

ANTHONY G. MARTIN  
Attorney at Law  
P. O. Box 1812  
Lexington, KY 40588  
(859) 268-1451 (Phone or Fax)  
E-Mail agmlaw@aol.com

**RECEIVED**

OCT 18 2006

PUBLIC SERVICE  
COMMISSION

October 18, 2006

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

Re: Cumberland Valley Electric, Inc. v. Kentucky Utilities, Inc.  
Case No. 2006-00148

**Hand – Delivered**

Dear Ms. O'Donnell:

Attached are the original and eleven copies of the Initial Information Requests of Cumberland Valley Electric, Inc. to Kentucky Utilities Company and BMR/Stillhouse in the above-styled case. I have this day served a copy of the Motion 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.

Cc: Attached Service List [w/enclosure]

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

Beth O'Donnell, Executive Director  
KY Public Service Commission  
211 Sower Blvd  
P. O. Box 615  
Frankfort, KY 40602-0615

Forrest E. Cook  
Attorney at Law  
178 Main St - Ste 5  
PO Box 910  
Whitesburg, KY 41858-0910

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

Elizabeth L. Cocanougher  
Senior Corporate Attorney  
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

W. Patrick Hauser  
W. Patrick Hauser, PSC  
200 Knox St.  
P.O. Box 1900  
Barbourville, KY 40906

Ronald L. Willhite  
7375 Wolf Spring Trace  
Louisville, KY 40241

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

**RECEIVED**

OCT 18 2006

PUBLIC SERVICE  
COMMISSION

**In the Matter of:**

<b>CUMBERLAND VALLEY ELECTRIC, INC.</b>	)	
	)	
<b>COMPLAINANT</b>	)	
	)	
<b>vs.</b>	)	<b>CASE NO. 2006-00148</b>
	)	
	)	
<b>KENTUCKY UTILITIES COMPANY</b>	)	
	)	
<b>DEFENDANT</b>	)	

**CUMBERLAND VALLEY ELECTRIC, INC.'S  
INITIAL REQUESTS FOR INFORMATION  
TO KENTUCKY UTILITIES COMPANY**

Comes now the Cumberland Valley Electric, Inc. (CVE), by counsel and pursuant to the Public Service Commission's Scheduling Order of September 13, 2006 and submits its Initial Requests for Information to Kentucky Utilities ("KU") to be answered in accord with the following:

(1) As used herein, "Documents" include all correspondence, memoranda, email, computer data or records, notes, maps, drawing, surveys or other written or electronically recorded materials, of every kind or description.

(2) Please identify the company witness who will be prepared to answer questions concerning each request.

(3) These requests shall be deemed continuing so as to require further and supplemental responses if the company receives or generates additional

information within the scope of these requests between the time of the response and the time of any hearing conducted hereon.

(4) If any request appears confusing, please request clarification directly from counsel for CVE.

(5) To the extent that the specific document, workpaper or information as requested does not exist, but a similar document, workpaper or information does exist, provide the similar document, workpaper, or information.

### **HOWARD BUSH**

1. Does Mr. Bush agree that there is BMR electrical equipment used in the operation of Stillhouse Mine No. 2 located in CVE's territory that uses energy furnished by KU at its Lynch Station?
2. What has KU advised customers since June 1972 who seek advice in connecting their facilities to KU in KU territory to facilitate use of KU service in the territory of another retail electric supplier?
3. Provide a list of all customers who have facilities connected to KU that extend into the territory of another retail electric supplier.
4. Provide and describe KU's past and current policy for furnishing retail electric service in its territory for use in the territory of another retail electric supplier.
5. Please identify each territory dispute where Mr. Bush has "regularly assisted KU" since 1974 by year, case number where applicable and describe the nature of the assistance and to whom the assistance was provided?
6. Please describe the location of the portions of BMR line shown on Exhibit FHB-5.
7. Provide a list of the KU personnel with whom Mr. Bush reviewed "the facts relevant to this matter"?
8. Provide the dates of meetings and discussions with BMR and Stillhouse representatives.

