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RECEIVED

NOV 29 2006

PUBLIC SERVICE
COMMISSION

November 29, 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 Second 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 Requests 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

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

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

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NOV 29 2006

PUBLIC SERVICE
COMMISSION

In the Matter of:

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

**CUMBERLAND VALLEY ELECTRIC, INC.'S
SECOND 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 Second 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.

CVE- 2nd - Bush 1: Follow-up to CVE 1st - Bush 3

Is it KU's position that numerous customer-owned distribution systems extend across certified territory boundary lines? If yes, what evidence does KU have other than its belief?

CVE- 2nd - Bush 2: Follow-up to CVE 1st - Bush 4

- a. Is it KU's position that it may be unknowingly providing retail electric service in "split-territory" situations?
- b. Please state whether it is KU's policy to provide service for use in a facility located in adjacent territories without the agreement of the neighboring retail electric supplier or the approval of the Commission.
- c. Please state whether it is KU's policy if it learns that it has unknowingly provided service for use in a facility located in adjacent territories to continue to provide such service without the agreement of the neighboring retail electric supplier or the approval of the Commission.

CVE- 2nd - Bush 3: Follow-up to CVE 1st - Bush 8

- a. Please provide any meeting notes or any other documentation from the listed meeting and discussions.
- b. Please state the basis for limiting information provided to meetings or discussions with BMR that occurred prior to CVE's complaint being filed.
- c. Please affirm or deny that KU had no meetings or discussions with BMR and Stillhouse representatives with respect to service to Stillhouse Mine No. 2 prior to February 28, 2006. If denied, please provide the dates of all meetings and discussions, and provide all meeting notes or any other documentation from such meetings or discussions.

d. Please provide a copy of any and all documents provided by or on behalf of BMR or Stillhouse LLC to KU since May 2005 that relate in any way to service to Stillhouse Mine No. 2 or to any of the issues in this proceeding, whether planned to be introduced into evidence or not. Please state whether each document was provided pursuant to a request from KU or on BMR's own volition. Should any claim of privilege or confidentiality be made with respect to documents responsive to this request, please provide for each document for which such a claim is made a detailed explanation of the basis for such a claim. The explanation should include a statement of any relationship between or on behalf of BMR and KU that is alleged to create a basis to support such a claim. If claimed that any such documents have already been provided to CVE, with respect to such documents, please provide a list describing each document, and when it was provided.

CVE- 2nd - Bush 4: Follow-up to CVE 1st - Bush 10

Please state the significance and relevance, if any, of the borders of Harlan County to any issue in this proceeding.

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

RECEIVED

In the Matter of:

NOV 29 2006

PUBLIC SERVICE
COMMISSION

CUMBERLAND VALLEY ELECTRIC, INC.)

COMPLAINANT)

vs.)

CASE NO. 2006-00148

KENTUCKY UTILITIES COMPANY)

DEFENDANT)

**CUMBERLAND VALLEY ELECTRIC, INC.'S
SECOND REQUESTS FOR INFORMATION
TO BLACK MOUNTAIN RESOURCES/STILLHOUSE LLC**

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 Second Requests for Information to Black Mountain Resources/Stillhouse LLC ("BMR") 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.

CVE 2nd - 1: Follow-up to CVE 1st Q-3

- a. Please explain specifically what costs are allocated and by whom. Does the term "usage" refer to kwh or kw. If not, please identify what usage is used to "allocate the costs"?
- b. Are there kwh and demand meters present and in operation at each of the affiliate operations listed in BMR's response to Questions 1 and 5?
- c. Are there kwh and demand meters present and in operation at each of the non- affiliate operations listed in BMR's response to Questions 1 and 5?
- d. Please affirm that the non-affiliates identified in Response 5 are allocated costs for use of the distribution system in the same manner as are affiliates.
- e. With regard to each affiliate and non-affiliate operation what is the form or method of compensation for electric usage for the allocated costs?

CVE 2nd – 2; Follow-up to CVE 1st Q-5

- a. Please affirm that Highland Mining, Jarissa, Inc., Parton Brother's Contracting, H & D Mining, Timbertree Mining, Collier's Creek Surface Mine, and Timbertree Surface Mine are allocated costs of the RDL distribution system costs. Please explain the basis for the allocation.
- b. Please affirm that each of the above are legal entities that have no relationship to BMR and SM, other than an arrangement to mine coal on the U. S. Steel Property.

CVE 2nd – 3; Follow-up to CVE 1st Q-9

Please affirm or deny that RDL/BMR have mining operations in KU territory outside of the U. S. Steel Property.

