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November 29, 2006

VIA HAND DELIVERY

RECEIVED

NOV 29 2006

PUBLIC SERVICE
COMMISSION

Elizabeth O'Donnell
Executive Director
Kentucky Public Service Commission
211 Sower Boulevard
Frankfort, KY 40601

**Re: In the Matter of Cumberland Valley Electric, Inc. v. Kentucky Utilities
Company
Case No. 2006-00148
Our File No.: 400001/122720**

Dear Ms. O'Donnell:

Enclosed please find and accept for filing the original and ten (10) copies of Kentucky Utilities Company's Supplemental Data and Document Requests to Cumberland Valley Electric, Inc. 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 two additional copies provided and return them to me in the enclosed self-addressed stamped envelope.

Should you have any questions or need any additional information, please contact me at your convenience.

Very truly yours,


J. Gregory Cornett

JGC/cja
Enclosures
cc: Parties of Record

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

RECEIVED

In the Matter of:

NOV 29 2006

CUMBERLAND VALLEY ELECTRIC, INC.)
)
COMPLAINANT)
)
v.)
)
KENTUCKY UTILITIES COMPANY)
)
DEFENDANT)

PUBLIC SERVICE
COMMISSION

CASE NO. 2006-00148

**KENTUCKY UTILITIES COMPANY'S SUPPLEMENTAL DATA
AND DOCUMENT REQUESTS TO CUMBERLAND VALLEY ELECTRIC, INC.**

Kentucky Utilities Company ("KU") submits these requests for information and documents to Cumberland Valley Electric, Inc. ("CVE"). As used herein, "documents" include all correspondence, memoranda, e-mail, computer data or records, notes, maps, drawing, surveys or other written or electronically recorded materials, whether external or internal, whether currently existing on paper or on hard drive, disk or other electronic storage, of every kind or description, in the possession of or accessible to CVE, its witnesses or its counsel.

These requests shall be deemed continuing so as to require further and supplemental responses if CVE receives or generates additional information within the scope of these requests between the time of the response and the time of any hearing herein.

If any request is considered or claimed to be vague, unclear or confusing in any way, CVE is directed to contact counsel for KU for further explanation or discussion before merely objecting to the request on said grounds. To the extent that CVE disagrees with or objects to any of the definitions set forth above or the requests set forth below, CVE is requested to state such objection, including the full grounds therefor, but to nonetheless proceed to fully respond to the

following requests. To the extent that any bare objection is made, without providing the requested information, CVE is directed to advise counsel for KU of that objection as soon as possible in advance of the due date of the responses hereto, in keeping with prior directives of the Commission.

1. Refer to CVE's answer to initial KU Request No. 15, which answer was served on November 1, 2006. State in detail the factual and legal basis on which Mr. Willhite was relying for the "logical" definition of "central station source" offered in lines 2 and 3 of that answer. Provide a citation to each and every statute, regulation, Commission order or court order or ruling in Kentucky which in any way supports the offered definition of "central station source", providing specific reference to the language in such statute, regulation, Commission order or court order or ruling on which you are relying.

ANSWER:

2. Admit that in *Owen Co. RECC v. PSC*, 689 S.W.2d 599 (Ky.App. 1985) the substation and metering equipment was considered to be the "central station source." If your answer is anything other than an unqualified admission, state in detail the basis for your answer, providing specific reference to the language in the case opinion which you contend supports your answer.

ANSWER:

3. Admit that in the Commission's Order of May 23, 1990 in Case No. 89-349, and the Franklin Circuit Court and Kentucky Court of Appeals decisions affirming the Commission's final order in Case No. 89-349), the substation and metering equipment was considered to be the "central station source." If your answer is anything other than an unqualified admission, state in detail the basis for your answer, providing specific reference to the language in the order or case opinion which you contend supports your answer.

ANSWER:

4. What does CVE contend is the central station source for KU's service to Stillhouse #2? Explain that answer in detail.

ANSWER:

5. What would be the central station source for CVE's service to Stillhouse #2, if granted the right to provide that service? Explain that answer in detail.

ANSWER:

6. Provide a list of all customers who take service from CVE but then transmit or distribute that power further by use of customer-owned facilities. If necessary, but only if necessary, identify the customer(s) by classification (residential, industrial, mining, etc.) rather than by specific name in order to protect customer privacy.

ANSWER:

7. Provide a list of all customers who have facilities connected to CVE that extend into the territory of another retail electric supplier, and state whether said customer uses electricity, in whole or in part, in the territory of another retail electric supplier. If necessary, but only if necessary, identify the customer(s) by classification (residential, industrial, mining, etc.) rather than by specific name in order to protect customer privacy.