9. Provide a list of the Orders reviewed by Mr. Bush, the date he first became aware of those Orders and how he became aware of such orders.
10. Does Mr. Bush agree that coal is transported from BMR mines that utilize CVE furnished service to BMR's prep plant near Stillhouse Mine No. 1?
11. List and describe the facilities for each "mining operation, industrial park and large farm" that utilizes customer-owned distribution lines and describe the network.
12. Identify each "mining operation, industrial park and large farm" that overlaps the certified territory of two or more utilities and whether there is an Order authorizing modification of the certified territory boundary lines.
13. Does Mr. Bush admit that the Baldwin Oil wells were in territory of Henderson Union prior to June, 1972 and only became located in KU's certified territory as a result of the enactment of KRS 279.016-.018? If no, please explain.
14. Please provide the supporting calculations for the \$41,000 revenue differential between KU and CVE tariffs.
15. Please provide a tabulation of the annual revenue received from BMR for 2004, 2005 and 2006 to date for service furnished at Lynch.
16. Please provide KU's understanding of the date that Arch Minerals commenced underground mining operations in any of the permitted boundary of Stillhouse Mine No. 2. Provide any documentation in KU's possession that supports this response.
17. Please state if KU has any knowledge of underground mining operations in the current permitted boundary of Stillhouse Mine No. 2 prior to Arch Minerals's mining activities. If so, please provide documentation supporting such response.
18. Provide a citation to all Kentucky Commission decisions known to Mr. Bush where the Commission determined that customer owned distribution lines are to be attributed to one utility or another in applying the four factors contained in KRS278.017(3). Please provide specific citations to the language of such orders, if any, where such a determination is alleged to have been made, and to which of the four factors such an attribution was applied.

**LONNIE BELLAR**

1. Please describe the exact location of the portal and the BMR affiliate referred to at page 3, lines 12-13.
2. Does Mr. Bellar agree that the Stillhouse Mine No. 2 is subject to a single contingency outage of the BMR 69 kv line extending from Lynch to Cloverlick and the BMR 12 kv line extending from the BMR Cloverlick Station to the Stillhouse No. 2 Mine?
3. Does the probability of a line outage increase with the length of the line?
4. Is it Mr. Bellar's Testimony that he does not affirm the accuracy of his Exhibit 1 with regard to the BMR facilities shown thereon?

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

**In the Matter of:**

<b>CUMBERLAND VALLEY ELECTRIC, INC.</b>	)	
	)	
<b>COMPLAINANT</b>	)	
	)	
<b>vs.</b>	)	<b>CASE NO. 2006-00148</b>
	)	
	)	
<b>KENTUCKY UTILITIES COMPANY</b>	)	
	)	
<b>DEFENDANT</b>	)	

**CUMBERLAND VALLEY ELECTRIC, INC.'S  
INITIAL REQUESTS FOR INFORMATION  
TO INTERVENORS BMR/STILLHOUSE**

Comes now the Cumberland Valley Electric, Inc. (CVE), by counsel and pursuant to the Public Service Commission's Scheduling Order of September 13, 2006 and submits its Initial Requests for Information to intervenors Black Mountain Resources ("BMR") and Stillhouse Mining LLC ("Stillhouse") to be answered in accord with the following:

- (1) As used herein, "Documents" include all correspondence, memoranda, email, computer data or records, notes, maps, drawing, surveys or other written or electronically recorded materials, of every kind or description.
- (2) Please identify the company witness who will be prepared to answer questions concerning each request.

(3) These requests shall be deemed continuing so as to require further and supplemental responses if the company receives or generates additional information within the scope of these requests between the time of the response and the time of any hearing conducted hereon.

(4) If any request appears confusing, please request clarification directly from counsel for CVE.

(5) To the extent that the specific document, workpaper or information as requested does not exist, but a similar document, workpaper or information does exist, provide the similar document, workpaper, or information.

1. Provide a list of all affiliates or associated companies of Stillhouse Mining, LLC and Black Mountain Resources ("BMR") and describe in detail their location relative to the U. S. Steel Property and the nature of their operations.
2. Please provide a description of the relationship of Stillhouse Mining, LLC and Black Mountain Resources to all of these affiliates. Provide a Corporate Organization Chart.
3. Provide copies of any contracts or arrangements that exist between Stillhouse and BMR or any other affiliate which set forth the relationships and arrangements to share services or acquire and supply materials and services such as electric energy.
4. What is meant by the term "sole member" as used in Matda Testimony at page 2, line 16.?
5. Please describe the relationship between BMR and/or Stillhouse Mining LLC and each of the operations identified on LEB No. 1.
6. Please describe the operations performed by each of the entities identified on LEB No. 1, ex. Parton Brothers, Cave Spur, etc.