CVE 2nd – 4: Follow-up to CVE 1st Q-10

Please describe what the green and blue solid lines on the March 2006 Reserve Summary Map represent.

CVE 2nd - 5: Follow-up to CVE 1st Q-15.

Please affirm that BMR, Stillhouse or affiliates have no knowledge that either U.S. Steel or ARCH had any plans to open Stillhouse Mine No. 2. If denied, please explain.

CVE 2nd - 6: Follow-up to CVE 1st Q-16.

- a. Please affirm that BMR, Stillhouse or affiliates have no knowledge that either U.S. Steel or ARCH had any plans to mine the Stillhouse Mine No. 2 permitted reserves. If denied, please explain.
- b. Why did Arch close Mine No. 37?

CVE 2nd - 7: Follow-up to CVE 1st Q-17.

- a. Please describe the alternatives to the water pump and explain why each of them was not selected over the water pump.
- b. Is the water pump within the permit boundary?
- c. Why do the Matda Maps exclude the permit boundary immediately to the west of the portal which area would include the water pump?
- d. Please affirm that the existing water pump as currently used is an integral part of the Stillhouse Mine No. 2 operation. If denied, please explain.

CVE 2nd - 8: Follow-up to CVE 1st Q-19.

Please affirm that the Stillhouse Mine No. 2 permitted reserves do not include those reserves to be or that were mined by ARCH Mine No. 37 and that the Mine No. 2 permitted reserves are not shown on the Mine No, 37 Final Closure Map. If denied, please explain.

CVE 2nd - 9: Follow-up to CVE 1st Q-21.

Please explain why the permitted reserves and the permitted boundary do not coincide.

CVE 2nd - 10: Follow-up to CVE 1st Q-23.

Please affirm that Stillhouse LLC does not plan to mine the reserves remaining in the closed Arch Mine # 37 as part of Stillhouse Mine No. 2 Mine Plan as submitted to the Kentucky Department of Mines and Minerals Mine License Map. If denied, please explain.

CVE 2nd - 11: Follow-up to CVE 1st Q-26.

- a. Please affirm that LEB-1 does not include all of the RDL/BMR distribution lines.
- b. Please affirm that LEB-1 does not include the 69 kv 266.8 ACSR line extending to the east out of the Lynch Station, the 477 ASR de-energized line south of Cloverlick Creek, the 4/0 ACSR line extending south from Cloverlick Mine No. 7, the 4/0 ACSR de-energized line extending south below Cave Spur, and the line extending to Simpson Mine No. 9. If denied, please explain.

CVE 2nd - 12: Follow-up to CVE 1st Q-28.

Please affirm that by "take" power from KU Mr. Matda means "uses" power from KU. If denied, please explain.

CVE 2nd - 13: Follow-up to CVE 1st Q- 37 and Q-38.

- a. Please affirm that it is Mr. Matda's testimony that RDL, BMR or any affiliate on their own, by use of a contractor, or any other party have performed no other upgrade, repair or modification in any manner other than right-of-way clearing on the 12 kv line extending from the Cloverlick Station to the terminus of the line to the ARCH Mine No. 37 fan since 1998. If denied, please explain.
- b. Provide the total cost for all repairs, replacements, upgrades or other work on this line "as it existed when purchased from Arch" to the present time.
- c. Provide outage records for any and all of the BMR distribution facilities that are utilized in providing service to Stillhouse Mine No. 2.

CVE 2nd - 14: Follow-up to CVE 1st Q-42.

Please affirm that the Arch Mine No. 37 fan was removed and the associated portal was sealed in 1998. If denied, please explain.

CVE 2nd - 15: Follow-up to CVE 1st Q-48, 49, 50 and 51.

a. Please affirm that it is BMR's position that rates, bills, energy consumption and coal production are irrelevant in this proceeding. If denied, please provide the information requested.

b. Please affirm that it is BMR's position that the energy requirements at Stillhouse Mine No. 2 are irrelevant to this proceeding. If denied, please provide the information requested.

c. Please affirm that it is BMR's position that the impact of any "rate differential" on BMR is irrelevant to this proceeding. If denied, please provide the information requested.

CVE 2nd - 16: Follow-up to CVE 1st Q-56.

Please state with particularity and by item any claim of irrelevance made by BMR with respect to every item contained in the Agreed Statement of Facts. Please explain by item what facts BMR disagrees with on a substantive basis and the basis for that disagreement.