# LAW OFFICE OF JOHN J. SCOTT, PSC

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May 22, 2013

TELEPHONE 270-765-2179 FAX 270-765-2180

Mr. Jeff R. Derouen Executive Director Public Service Commission 211 Sower Boulevard P.O. Box 615 Frankfort, KY 40602-0615 RECEIVED

MAY 24 2013

PUBLIC SERVICE COMMISSION

Re: Nolin Rural Electric Cooperative Corporation Case No. 2013-00119

Dear Mr. Derouen:

On behalf of Nolin Rural Electric Cooperative Corporation, please find enclosed a Supplemental Motion to treat certain materials in the above-styled action as confidential. This is in accordance with discussions I have had with the staff at the Commission.

Sincerely yours,

John J Scott, Attorney for Nolin Rural Electric/Cooperative Corporation

JJS/rrd

Enclosures

# RECEIVED

MAY 2 4 2013

PUBLIC SERVICE COMMISSION

# COMMONWEALTH OF KENTUCKY BEFORE THE PUBLIC SERVICE COMMISSION

#### IN THE MATTER OF:

0119

## SUPPLEMENTAL MOTION FOR TREATMENT OF MATERIALS AS BEING CONFIDENTIAL

\* \* \* \* \* \* \*

Previously, Nolin Rural Electric Cooperative Corporation filed a Motion to treat certain materials as confidential in the above-styled case. Commission Staff have indicated that there was confusion and uncertainty as to the items to be treated as confidential, and therefore, Nolin RECC hereby supplements its original Motion to clarify what items should be treated as confidential:

1. In its original Motion, Nolin RECC had requested that a paragraph in its Application be treated as confidential, but upon further review of that paragraph and upon consultation with Nolin's engineers, it will not be necessary to treat any portions of the Application as confidential.

IN J. SCOTT TORNEY AT LAW 108 EAST POPLAR STREET PO BOX 389 ELIZABETHTOWN, KY 42702-0389 270-765-2179 FAX: 270-765-2180

- 2. Nolin requests that the previous Responses to the First Request for Information that were sent to the Commission be returned to Nolin. Nolin is filing those Responses a second time with this Motion with the appropriate answers that need to be treated as confidential highlighted in yellow on all of those Responses.
- 3. As to the reasons for requesting the confidentiality of the items highlighted in yellow, those reasons are as set forth below:
  - (a.) Certain information in the Responses would disclose to competitors of Nolin information that would permit an unfair commercial advantage to those competitors. Pursuant to KRS 61.878(1)(c)(1), Nolin is requesting that such information be kept confidential. As stated previously, Nolin has obtained the contract to provide services to the Ft. Knox Army Base through a competitive bidding process and the disclosure of information regarding the financial aspects of this operation could prove to be an unfair commercial advantage to competitors of Nolin.
  - (b.) The use of the loan proceeds by Nolin RECC will be to fund construction of generation units at the Ft. Knox Military Base to be utilized for not only peak shaving scenarios but also under emergency scenarios should Ft. Knox be unable to obtain other electricity sources of power distribution. Pursuant to KRS 61.878 (1)(m)1, the disclosure of the information attached would have a reasonable likelihood of threatening the public safety by exposing a vulnerability in preventing, protecting against, mitigating or responding to a terrorist attack and has to do with critical public utility systems at the Ft. Knox Military Base. Terrorists who would like to shut down the electrical power system at Ft. Knox Military Base would likely want to know the vulnerability of Ft. Knox in the event of a planned terrorist attack and thus they should not have access to the anti-

terrorist protective measures and plans that the system to be built with these loan funds would include.

## **CONCLUSION**

For the above reasons, Nolin RECC respectfully requests as follows:

- 1. That the original Responses to the First Information Request be returned to Nolin;
- 2. That this Motion to Protect as Confidential the highlighted items on the documents attached hereto be granted.

Respectfully submitted,

JOHN J. SCOTT, ATTORNEY FOR

NOLIN RURAL ELECTRIC

COOPERATIVE CORPORATION

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## Commonwealth of Kentucky

#### Before the Public Service Commission

Case No. 2013-00119

#### **VERIFICATION**

I verify, state and affirm that the testimony filed with this verification and for which I am listed as a witness is true and correct to the best of my knowledge, information and belief formed after a reasonable inquiry.

