

LAW OFFICE OF
JOHN J. SCOTT, PSC

108 EAST POPLAR STREET
P.O. BOX 389
ELIZABETHTOWN, KENTUCKY 42702-0389

JOHN J. SCOTT
ATTORNEY AT LAW

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

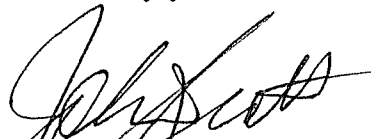
PUBLIC SERVICE
COMMISSION

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 24 2013

PUBLIC SERVICE
COMMISSION

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

IN THE MATTER OF:

**APPLICATION OF NOLIN RURAL) CASE NO. 2013-00119
ELECTRIC COOPERATIVE CORPOR-)
ATION FOR AN ORDER PURSUANT)
TO KRS 278.300 AND 807 KAR 5:001,)
SECTION 11 AND RELATED)
SECTIONS AUTHORIZING THE)
COOPERATIVE TO OBTAIN A LOAN)
NOT TO EXCEED THE AMOUNT OF)
\$64,000,000.00 FROM THE NATIONAL)
RURAL UTILITIES COOPERATIVE)
FINANCE CORPORATION)**

**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.

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
108 EAST POPLAR STREET
P.O. BOX 389
ELIZABETHTOWN, KY. 42702-0389
(270) 765-2179**

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.

Mechonda O'Brien

Mechonda 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 29th day of April, 2013.

Allison F. Coffey
Notary Public

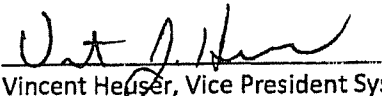
My Commission Expires:

August 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.

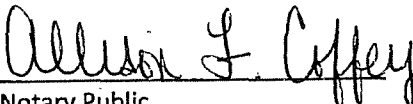


Vincent Heuser, Vice President System Operations

State of Kentucky

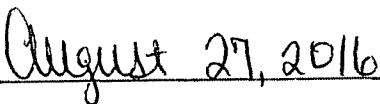
County of Hardin

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



Notary Public

My Commission Expires:



August 27, 2016

Nolin Rural Electric Cooperative Corporation

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

Public Service Commission Staff Request Dated April 24, 2013

Question 1(a-d):

Refer to paragraph 5 of the application in which Nolin describes the project to provide

[REDACTED]

- a. *State whether Nolin, Fort Knox, or a third party will assume ownership of the generation to be constructed or acquired by this project.*

Answer:

Fort Knox owns the assets of the project. Through the Utility Privatization Contract, 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.*

Answer:

Nolin will operate the generation facilities.

- c. *Provide a detailed description of the additional power generation project.*

Answer:

[REDACTED]

- d. *Fully describe Nolin's and Fort Knox's obligations, roles and responsibilities in the management and decision-making process for the project.*

Answer:

[REDACTED]



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

Fort Knox requests, for reasons of national security, that any and all information provided relating to any part of the electrical grid or generator operations and processes remain strictly confidential. Further, for competitive reasons, all financial information must remain confidential.

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

Fort Knox requests, for reasons of national security, that any and all information provided relating to any part of the electrical grid or generator operations and processes remain strictly confidential. Further, for competitive reasons, all financial information must remain confidential.

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.*

Answer:

[REDACTED]

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

Answer:

[REDACTED]

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

Fort Knox requests, for reasons of national security, that any and all information provided relating to any part of the electrical grid or generator operations and processes remain strictly confidential. Further, for competitive reasons, all financial information must remain confidential.

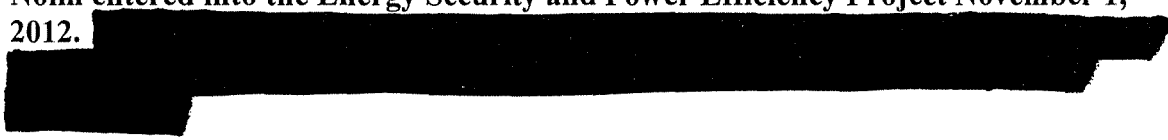
Nolin Rural Electric Cooperative Corporation
First Request for Information – Case No. 2013-00119
Public Service Commission Staff Request Dated April 24, 2013

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

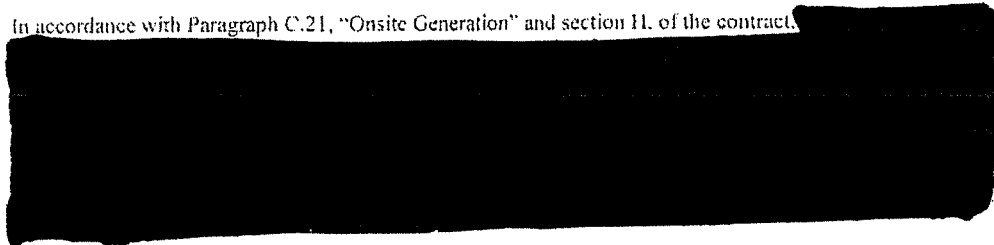
Fort Knox requests, for reasons of national security, that any and all information provided relating to any part of the electrical grid or generator operations and processes remain strictly confidential. Further, for competitive reasons, all financial information must remain confidential.

SECTION SF 30 BLOCK 14 CONTINUATION PAGE

THE FOLLOWING ITEMS ARE APPLICABLE TO THIS MODIFICATION:

P00081

- A. In accordance with Paragraph C.21, "Onsite Generation" and section H. of the contract,



- 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.

	11	12	13	14	15	16	17	18	19	20	Total
Year											

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

