



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

December 13, 2006

RE: *In the Matter of Cumberland Valley Electric, Inc. v. Kentucky Utilities Company – Case No. 2006-00148*

Dear Ms. O'Donnell:

Enclosed please find and accept for filing the original and eight (8) copies of Kentucky Utilities Company's Response to the Commission Staff's Second Data Request dated November 29, 2006, in the above-referenced matter.

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

Sincerely,

A handwritten signature in black ink, reading 'Allyson K. Sturgeon', is written over the typed name.

Allyson K. Sturgeon

c: Parties of Record

RECEIVED

DEC 13 2006

**PUBLIC SERVICE
COMMISSION**

Kentucky Utilities Company
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COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

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IN THE MATTER OF:

DEC 13 2006

CUMBERLAND VALLEY ELECTRIC, INC.)

PUBLIC SERVICE
COMMISSION

COMPLAINANT)

v.)

CASE NO. 2006-00148

KENTUCKY UTILITIES COMPANY)

DEFENDANT)

RESPONSE OF
KENTUCKY UTILITIES COMPANY
TO THE COMMISSION STAFF'S
SECOND DATA REQUEST
DATED NOVEMBER 29, 2006

Filed: December 13, 2006

KENTUCKY UTILITIES COMPANY

CASE NO. 2006-00148

**Response to Commission Staff's
Second Data Request
Dated 11/29/06**

Question No. 1

Witness: F. Howard Bush, II

- Q-1. Refer to the Paragraph 3 of the Answer of KU filed April 12, 2006, wherein KU asserts that continuation of the mining operations in the Harlan Seam through Stillhouse Mine No. 2 should not be considered a new mine nor a new electric consuming facility.
- a. State whether the Harlan Seam extends beyond the Kentucky border and state whether it extends into the certified service territories of other electric energy suppliers besides KU and Cumberland Valley Electric, Inc.
 - b. If the Harlan Seam does extend beyond the Kentucky border or beyond the service territories of the parties to this proceeding, explain why it is appropriate for the Commission to consider the mining activity at Stillhouse Mine No. 2, which was not permitted until 2005, to be a continuation of previous mining operations in that seam rather than a separate and distinct mining activity or a separate electric consuming facility.
- A-1a. It is KU's understanding that the Harlan Seam does extend beyond the Kentucky border and that it is not restricted to the service territory of just KU and Cumberland Valley Electric.
- A-1b. It is KU's position that the question of whether a new electric consuming facility ("ECF") has been created is a fact-based inquiry tied to the Commission's historical definition and application of the term "central station source." KU's position that Stillhouse Mine No. 2 is an expansion of an existing ECF, and not a new ECF, is not based on the mere fact that coal is being mined in the Harlan Seam. Instead, KU's position is based on the following facts, all of which should be considered together: the mining activities at Stillhouse Mine No. 2 are on a tract of property now controlled by BMR or an affiliate, but which dates back to operations by U.S. Steel; all operations in this same seam of coal and on this same tract of property which have been conducted by U.S. Steel and its successors in interest, including BMR and its affiliates which operate Stillhouse Mine No. 2, have all been served through a customer-owned distribution network connected to KU's Lynch Substation dating back well before the Certified Territories Act; the mining activities at Stillhouse Mine No. 2 are largely, if not completely, in reserves previously permitted to

predecessors in interest, which conducted mining in this same area of reserves but which could not reach all of the coal because of then-existing technological limitations; while the exact number and location of mines has changed over the years, the operations have nonetheless been clustered in one place, mining a continuous area of reserves on a large tract of property in Harlan County, and service has always been delivered at the same point.

That said, however, it is very important to recognize that the issue of whether or not Stillhouse Mine No. 2 is a new ECF is but one part of KU's position in this case. Even if that mine is considered a new ECF, such that the criteria of KRS 278.017(3) are applied to resolve this dispute, it is KU's position that the clear weight of the evidence supports awarding KU the right to continue service to this ECF under those criteria, for all of the reasons set forth in KU's prefiled testimony and otherwise in the record in this proceeding.