7. Please provide a list of and describe all areas in the "U. S. Steel Property" of 43,000 acres that are not wholly owned by BMR or affiliates. Provide a copy of all "fee" deeds and leases.
8. What is meant by "contiguous boundary of quality coal" as used in Matda Testimony at page 3, line 19 ?
9. Provide a complete description and copies of permit and/or other maps for any other mines owned, operated or otherwise controlled by BMR, Stillhouse Mining, LLC or affiliates whose permitted reserves are in KU's territory outside of the U. S. Steel Property.
10. Please provide the map entitled Reserve Summary Map – Harlan Seam – Cumberland Valley KU areas dated March 2006 that delineates coal reserves in the KU and CVE service territories. Please explain the purpose and use of this map.
11. Provide any documents, phone logs or memorandum in the possession of BMR, Stillhouse Mining, LLC or affiliates relative to the planning, opening and operation of Stillhouse Mine No. 2.
12. When did BMR decide that the Stillhouse Mine No. 2 portal was to be located in CVE's territory?
13. Please provide a list of all individuals, agencies, or companies with whom BMR discussed opening the Stillhouse Mine No. 2 portal in CVE territory?
14. If BMR, prior to making its decision to extend its distribution line to the Stillhouse No. 2 portal, had confirmed that CVE would extend service to Stillhouse Mine No. 2 at no cost to BMR or Stillhouse, would BMR have expended the money to extend and rebuild its existing 12 kv line? Please explain.
15. Provide copies and/or knowledge of any plans in BMR's possession or that BMR is aware of that previous owners ARCH and U. S. Steel had to open Stillhouse Mine No. 2.
16. Provide copies and/or knowledge of any plans in BMR's possession or that BMR is aware of that previous owners ARCH and U. S. Steel had to mine the Stillhouse Mine No. 2 permitted reserves.
17. Is the Stillhouse Mine No. 2 water pump served by CVE just south of US 119 an integral part of the Stillhouse Mine No. 2 operation? If no, please explain.

18. Did BMR contact either KU or CVE prior to opening Stillhouse Mine No. 2? Please explain when and who was contacted. If no, please explain.
19. Please state whether the reserves now being mined at Stillhouse Mine No. 2 were included in the reserves to be mined on Arch Mine No. 37, and whether a permit had ever been issued to Arch to mine those reserves. If so, please provide a copy of such permit and mining plan. If so, why did ARCH not extract the reserves being now mined by Stillhouse Mine No. 2 prior to Mine No. 37 being closed in 1998?
20. Why did ARCH close Mine No. 37?
21. Please describe the difference between "permitted reserves" as used in the Matda Testimony and "permit boundary" as used on Exhibit Matda 1.
22. Confirm the reserves permitted by the Kentucky Department of Mines and Minerals Mine License Map are those area denoted by the legend on Matda 3.
23. Confirm the other areas shown on Matda 3 were mined out by the ARCH Mine 37 operation that was closed in 1998.
24. Provide a copy of the agreement of sale and related documents for BMR/Stillhouse's purchase of the distribution system from ARCH that was extended to serve Stillhouse Mine No. 2.
25. Provide a copy of the agreement of sale and related documents for BMR/Stillhouse's purchase of the mining interests of Arch Coal Company that includes the interests now referred to as Stillhouse Mine No. 2
26. Please identify and describe any existing BMR or affiliate electric facilities not identified on LEB 1 including those located in the territory of companies other than KU.
27. Provide a description of the eight underground and one surface mining operations identified at Matda Testimony page 2, lines 17 - 20 including the date electric devices were first energized, seam(s) being mined, delivered voltage at the portal, relationship to BMR and Stillhouse Mining, LLC or any other affiliates.
28. LEB 1 appears to show sixteen separate mines: Stillhouse No.2, Parton Brothers Contracting # 1, Cave Spur Coal # 1, Highlands Mining #1, Panther Mining # 1, Stillhouse Mining # 1, R & D Mining # 1, R & D Mining

# 2, Kellioka Contract Mine, Maggard Branch, Cloverlick # 1, North Fork Coal # 3, North Fork Coal # 4, Simpson Mining # 9, Jarissa Inc, Colliers Creek # 3 and Timbertree Surface. Why does LEB 1 differ from Mr. Matda's testimony that states there are eight underground and one surface mines?

29. Provide a description of the other mining operations identified on LEB 1 and not identified at Matda page 2, lines 17 - 20 including the date electric devices were first energized, seam(s) being mined, delivered voltage at the portal, relationship to BMR and Stillhouse Mining, LLC or any other affiliates.
30. Provide a list of all electric devices, including but not limited to transformers, motors and lighting, utilized in the operation of Stillhouse Mine No. 2 along with all nameplate information, including but not limited to rated capacity, normal expected loading, voltage, starting and running amps, and the date such device was first energized in the operation of Stillhouse Mine No. 2.
31. Provide the date Stillhouse Mining LLC, or any party on their behalf, requested telephone service for the Stillhouse Mine No. 2 portal location and the date service was first provided.
32. Does BMR agree that other mining companies have extracted coal from the Harlan Seam outside of the U.S. Steel Property over the years?
33. Provide a complete description of all BMR circuits, whether or not included on LEB 1, including, but not limited to, distance, location, load currently served, voltage, phases, conductor size and pole sizes.
34. Provide a complete description of all other BMR electric facilities, whether or not included on LEB 1, extending from the U S Steel Station including, but not limited to, a list of transformers, capacitors, regulators, and switches.
35. Provide the exact length of the "approximately 500 feet" distribution line extension referred to at Matda page 4, lines 18-20 constructed by BMR from its existing 12 kv line to the Stillhouse Mine No. 2 portal.
36. Provide the cost to BMR to extend the 12 kv line from the BMR existing 12 kv line to the Stillhouse Mine No. 2 portal and any documents such as work orders, invoices, etc. that itemize the costs by components.
37. Has BMR or affiliates upgraded, repaired, or modified in any manner any portions of the 12 kv line acquired from ARCH extending to Stillhouse Mine No. 2 from the Cloverlick Station at any time prior to or concurrent with the