ANSWER:

8. Is it CVE's position that the BMR preparation plant at or near Cloverlick is itself a single electric consuming facility ("ECF") or that it instead is part of some larger ECF? Explain the answer in detail. If the answer is that the plant is part of a larger ECF, identify the ECF and explain the answer in detail. Include in your answers any statute, regulation, Commission order or case law that you claim supports the answer.

ANSWER:

9. Admit that Mr. Willhite executed a Non-Competition and Confidentiality Agreement with LG&E Energy Corp. and its successors and assigns in 2001, and remains legally bound by the confidentiality provisions therein to this day. If your answer is anything other than an unqualified admission, state the basis for the answer in detail.

ANSWER:

10. Refer to the documents attached to CVE's answer to initial KU Request No. 23, which answer was served on November 1, 2006. Explain in specific detail how copies of those documents (which were not requested by KU) came to be in the possession of Mr. Willhite or CVE, identifying the source from which the documents were originally obtained, the date on which they were obtained, and the purpose for which they were obtained.

ANSWER:

11. For any customer served by CVE, does CVE have any policy, practice or procedure for inspecting, reviewing or examining customer-owned lines or facilities to determine if they are located or delivering power, in whole or in part, into the territory of another retail electric supplier? If so, state and explain that policy, practice or procedure in detail and produce all documents supporting or evidencing the policy, practice or procedure.

ANSWER:

12. Does CVE or Mr. Willhite have any knowledge of any underground or strip mining operations (other than the operations of Stillhouse Mine No. 2) which are operating or have ever operated, in whole or in part, within the current permitted boundary of Stillhouse Mine No. 2 as shown on Exhibits Matda-1 and Matda-2? If so, please explain the source and full extent of such knowledge and produce all documents supporting or evidencing the existence of such operations.

ANSWER:

13. Does CVE or Mr. Willhite disagree that Arch Minerals (or some Arch affiliate) previously conducted mining operations in the reserves now permitted for Stillhouse Mine No. 2, as those reserves are shown by the boundary depicted on Exhibits Matda-1 and Matda-2? If so, describe the basis for that disagreement in detail, and produce all documents supporting that basis for disagreement.

ANSWER:

14. Does CVE or Mr. Willhite contend that the Commission's order of July 8, 1986 in Case No. 9454, as set forth in the direct testimony of Mr. Bush, is either inapplicable or distinguishable here? If so, state in detail the factual and legal basis for, and produce any documents supporting, that contention.

ANSWER:

15. Describe in detail the current status of the PSC's focused management audit of CVE, and produce copies of all documents which have been requested by or presented to the PSC or the third party retained to conduct the audit. Have any findings or recommendations been made by the PSC or the third party it has retained to conduct the audit? If so, describe those in detail and produce copies of any documents containing or relating to those findings or recommendations.

ANSWER:

16. Refer to CVE's answer to initial KU Request No. 2, which answer was served on November 1, 2006. State in detail each and every fact, and produce each and every document, which supports your claim that any part of the J&M Fields Coal Mine or the Robert Smith Mine were located, in whole or in part, on the U.S. Steel Property, as defined by Mr. Matda in his testimony. Your response should not refer only to your contention that such mines overlapped or touched the boundary of the U.S. Steel property, but should provide in detail the factual basis for your claim that either mining operation was in fact located on or within said boundary, and should include the production of all documents which support that claim. In addition, state with specificity the seam(s) in which coal was mined by the operations at J&M Fields Coal Mine and the Robert Smith Mine, and produce documents evidencing same.

ANSWER:

17. Refer to CVE's answer to initial KU Request No. 2, which answer was served on November 1, 2006. Admit that the "number of residential properties along the south-side of US 119" referred to on page 2 of 2 of your answer were not located within the boundary of the U.S. Steel Property as defined by Mr. Matda in his testimony. If your answer is anything other than an unqualified admission, state in detail the basis for your answer. In addition, state whether CVE claims that such residences were an "integral" part of any mining operation, and explain your answer in detail.

ANSWER:

18. Refer to CVE's answer to initial KU Request No. 3, which answer was served on November 1, 2006. State in detail each and every fact, and produce each and every document, which supports your claim that any part of the J&M Fields Coal Mine or the Robert Smith Mine were located, in whole or in part, within the reserve area bounded in red on Exhibit Matda-1. Your response should not refer only to your contention that such mines overlapped or touched said boundary, but should provide in detail the factual basis for your claim that either mining operation was in fact located on or within said boundary, and should include the production of all documents which support that claim.