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:

The reserves shown on Exhibits Matda-1, 2 and 3, while appearing to be adjacent to reserves mined by ARCH Mine No. 37, do not appear to overlap the Mine No. 37 reserves extracted prior to June 1998 other than at the cross-over point at Trantrough Branch. The Mine No. 37 Mine Closure Map submitted to the Kentucky Department of Mines and Minerals in June 1998 by Map Transmittal Letter, *Agreed Statement of Facts Item 6*, does not appear to show any of the reserves to be mined by Stillhouse Mine No. 2.

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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:

Objection. The Order speaks for itself. The question appears to seek a legal opinion from Mr. Willhite, and Mr. Willhite is not a lawyer. Further, the request may call for the production of information which is protected by the attorney client privilege or the work product doctrine.

Without waiver and subject to that objection, Yes, inapplicable.

Without expressing a legal opinion Mr. Willhite notes the Commission in its January 3, 1986 Order addressing HU's motion to strike KU's counterclaim stated: "HU's complaint raises the issues of a utility's authority to continue serving a customer whose load lies within the certified territory of another utility, whereas the counterclaim involves a utility's right to continue serving a customer whose load has grown from within the serving utility's certified territory into another utility's territory. While both the complaint and counterclaim involve the same utilities and the same statute, the legal issues are dissimilar." (emphasis added)

In its July 8, 1986 Order the Commission found that HU had been serving the ECF prior to the 1972 enactment of the statute and that "HU is granted specific authority pursuant to KRS278.018(4) to maintain service to this facility to the exclusion of any other utility". The Commission specifically found the prior coal mine situations cited by KU "involved situations where a customer's load migrated from one utility's service territory into another. In each case, KU and HU were able to resolve the dispute by determining the new point of delivery and referring to the territorial boundary map. The case now pending is dissimilar to those prior disputes. Baldwin & Baldwin's load has not migrated. The cluster of oil wells now being served has been the only cluster served for over 35 years. The wells have always been served by HU and have always been located in KU's certified territory."

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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:

Objection. The request is overly broad, unduly burdensome, and seeks information which is irrelevant to the issues in this proceeding and not reasonably calculated to lead to the discovery of admissible evidence and may call for the production of information which is protected by the attorney client privilege or the work product doctrine. The request also seeks information as to preliminary findings or recommendations of a management audit, and such preliminary findings or recommendations have been held by the Commission not to be discoverable.

Without waiver and subject to that objection, the Audit has not started.

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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:

Objection. The request is overly broad, unduly burdensome and seeks the production at least in part of information which is irrelevant to the issues in this proceeding and not reasonably calculated to lead to the discovery of relevant information.

Without waiver and subject to that objection, the only testimony given by Mr. Matda that in any way accurately "defines" the US Steel Property is his agreement at page 2 lines 12 and 13 of his direct testimony that Exhibit LEB-1, provided by Lonnie Bellar of KU, "accurately shows the property on which BMR has rights to conduct mining operations, referred to as the U.S. Steel property". The last entry in the legend of LEB-1 is an entry depicting the symbolism used on the map to indicate "Black Mountain Property Boundary". The red lines shown on Matda-1 and Matda-2 do not indicate property boundary, they indicate a permit boundary. Neither BMR nor KU have produced a map with both a property boundary and a permit boundary. CVE has already asserted, and offered Matda's own exhibits and/or the Arch Mine No. 37 Final Closure Map as evidence, and KU has not denied, that the Robert Smith Mine, J&M Fields Mine and the

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old underground works on the former G.B. Nolan Property all touched or extended into the permit boundary on Matda-1 and Matda-2. It does not seem a logical conclusion that these mines can extend into Matda's permit boundary and not be on the U.S. Steel Property.

CVE believes the works of the Robert Smith Mine, the J&M Fields Mine and the underground mine on the former property of G.B. Nolan to be in the Harlan Seam. The Robert Smith Mine and the J&M Fields Mine appear on the mine license map of Stillhouse #2 (although they are unlabeled) filed with CVE's complaint as Item 4 of the Agreed Statement of Facts. A box in the upper right corner of that map lists The Kentucky Department of Mines and Minerals seam name as the Harlan seam and the map itself does not indicate that the old works which CVE asserts are the Smith and Fields Mines are in any other than the Harlan seam. The Smith, Fields and Nolan Property mine appear on the Arch Mine No. 37 Final Closure map and it also indicates that the works shown thereon are in the Harlan seam.

