' system through 2017, the N-1-1 analysis may  
3 reveal issues the Commission, the Companies, PJM, and EKPC should address. The  
4 Companies believe it is advisable to obtain and analyze all relevant data once it becomes  
5 available.

6 Although there may not appear to be time sufficient to analyze such data given  
7 EKPC's request for a final order in this proceeding by the end of the year, the Companies  
8 would observe that EKPC and PJM have not yet filed an application with the Federal  
9 Energy Regulatory Commission ("FERC") seeking approval for EKPC to join PJM as a  
10 full member. Presumably they will not file such an application until PJM has completed  
11 the network integration study. To be clear, the Companies do not advocate delaying  
12 issuing an order in this proceeding; rather, the Companies merely note that the  
13 Commission might not delay EKPC's full PJM membership if it decides to review the  
14 PJM network integration study before issuing a final order in this proceeding.

15 **There Are Additional Items to Consider before Issuing a Final Order**

16 **Q. What are the other operational issues the Commission should consider before**  
17 **issuing a final order in this proceeding?**

18 A. There are at least two additional issues the Commission should consider before issuing a  
19 final order in this proceeding. First, the Commission should consider how full PJM  
20 membership will affect the current interconnection agreements between the Companies  
21 and EKPC, including how EKPC and the Companies will operate and coordinate their  
22 respective 69 kV transmission systems. Second, the Commission should be aware of  
23 how flowgate identification and posting will occur after EKPC becomes a full PJM  
24 member.

1 **Q. What should the Commission consider concerning the interconnection agreements**  
2 **between the Companies and EKPC, including how the Companies and EKPC**  
3 **coordinate their 69 kV transmission systems?**

4 A. It is the Companies' understanding that PJM plans to assume EKPC's current role in  
5 operating and maintaining its interconnections, both at the 69 kV transmission system  
6 level, as well as the 100 kV and above transmission system level. The Companies  
7 welcome this arrangement; it would be better to have the same entity monitoring,  
8 operating, and coordinating all levels of EKPC's transmission system. But it is important  
9 that the same level and kind of coordination that currently occurs between the Companies  
10 and EKPC should continue with PJM, and that there be no negative impacts to such  
11 operation and coordination. The lack of such coordination could harm the operation of  
12 the Companies' and EKPC's systems, particularly during emergencies, when inadequate  
13 coordination could result in customer outages.

14 To ensure ongoing cooperation, the Companies believe it is important to maintain  
15 the existing interconnection agreements between the Companies and EKPC, or that PJM,  
16 EKPC, and the Companies enter into substantially identical interconnection agreements  
17 as part of EKPC's full membership in PJM. These agreements have ensured and will  
18 continue to ensure effective cooperation and dispute resolution between the Companies  
19 and the operator of EKPC's transmission system. The Companies therefore respectfully  
20 ask the Commission to include in any order approving EKPC's full membership in PJM a  
21 requirement that EKPC and PJM continue to operate and coordinate EKPC's 69 kV  
22 transmission system according to the interconnection agreements already in place

1 between the Companies and EKPC, or in accordance with substantially identical  
2 interconnection agreements between the Companies, EKPC, and PJM.

3 **Q. Please explain how the flowgate identification and posting process will change if**  
4 **EKPC becomes a full PJM member.**

5 A. Utilities conduct studies to identify flowgates on their systems and submit the results to  
6 their RCs to be monitored and potentially monitored through the Congestion  
7 Management Process. Currently, the Companies and EKPC use the same RC, TVA. The  
8 use of the same reliability coordinator has ensured uniformity in flowgate-related  
9 practices between the Companies and EKPC, including a lack of disputes about which  
10 flowgates should be identified and posted.

11 If EKPC joins PJM as a full member, PJM will become EKPC's RC. As a result,  
12 there may be some change in how EKPC identifies flowgates and the degree to which  
13 PJM agrees to recognize flowgates the Companies identify and ask to be coordinated  
14 through their respective RCs. This should occur, because there are industry best practices  
15 and standards for calculating Available Transfer Capacity ("ATC"), as well as guidelines  
16 for coordinating and honoring flowgates through the Congestion Management Process.

17 **Conclusion and Recommendation**

18 **Q. What is your recommendation to the Commission?**

19 A. Based on the Companies' analysis of the data EKPC has provided previously and in this  
20 proceeding, it appears the Companies will not be significantly impacted by EKPC's  
21 becoming a full PJM member. Therefore, the Companies do not object to EKPC's  
22 application, but ask that any order granting EKPC's requested relief include the  
23 requirement explained in Mr. Bellar's testimony concerning transmission rates and a  
24 requirement that EKPC and PJM continue to operate and coordinate EKPC's 69 kV

1 transmission system according to the interconnection agreements already in place  
2 between the Companies and EKPC, or in accordance with substantially identical  
3 interconnection agreements between the Companies, EKPC, and PJM.

4 **Q. Does this conclude your testimony?**

5 A. Yes, it does.



## APPENDIX A

**Edwin R. “Ed” Staton**  
LG&E and KU Energy LLC  
220 West Main Street  
Louisville, Kentucky 40202

### Work History

*Vice President, Transmission – Kentucky Utilities Company and Louisville Gas and Electric Company, Louisville, Ky*

*Director Transmission – LG&E and KU Services Company, Louisville, Ky*

*Director of Distribution Operations – Kentucky Utilities Company, Lexington, Ky.*

*Manager of Distribution Operations – Auburndale Operations Center, Louisville Gas & Electric Company*

*District Manager – Kentucky Utilities Co. - Elizabethtown, Ky.*

*Local Service Manager – Kentucky Utilities Co. – Eddyville, Ky.*

*Line Technician/Service Technician – Kentucky Utilities Co. – Morganfield, Ky.*

### Education

Diploma – Tates Creek High School, Lexington, Ky.

Associate Degree – Business Management, University of Kentucky – Henderson Community College, Henderson, Ky.

Bachelor of Science Degree – Business Administration (minor in Accounting), - University of Southern Indiana, Evansville, Indiana

Master of Business Administration – Western Kentucky University, Bowling Green, Ky.

### Vocational Training

Kentucky Institute for Economic Development

Public Utilities Regulations Guide

Gas Distribution Operations – Institute of Gas Technology, Des Plaines, Ill.

E.ON Academy - International Management Program – IMD (International Institute for Management Development), Lausanne, Switzerland

M.I.T. Sloan School of Management, Executive Program in Corporate Strategy, Boston, Mass.

**Community Service**

- President – Lyon Co. Chamber of Commerce 1996-1997
- Co-Chairman – Eddyville Industrial Foundation 1997-1998
- Board member – Elizabethtown Chamber of Commerce 2000
- Member – Larue Co. Industrial Foundation 1999-2003
- Member – Elizabethtown luncheon Rotary Club 1999-2000
- Member – Kentucky Industrial Development Council 1996-present
- Junior Achievement:
  - Classroom instructor
  - Coral Ridge Elementary School, Louisville, Ky. 2001-2002
- Board member – Junior Achievement of the Bluegrass 2007-present
- Junior Achievement:
  - Classroom instructor
  - Tates Creek Middle School, Lexington, Ky. 2008-present