ANSWER:

19. Refer to the documents attached to CVE's answer to initial KU Request No. 4, which answer was served on November 1, 2006. Provide the name(s) and job title(s) of each person whose handwriting is contained on any of the documents attached to that Request, explain the purpose for and circumstances under which each of those documents was created, and provide the date(s) on which such documents were created and, if applicable, added to, deleted from, changed or otherwise edited. If the documents were in any way added to, deleted from, changed or otherwise edited after they were initially created, state the date and nature of each such edit.

ANSWER:

20. Explain in detail the specific circumstances under which a special contract or other special arrangement might be offered by CVE for service to Stillhouse #2. Explain in detail the circumstances under which a special contract or other special arrangement could not or would not be offered by CVE for service to Stillhouse #2. Under what rate does CVE bill for its service to any other BMR-affiliated mining operations in Harlan or Letcher County, Kentucky? Do such other BMR-affiliated mining operations take service under a special contract or other special arrangement with CVE? If so, produce a copy of the contract or other documents evidencing the existence or terms of such contract or arrangement. If not, why not?

ANSWER:

21. Assume an initial Stillhouse #2 load of 800 kW, and assume the load characteristics are otherwise typical for a mining customer with such load. Would a special contract or other special arrangement be available for CVE's service to Stillhouse #2 under that assumed scenario? If so, state in specific detail the rate provisions which would be available under that contract or special arrangement. If no, state why not and state with specificity the rate under which service would be rendered by CVE. If you contend that you cannot answer this question because sufficient information is not available, explain in detail all information that would be needed in fully answer each part of this question.

ANSWER:

22. Assume an initial Stillhouse #2 load of 800 kW, and assume the load characteristics are otherwise typical for a mining customer with such load. Provide a detailed rate calculation under each of the following CVE Rate Schedules: IV, IV-A, V and V-A.

ANSWER:

23. Refer to CVE's answer to initial KU Request No. 11, which answer was served on November 1, 2006. What impact, if any, would the need to purchase a new transformer at this time (rather than utilizing an existing stock transformer) have on the cost estimate set forth in Mr. Willhite's testimony. In addition, explain how CVE sized transformers for this load if it has

no idea of the load levels and characteristics, as it claimed in response to KU's initial data requests. Explain your answers in detail.

ANSWER:

24. Refer to CVE's answer to initial KU Request No. 11, which answer was served on November 1, 2006. Provide a full and complete answer to that Request, without reference to Mr. Willhite's testimony, and produce all documents which support CVE's estimate of costs to provide service to Stillhouse #2.

ANSWER:

25. How did CVE apply its line extension policy in the construction of the line used to serve the Stillhouse #2 water pump, and in the decision to waive the cost of the facilities to serve the water pump? Explain the answer in detail.

ANSWER:

26. Refer to CVE's answer to initial KU Request No. 12, which answer was served on November 1, 2006. Identify each and every property owner whose land would be crossed by or utilized for placement of any CVE or EKPC facility to serve Stillhouse No. 2. State the width of

ROW that is expected to be required for any line constructed to serve Stillhouse No. 2, and the estimated cost per foot to construct said line (including labor and materials).

ANSWER:

27. Refer to CVE's answer to initial KU Request No. 13, which answer was served on November 1, 2006. State the exact amount of the line extension (in linear feet) which is "on the public right of way of US 119" and the exact amount of the line (in linear feet) which is on private property.

ANSWER:

28. State in detail the efforts undertaken by CVE, *before* constructing the line extension to serve the water pump near the portal to Stillhouse #2, to verify that any private land being crossed by that line was "owned or otherwise controlled by the end user, Stillhouse Mining, LLC." In addition, state in detail how CVE came to serve said water pump, including but not limited to whether said service was initiated from original contact by CVE, BMR or Stillhouse Mining LLC.

ANSWER:

29. Refer to CVE's answer to initial KU Request No. 14, which answer was served on November 1, 2006.

- (a) Produce a full and unredacted copy of the 2003-2006 Work Plan referred to, and produced in part, in response to Request No. 14.
- (b) Provide outage history (SAIFI, SAIDI, CAIFI, CAIDI and ASAI) for each of the past 7 years for the line reconstructed in 1974.
- (c) Identify by name and address each of the owners and, if applicable, officers and/or directors, of 5C Construction and Shelton Construction.
- (d) Were the "relocated and modernized" facilities referenced on page 12, lines 10-12 of Mr. Willhite's testimony contracted through a competitive bidding process? If so, explain that process in detail and produce all documents generated or received in connection therewith, including but not limited to all bid submissions by interested contractors.
- (e) Produce a complete and unredacted copy of any contracts or work orders relating to construction of the "relocated and modernized" facilities referenced on page 12, lines 10-12 of Mr. Willhite's testimony.
- (f) Is it CVE's position that there are absolutely no documents, other than the 2003-2006 Work Plan, which discuss or in any way involve the need or reason for "relocating and modernizing" its three-phase facilities in the relevant area, as discussed on page 12, lines 10-12 of Mr. Willhite's initial testimony? If not, produce copies of all other responsive documents.
- (g) Describe in detail the CVE plan to "transfer" load from the 1974-reconstructed line to the "relocated and modernized" line, including but not limited to an explanation of whether the plan is to transfer all such load and