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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:

The only testimony given by Mr. Matda that in any way accurately "defines" the US Steel Property is his agreement at page 2 lines 12 and 13 of his direct testimony that Exhibit LEB-1, provided by Lonnie Bellar of KU, "accurately shows the property on which BMR has rights to conduct mining operations, referred to as the U.S. Steel property". A comparison of LEB-1 and old CVE facility maps indicates that CVE did in fact serve residential accounts that were on the U.S. Steel Property as defined by LEB-1 as validated by Mr. Matda. These CVE accounts that are not presently in service are:

38-37-22, originally connected in the name of Aaron Dixon on 16 February, 1961
38-37-23, originally connected in the name of Marvin W. Cornett on 16 March, 1961
38-37-25, originally connected in the name of Clarence Isom on 30 March, 1961
38-28-21, originally connected in the name of John Dixon, Jr. on 2 May, 1962

See, also, CVE Response to 2nd PSC – 1.

CVE presently serves account 38-37-47 in the name of Kenneth Keith that appears to be within the U.S. Steel property boundary depicted on LEB-1.

In addition, CVE has obtained a deed record, Attachment 1, from the Office of the Clerk of the County Court of Harlan County at Deed Book 262 Page 53 which documents the conveyance of

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4.00 acres from U.S. Steel to Clarence R. and Hattie M. Wells on September 5, 1984. Item No. 9 of this deed makes the conveyance "SUBJECT TO AN EASEMENT from United States Steel Coal and Coke Company to Cumberland Valley Rural Electric Cooperative Corporation". A residence on this property was connected to service from CVE on May 8, 1950, in the name of Hamby with account number 38-28-018, Attachment 2. The account is located more or less directly across US119 from the entrance to the haul road to Stillhouse #2 Mine. Clarence Wells occupied the account on June 14, 1971, purchased the property in September 1984, and the account is connected in his name to this day.

It is unknown to CVE whether any of these did or did not serve as an integral part to any mining operation.

Deed Tax of \$16.00 collected
this 17th day of June, 1984.
Tommy Lee, Clerk HCO
Tommy Lee

DEED

MADE this 5th day of September, 1984 Between
United States Steel Corporation, a Delaware Corporation, having
an office at 600 Grant Street, Pittsburgh, Pennsylvania 15230,
hereinafter sometimes referred to as "USSC," and Clarence R. and
Hattie M. Wells, Box 78, Lynch, Kentucky 40855 hereinafter
sometimes referred to as "Grantees";

(1) FOR AND IN CONSIDERATION OF the sum of Sixteen Thousand
Dollars (\$16,000), receipt of which USSC hereby acknowledges,
and additional considerations, part of which are the various
rights, waivers, releases and disclaimers running in favor of
USSC in this deed, without which this deed would not have been
executed, USSC grants and conveys with covenants of special
warranty unto Grantees, their heirs and assigns, a certain
parcel of land situate in Harlan County, Kentucky on the waters
of the Poor Fork of the Cumberland River East of the community
of Hiram and being described more particularly as follows:

BEGINNING at an iron pin on the North
Right-of-Way Line of U. S. Route 119,
hereinafter referred to as "right of way,"
said pin bearing South 88° 43' 15" East,
88.78 feet from an iron pin at turn in right
of way fence approximately 178.34 feet right
of Highway Station 1091+33.22 and bearing
North 28° 19' 10" West, 2033.80 feet from
Corner 106 of United States Steel
Corporation's Lynch District Outside
Boundary, said Corner being designated as
Corner 106 in the Deed from International
Harvester Company to United States Coal and
Coke Company dated September 17, 1923 and
recorded in the Office of the County Court