opening of the new mine. If yes, please describe the changes, why they were made and provide the costs incurred by BMR of such changes.

38. Please describe and provide all documents including but not limited to work orders, invoices, authorizations relating to any upgrades, reconstruction or maintenance performed since BMR's acquisition from ARCH on the 12 kv line extending from the Cloverlick Station toward Stillhouse Mine No. 2 "as it existed when purchased from ARCH" including dates, costs and reasons for modification.
39. What is the unlabelled blue dashed line shown on LEB No. 1 in the center of the map just above the southern boundary line and the tap off of the Lynch to Pocket 69 KV line?
40. What is the function of the unlabelled line section located on the east-side of the map that extends south westerly from the node of the 266.8 ACSR 12 kv line from Cloverlick and the 4/0 ACSR line segment to Cave Spur?
41. Provide any engineering studies and other documents related to extending service from the Stillhouse Mine No. 2 portal to the water pump south of U S 119.
42. When was the 12 kv 266.8 ACSR line segment toward the Stillhouse Mine No. 2 last energized to serve load prior to July 2005 and prior to being extended to the Mine # 2 portal? Describe the load and the dates of service.
43. Why did BMR not extend their 12 kV line to the water pump located south of US 119?
44. Please describe the location of the "points of entry used by Arch Minerals" as stated in Matda Testimony at page 4, line 19..
45. Please describe and provide the date and location of any load that was being served by the 336 MCM segment of the 12 kV distribution line extending westerly from the Cloverlick Station prior to 2005?
46. Please describe and provide the date and location of any load that was being served by the 266.8 ACSR segment of the 12 kV distribution line extending north westerly toward Stillhouse Mine # 2 from the tap point off the 336 MCM segment prior to 2005?
47. What sections of the BMR distribution network were used to supply power by ARCH when mining reserves between 1981 and 1998 referred to at

Matda Testimony at page 4, lines 10-12? Please identify the section and the electrical devices serviced.

48. Provide a copy of BMR's bills or a tabulation of monthly billing determinants and billed amounts for service from KU for the five years preceding the Stillhouse Mine No. 2 being energized.
49. Provide a copy of BMR's bills for service from KU since the Stillhouse Mine No. 2 was energized.
50. Provide monthly estimates or actual energy consumption (Kwh and KW) for the Stillhouse Mine No. 2 and each other mine served from the US Steel Station since June 2005.
51. Provide the monthly tons of coal produced by Stillhouse Mine No. 2 since July 2005.
52. Provide the date[s] of construction of the entire 12 kv distribution line from the BMR Cloverlick Station to its terminus that was extended from one point on the line to provide service to Stillhouse Mine No. 2. If the line was constructed in segments, provide the date of construction for each segment, with a description of the location and length of each segment.
53. Please state whether any other load, either associated with a BMR/Stillhouse affiliate or with any other operation by any other entity, is being served off of any of the following: the 2.75 miles of 12kv distribution line that Mr. Matda states is currently used to serve Stillhouse Mine No. 2; or, the extension of that line shown on LEB-1 and running southwest from the tap line to Stillhouse Mine No. 2; or from any other segment of the 12 kv line that extends from the Cloverlick Station and that feeds Stillhouse Mine No. 2. If so, please describe any such loads with particularity as to their ownership, location, the use for the load, and the date that such use commenced.
54. Please provide the version of the map entitled Electrical Installation Map provided by BMR to KU that includes all topographical details and all electrical facilities owned by BMR/Stillhouse.
55. Is BMR aware of any other underground mining activity in the permitted boundary of Stillhouse Mine No. 2 that occurred prior to the mining activity by Arch Minerals beginning in about 1981 that is described in Matda Testimony at page 4? If so, please provide details as to such activity.

56. Please state whether BMR concurs with the Agreed Statement of Facts attached to CVE's Complaint. In the event that BMR disagrees with any item in the Agreed Statement of Facts, or any part of such item, please state with particularity the nature of the disagreement, and if applicable provide information that BMR believes to be correct with documentation supporting the correction.