when the transfer(s) is expected to be completed. Produce copies of all documents which discuss, describe or relate to the “transfer” of such load.

- (h) What is the source which feeds the 1974-reconstructed line? What is the length of the 1974-reconstructed line, from feed source to line end? What is the length of the “relocated and modernized” line, from feed source to line end?
- (i) Provide a single map depicting the location of the full length of the 1974-reconstructed line, the full length of the “relocated and modernized” line, and the feed source for both lines.
- (j) Explain in detail why the 1974 line is still in use, and whether CVE plans to de-energize or demolish the line at any time in the next ten (10) years. Produce all documents discussing any plan or intent to either leave the line in service, de-energize it, or demolish it.
- (k) State whether the 1974 line is presently capable (from an engineering feasibility standpoint) of serving each of the customers presently served by the “relocated and modernized” line. If not, state the number of such customers which the 1974 line is capable of serving, and explain in detail why the line is not capable of serving all customers presently served by the “relocated and modernized” line.

ANSWER:

30. Refer to CVE's answer to initial KU Request No. 16, which answer was served on November 1, 2006. Provide a fully responsive answer to that request, based on the additional information provided to CVE through its discovery requests to the parties in this proceeding. If you contend that you still have "insufficient information" to fully respond to this request, state in detail what additional information is needed in order to be in a position to fully respond.

ANSWER:

31. Refer to CVE's answer to initial KU Request No. 18, which answer was served on November 1, 2006. Provide a fully responsive answer to that request, based on the additional information provided to CVE through its discovery requests to the parties in this proceeding. If you contend that you still have insufficient information to fully respond to this request, state in detail what additional information is needed in order to be in a position to fully respond.

ANSWER:

32. Refer to CVE's answer to initial KU Request No. 19, which answer was served on November 1, 2006. Provide a fully responsive answer to that request, based on the additional information provided to CVE through its discovery requests to the parties in this proceeding. If you contend that you still have insufficient information to fully respond to this request, state in detail what additional information is needed in order to be in a position to fully respond.

ANSWER:

33. Refer to CVE's answer to initial KU Request No. 25, which answer was served on November 1, 2006. Specifically, refer to that portion of CVE's answer thereto which states that "under the provisions of KRS 278.017(3) CVE would be entitled to serve Stillhouse Mine No. 2 even if customer lines are considered." State in specific detail, with reference to each and every one of the four criteria set forth in KRS 278.017(3), what evidence exists in the record or is otherwise known to CVE which would entitle CVE to serve Stillhouse Mine No. 2 if the customer's lines are considered. In addition, admit that CVE is aware of no other evidence which would support its claim of right to serve Stillhouse Mine No. 2, if customer-owned lines are considered, beyond that which it specifically describes in response to this request.

ANSWER:

34. Provide a full citation to any Kentucky PSC or court opinion, ruling or decision which has in any way addressed the consideration of customer-owned distribution or transmission facilities in the context of a territorial boundary dispute between two retail electric suppliers.

ANSWER:

35. Provide a full citation to any Kentucky PSC or court opinion, ruling or decision which has in any way used the phrase "electric consuming device(s)" in connection with

consideration or identification of an electric consuming facility, electric consuming facilities, or a central station source.

ANSWER:

36. Assume a Stillhouse #2 load of 1200 kW, and assume the load characteristics are otherwise typical for a mining customer with such load. What improvements or upgrades, if any, to the CVE system would be required in order for CVE to provide service to Stillhouse #2 at that level? Explain your answer in detail.

ANSWER:

37. Produce all documents which in any way support, or in any way provide evidence relating to, any and all of your responses to the foregoing requests, and the requests issued by KU on October 18, 2006, to the extent not otherwise requested or produced.

ANSWER:



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Counsel for Kentucky Utilities Company

CERTIFICATE OF SERVICE


It is certified that a true and correct copy of the foregoing was served via U. S. Mail, postage prepaid, this 29th day of November, 2006 upon:

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