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Clerk of Harlan County, Kentucky in Deed Book 48, Page 330, etc., said corner 106 being carved in a rock ledge on the West side of the Left Fork of Perkins Branch, the number 106 being carved beside the point in the same rock ledge; thence proceeding the right of way (1) North 88° 43' 15" West, 88.78 feet to an iron pin at turn in right-of-way fence; thence continuing with right-of-way (2) South 53° 58' 40" West, 163.36 feet to an iron pin on right of way; thence continuing with right-of-way (3) South 77° 19' 25" West, 108.40 feet to an iron pin at turn in right-of-way fence; thence continuing with right-of-way (4) North 73° 39' 15" West, 57.78 feet to an iron pin on right-of-way; thence continuing with right-of-way (5) North 75° 50' 20" West, 101.90 feet to an iron pin at turn in right-of-way fence; thence continuing with right-of-way (6) South 77° 30' 55" West, 222.99 feet to an iron pin on right-of-way at center line of permanent drainage easement; thence leaving said right-of-way and proceeding with centerline of permanent drainage easement (7) North 33° 47' West, 122.50 feet to a point in the Poor Fork of Cumberland River on the Outside Boundary of United States Steel Corporation's Lynch District property, hereinafter referred to as "outside boundary"; thence continuing with the outside boundary (8) North 56° 25' East, 348.58 feet to a point in the Poor Fork of the Cumberland River, said point being Corner No. 117 of the outside boundary; thence continuing with outside boundary (9) North 80° 55' East, 441.21 feet to a point in the Poor Fork of the Cumberland River on said outside boundary; thence (10) South 09° 05' East, 243.34 feet to the BEGINNING, containing 4.00 acres of Grantor's Tract No. 85 which was acquired from International Harvestex Company by deed dated September 17, 1923 recorded in the Office of the County Court Clerk of Harlan County, Kentucky in Deed Book 48 at Page 330, etc.

(2) THERE IS EXCEPTED AND RESERVED UNTO USSC, its successors and assigns, out of and from this conveyance an easement and right-of-way for the installation, construction, repair,

replacement and removal of storm drains and sewers and related facilities, said easement being located on the West end of the aforescribed parcel and is described more particularly as follows:

BEGINNING at an iron pin on the North right of way line of U.S. Route 119 at the centerline of permanent drainage easement, said pin being the termination of the sixth (6) call of the previously described tract; thence leaving right-of-way and proceeding with the centerline of the permanent drainage easement (1) N 33° 47' W, 74.28 feet to a point on the South edge of the Poor Fork of the Cumberland River; thence eastwardly with the South edge of the Poor Fork of the Cumberland River (2) N 56° 13' E, 23.37 feet to a point on the South edge of the Poor Fork of the Cumberland River; thence leaving the South edge of Poor Fork of the Cumberland River and proceeding through the previously described tract (3) S 33° 47' E, 83.99 feet to an iron pin on the North right-of-way line of U.S. Route 119; thence with said right-of-way line (4) S 77° 30' 55" W, 25.08 feet to the BEGINNING, containing 0.04 acres, more or less, of Grantor's Tract No. 05 and the previously described parcel.

(3) BEING PART OF the premises conveyed by International Harvester Company to United States Coal and Coke Company by deed dated September 17, 1923 and recorded in the Office of the County Court Clerk of Harlan County, Kentucky in Deed Book 48 at Page 330, etc.

(4) BY AGREEMENT OF MERGER dated December 14, 1950, H.C. Frick Coke Company, United States Coal and Coke Company and United States Steel Corporation of Delaware were merged into Carnegie-Illinois Steel Corporation, the name of which was in the merger changed to United States Steel Company. A certified

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copy of the Agreement of Merger was filed in the Office of the Secretary of the Commonwealth of Kentucky on January 8, 1951.

(5) BY INSTRUMENT OF MERGER dated December 24, 1952, United States Steel Company, New Jersey corporation, a subsidiary of United States Steel Corporation, a New Jersey corporation, was merged into said United States Steel Corporation. A certified copy of the instrument of merger was filed in the Office of the Secretary of the Commonwealth of Kentucky on January 5, 1953.

(6) BY JOINT AGREEMENT OF MERGER made as of October 1, 1965, United States Steel Corporation, a New Jersey corporation, was merged into U.S. Steel Company, a Delaware corporation, the name of which was in the merger changed to United States Steel Corporation. Certification of said merger was filed in the Office of the Secretary of the Commonwealth of Kentucky on January 1, 1966.

(7) USSC DOES NOT grant or convey any rights of way or easements for ingress and egress of said 4.00-acre tract. Access shall be by existing private entrances from U.S. Route 119 or future private entrances from U.S. Route 119 to be obtained by Grantee.