Mchonda O'Brien, Fort Knox Accounting Manager

State of Kentucky

**County of Hardin** 

The foregoing was signed, acknowledged and sworn to before me by Mechonda O'Brien, this 29<sup>th</sup> day of April, 2013.

My Commission Expires:

Olluson F. Offey Notary Public 27, 2016

## Commonwealth of Kentucky

### **Before the Public Service Commission**

#### Case No. 2013-00119

#### **VERIFICATION**

I verify, state and affirm that the testimony filed with this verification and for which I am listed as a witness is true and correct to the best of my knowledge, information and belief formed after a reasonable inquiry.

Vincent Heuser, Vice President System Operation

State of Kentucky

**County of Hardin** 

The foregoing was signed, acknowledged and sworn to before me by Vince Heuser, this 29<sup>th</sup> day of April, 2013.

Notary Public

My Commission Expires:

ust 27, 2016

## First Request for Information - Case No. 2013-00119

## Public Service Commission Staff Request Dated April 24, 2013

·	
a.	State whether Nolin, Fort Knox, or a third party will assume ownership of the generation to be constructed or acquired by this project.
	x owns the assets of the project. Through the Utility Privatization Fort Knox contractually conveys the system to Nolin for 50 years.
b.	State whether Nolin, Fort Knox, or a third party will operate the generation facilities.
<u>Answer</u> : Nolin will	operate the generation facilities.
<i>c</i> .	Provide a detailed description of the additional power generation project.
Answer:	
d.	Fully describe Nolin's and Fort Knox's obligations, roles and responsibilities in the management and decision-making process for the project.
Answer:	



Responding Witness: Vince Heuser, Vice President System Operations
Nolin Rural Electric Cooperative Corporation

## First Request for Information – Case No. 2013-00119

## Public Service Commission Staff Request Dated April 24, 2013

#### Question 2:

Describe the assurances provided to Nolin by Fort Knox that Nolin will suffer no financial harm by entering into this loan and project agreement.

#### Answer:

The assurances that Nolin will suffer no financial harm by entering into this loan project agreement are reflected within the contract. The project is added to the electrical privatization contract (DABT23-01-C-0030) as a modification (P00081) dated November 1, 2012 which is guaranteed repayment by the government.

Responding Witness: Vince Heuser, Vice President System Operations
Nolin Rural Electric Cooperative Corporation

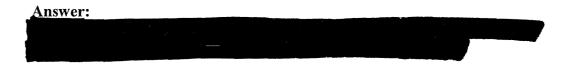
## First Request for Information – Case No. 2013-00119

#### Public Service Commission Staff Request Dated April 24, 2013

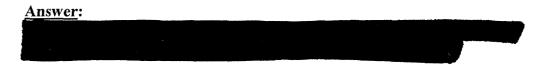
### Question 3(a-b):

Refer to Exhibit 6 of Nolin's Response to Filing Deficiencies Request which includes a journal entry showing Fort Knox's repayment of the principal amount of the loan to Nolin.

a. Provide the time frame over which Fort Knox will repay the loan principal to Nolin.



b. Describe how interest and other loan costs will be accounted for under the proposed arrangement.



Responding Witness: Mechonda O'Brien, Fort Knox Accounting Manager Nolin Rural Electric Cooperative Corporation

First Request for Information - Case No. 2013-00119

Public Service Commission Staff Request Dated April 24, 2013

#### Question 4:

When did Nolin enter into the Energy Security and Power Efficiency Project? Provide a detailed description of the project.

#### Answer:

Nolin entered into the Energy Security and Power Efficiency Project November 1, 2012.

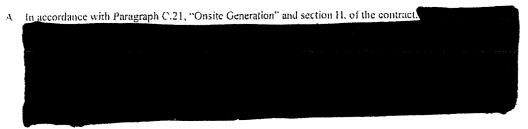
Responding Witness: Mechonda O'Brien, Fort Knox Accounting Manager Nolin Rural Electric Cooperative Corporation

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SECTION SF 30 BLOCK 14 CONTINUATION PAGE

## THE FOLLOWING ITEMS ARE APPLICABLE TO THIS MODIFICATION:

#### P00081



B. The contractor shall extend any credits/reductions they receive through their arrangement with the subcontractor and pass on to the Government by way of the Cost of Service provisions during the True Up process for each applicable contract year.

Attachment B