(8) THE PROVISIONS OF THIS DEED shall run with the land.

(9) SUBJECT TO AN EASEMENT from United States Steel Coal and Coke Company to Cumberland Valley Rural Electric Cooperative Corporation (hereinafter sometimes referred to as "CVR&CC").

(10) USSC and Grantees expect that the Grantees will obtain or have obtained electrical power from the electrical power lines of CVRECC and will obtain or have obtained telephone service via lines attached to poles of CVRECC. This Deed grants no rights to CVRECC or the Telephone Company. USSC and Grantees expect that Grantees will obtain or have obtained water from a well and will install or have installed a septic tank. Therefore, the Grantees require no easements from USSC.

(11) EXCEPTING TO USSC, its successors and assigns, all oil and gas within and under said 4.00 acre tract, without, however, the right to conduct any operations on or from the surface.

(12) EXCEPTING TO USSC, its successors and assigns, all coal within and under said 4.00 acre tract and all substances contained within said coal including oil, gas, coal seam gas (also known as methane) and other hydrocarbons and all other minerals, rock and other substances which are necessarily or incidentally removed in the coal mining process. (Coal and all substances contained within coal as defined in the preceding sentence are hereinafter sometimes referred to as "COAL." ALL COAL excepted to USSC by this deed is hereinafter referred to as "SAID COAL.")

(13) RESERVING TO UNITED STATES STEEL CORPORATION, its successors and assigns the exclusive right to mine, remove, explore, test drill, dig, drain, ventilate, develop, work, process, and carry away SAID COAL by any methods or machinery now or hereafter employed; the free, uninterrupted and exclusive right and right of way into, through and under said 4.00-acre tract of land at such points and in such manner as may be convenient or necessary for the purpose of USSC's operations in SAID COAL, in the horizons thereof and in the strata above or

below the same, including but not limited to the transportation of personnel, supplies and equipment; the right to erect, maintain, operate, repair, replace and finally remove such underground structures and improvements as USSC may deem necessary or convenient to such operations, including but not limited to those required to provide power, communication, transportation, ventilation and drainage with full rights of ingress, egress and regress to and from the same; and without being required to leave or provide subjacent or lateral support for the overlying strata or surface or anything therein, thereon or thereunder including Grantees' structures or improvements now or hereafter erected on said 4.00-acre tract of land by reason of the mining or removal of SAID COAL or other mining activities or operations in and underlying said 4.00-acre tract of land and other premises in the surrounding area; and in connection with the foregoing the right to exercise or utilize any and all rights granted hereunder not only with respect to mining operations conducted as to SAID COAL but also in connection with USSC's mining operations with respect to other coal. And also in connection with the foregoing the right to use underground passageways, haulways, rooms and containing space (the space from which coal and other substances have been removed) forever and particularly so long as USSC has use for such underground passageways, haulways, rooms and containing space in USSC's mining activities and operations with respect to SAID COAL and other coal, whether or not coal is then being mined on or

underlying said 4.00-acre tract of land and whether or not any coal remains to be mined on or underlying said 4.00-acre tract of land; and Grantees, for themselves, their heirs, successors and assigns, do hereby WAIVE AND RELEASE all surface damages and damages of any sort howsoever caused arising from the removal of coal in and underlying said 4.00-acre tract of land and other premises and in the horizons of both and from all operations and activities of USSC in connection therewith or arising therefrom and/or arising from any and all physical conditions now present or which may hereafter develop in, about, above or below the same. The rights set forth above and elsewhere in this document are in enlargement and not in restriction of the rights incidental to the mineral estate and ownership of coal.

(14) NOTWITHSTANDING ANYTHING contained herein to the contrary, USSC shall have no right to go on or affect the surface of said 4.00-acre tract of land. By this deed USSC does not reserve the right to surface mine or strip mine although USSC excepts for itself, its successors and assigns coal which can be or is usually surface mined or strip mined.

(15) USSC REPRESENTS that USSC has removed coal from contiguous land and may in the future at any time or from time to time remove coal within said 4.00-acre tract of land and from contiguous land. Grantees, for themselves, their successors and assigns, release USSC, its successors and assigns, from any damages to said 4.00-acre tract of land and to any structures

and other property on or in said 4.00-acre tract of land including damages that have occurred and may hereafter occur as a result of the removal of coal under said 4.00-acre tract of land and under land contiguous thereto including but not limited to any loss of lateral and subjacent support and any damages to aquifers or other sources of water that may affect the existence, quality, quantity or other facets of water which Grantees may attempt to tap in order to obtain water for their residence on said 4.00-acre tract of land.

(16) NOTWITHSTANDING ANY OTHER PROVISION of this deed including paragraphs (13) and (15), USSC covenants with the Grantees, their heirs and assigns, that USSC will pay for any damage to buildings which may hereafter be erected on said 4.00-acre tract of land caused by future (but not past) mining of coal, rock and other solid minerals or solid substances under or near said 4.00-acre tract of land. USSC's covenant as set forth in this paragraph does not cover damages other than to buildings; said covenant therefore does not cover damage to, among other things, aquifers or other sources of water. USSC's obligations under this paragraph shall run with the land and be binding upon USSC's successors and assigns. If USSC sells SAID COAL and/or nearby coal, USSC shall pro tanto be relieved of any personal responsibility for its obligations and liability set forth in this paragraph.

(17) THE OBLIGATIONS WHICH THIS DEED IMPOSES on said 4.00-acre tract of land are not to be construed as imposed on any nearby

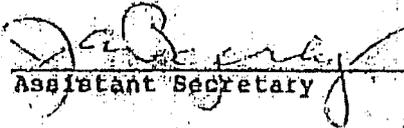
land which USSC may sell in the future. USSC reserves the right to treat the sale of nearby land in the same or in a different manner. Only USSC or the party to whom USSC shall assign the right shall have the right to release of any said obligations; the grantees of any nearby land shall not have the right to do so.

TO HAVE AND TO HOLD said 4.00-acre tract of land, with its appurtenances, unto the Grantees, their heirs and assigns, forever, with covenant of special warranty, subject and excepting and reserving as set forth above.

WITNESS the due execution in duplicate by the parties, although this deed shall be construed as a single instrument.

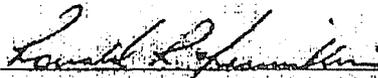
ATTEST:

UNITED STATES STEEL CORPORATION


Assistant Secretary

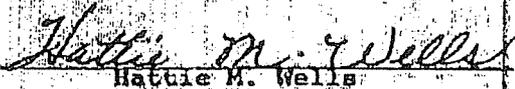

Vice President - Realty

WITNESS:




Clarence R. Wells




Hattie M. Wells

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COMMONWEALTH OF PENNSYLVANIA)
) SS:
COUNTY OF ALLEGHENY)

The foregoing instrument was acknowledged before me
this 11 day of Sept 1984 by W.C. Foster
Vice President of United States Steel Corporation, a Delaware
corporation, on behalf of the corporation

SARDIA M. WALTERS, Notary Public
PITTSBURGH, ALLEGHENY COUNTY
COMMONWEALTH OF PENNSYLVANIA
MY COMMISSION EXPIRES
DECEMBER 22, 1984

My commission expires

Sardia M. Walters
Notary Public



This instrument was prepared by S. L. Douglass, Rose, Schmidt,
Dixon & Hasley, 900 Oliver Building, Pittsburgh, Pennsylvania
15222.

STATE OF KENTUCKY
COUNTY OF HARLAN

I, TOMMY LEE, Clerk of the County Court for the County and State aforesaid, certify that th
foregoing DEED, was on the 17th day of SEPTEMBER 19 84 at 12:21
P. M.
lodged for record, whereupon the same with the foregoing and this Certificate, have been duly recorded in m
office in DEED BOOK NO. 262, PAGE 53

Witness my hand this 17th day of SEPTEMBER 19 84

TOMMY LEE, Clerk

Christine Wright
CHRISTINE WRIGHT

D.C

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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:

See Response to 16.

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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:

The handwriting on Attachments 1,2 and 4 would typically be that of a CVE Cumberland Office clerk. The identity of the person or persons who wrote on these sheets is unknown. When reviewing the information Mr. Willhite penned in on the system maps the customer name next to the map number location to clarify where CVE personnel advised where the customer was located.

Attachments 1, 2 and 4 are old account records that provide the account number and history of users of said account. It provides information about the account such as the transformer serial number and size, rate, route, connect date, disconnect date, meter numbers, meter readings, etc. These were created with the creation of a new electric account in the field, the date of which would normally be the date of the connection of the first consumer using the new account. These would only be edited on an as-needed basis to record some pertinent change to the account information. The date of the change would normally be recorded on the document.

Attachment 3 is a photocopy of a CVE facility map included to show the locations of Hillcrest Farm and Spot Cash Fuels. Facility maps are created when new facilities in any given area are

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constructed as a means to track CVE property and to assist in operation and maintenance of the system. Creation of facility maps is a requirement of PSC regulations. The creation date of Attachment 3 is unknown.

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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:

Objection. The request seeks information that is irrelevant to the issues in this proceeding and not reasonably calculated to lead to the discovery of admissible evidence.

Without waiver and subject to that objection, CVE enters into special contracts or arrangements only when the terms and conditions of its tariffs do not provide for the needs and the situation of the consumer or for CVE. Such situations may exist when the consumer's load is extremely large, or specialized service is needed, or some unusual conditions exist. CVE feels that a special contract is not needed to provide service to Stillhouse#2 because CVE's current tariff's adequately cover the situation and conditions for service to Stillhouse#2 based on the assumptions stated by KU in 2nd KU Nos. 21 and 22.

CVE provides service to three (3) other BMR-affiliated mining operations and these facilities take service from three (3) separate rate schedules offered by CVE, These rate schedules are Schedule II, Schedule IV and Schedule IV-A.

A special contract or arrangement does not exist between CVE and any BMR-affiliated operations.

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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:

Under the scenario listed in this question, a special contract would not be needed and not offered. A service contract would be entered into for CVE to provide service under the load characteristics listed above. A special contract is a contract that is a one of kind developed solely for a special need or unique situation. The type of load described above would come under the provisions CVE's Rate Schedule IV-A.

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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:

The load characteristics described above would qualify the Stillhouse#2 operation for Rate Schedule IV-A. These other rate schedules are for loads larger than Stillhouse#2. Rate Schedules IV and V are for loads with a minimum size of 2,500 kW or much larger than the described load. Therefore, a detailed calculation for these loads would serve no purpose. Mr. Howard Bush of Kentucky Utilities did such a calculation in another document in this case and I agree with his calculation except that he did leave out the application of the environmental surcharge in the development of costs for CVE's Schedule IV-A.

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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:

The cost estimate will change as it appears that the Stillhouse load may be significantly smaller than initially estimated and because other transformers will be taken from stock or purchased. Until more firm information is known regarding the expected load, CVE cannot determine how much the cost estimate would change.

CVE had planned to use transformers it had in stock if awarded service to Stillhouse #2, until they were placed in service at BMR's request for their new mine at Blair, Kentucky. These units, when banked together to form a three phase transformer installation, are base rated at 5,000 kVA. It is CVE's experience that typical mines, as Stillhouse #2 is presumed to be, do not require transformers this large. Furthermore, BMR's existing transformer at the Stillhouse #2 portal was observed to be a 3,000 kVA unit. Therefore, use of the transformers that were in stock would provide more than adequate capacity and prevent the necessity to purchase additional transformers.

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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:

CVE has performed a preliminary field survey to determine facilities required to extend service to Stillhouse #2, if awarded, and has estimated costs for same. This preliminary design includes placement of 9 poles and installation of approximately 3,133 feet of three phase line along the haul road to Stillhouse #2. CVE's estimate of cost for this construction is attached. It does not include right-of-way clearing or transformer installation costs.

CUMBERLAND VALLEY ELECTRIC CO-OP. CORP. KENTUCKY BY BELL
GRAY, KENTUCKY
 CONST. NO. **W.O. 102** RET. NO. **6/852**
 SHEET **OF** SHEETS
 ENGINEER **DL-DW** SEE SKETCH ON DETAIL MAP NO. **38-28**
 STATED **10/2/10**
 CHECKED
 RELEASED FOR CONST.

STAKING SHEET DATA

POLE NO	RET. CONST.		PRI. WIRE		UNDER-BUILD		SEC. WIRE		R/W	POLES		PRI. UNITS A-B-C		"E"		"F"		"G" TRANS.		M		J		K		L		METER	SEE NOTE NO.	
	I	N	I	N	I	N	I	N		I	N	I	N	I	N	I	N	I	N	I	N	I	N	I	N	I	N			I
330			440								464		VC3		41-3		13		15											
345							VC3				45-4		VC1		41-3		15		15											
168							VC3				503		VC3		41-3		15		15											
350							VC22				45-4		VC3		41-3		15		15											
420							VC3				503		VC3		41-3		15		15											
390							VC3				503		VC3		41-3		15		15											
400							VC3				503		VC3		41-3		15		15											
330							VC3				503		VC3		41-3		15		15											
200							VC1				45-4		VC1		41-3		15		15											
200							VC7						VC7		41-3		15		15											

WO #	F	C	GEN. LEDGER #	UNIT	QUANTITY	LINE ADDED	LINE RETIRE	M	M	COND FOR INVENT	TOTAL
				45'	3	M2-11X=3					
				VC1-1	6	M2-12=10					
				VC2-2	2	3133 X 4 = 12532					
				VC3	6						
				VC7-1	2						
				VC1-3	30						
				VC2-10	30						
				VC2-2	4						
				VC2-5	15						
				VC2-6	2						

NOTES

CONSTRUCTED BY: _____ DATE: _____
 APPROVED BY: _____ DATE: _____

USER SELECTIONS -> DELETE: N INCLUDE SALVAGE: Y SPECIFIC WIN
 WIN: 61852 PRJ: C/U NBR: BOTH C/U NBR: ALL POLE NBR: ALL

WIN: 61852 PRJ: C/R IND: CONSTRUCTION EST QTY: 12532.000 REF1: REF2: SECT: CHG:
 C/U NBR: 1/0 ACSR DESC: 3351 POLE NBR:
 WORKPLAN: 03-06 LOAN NBR: AN 8 740C REF: 0102 COND CD: LAB FACTOR:

***** RECORD UNIT *****

ACCT:	RANK	HOURS	TYPE:	M	LINE:	351	REC	UNIT	QTY:	1.000	RANK	HOURS	RATE	COST	AVERAGE	PRICE	LOC	QUANTITY	COST
	01	31.33000											90.230	2826.91		0.3365	01	12532.000	4217.46
	L	00000170											ACSR 1/0						
LABOR COST													2,826.91					4,217.46	7,044.37
CONST UNIT LABOR COST													2,826.91					4,217.46	7,044.37
LABOR OVERHEAD COST													1,834.66					632.62	9,511.65

USER SELECTIONS -> DELETE: N INCLUDE SALVAGE: Y SPECIFIC WIN
 WIN: 61852 PRJ: C/U NBR: ALL
 C/R IND: BOTH C/U NBR: ALL

WIN: 61852 PRJ: C/R IND: CONSTRUCTION EST QTY: 3.000 REF1: REF2: SECT: CHG:
 C/U NBR: 45P DESC: 45 FOOT POLE POLE NBR:
 WORKPLAN: 03-06 LOAN NBR: AN 8 740C REF: 0102 COND CD: LAB FACTOR:

***** RECORD UNIT *****
 ACCT:364.00 TYPE:M LINE:103 REC UNIT QTY: 1.000
 RANK HOURS RATE COST RANK HOURS RATE COST
 01 7.50000 90.230 676.73
 TYPE ITEM DESCRIPTION QUANTITY LOC AVERAGE PRICE COST
 L 00000675 POLE 45 3.000 01 382.2981 1146.89

LABOR COST 676.73 MATERIAL COST 1,146.89 RECORD UNIT COST 1,823.62
 CONST UNIT LABOR COST 676.73 CONST UNIT MAT COST 1,146.89 CONST UNIT COST 1,823.62
 LABOR OVERHEAD COST 439.20 MAT OVERHEAD COST 172.03 CONSTRUCTION UNIT COST 2,434.85

USER SELECTIONS -> DELETE: N INCLUDE SALVAGE: Y SPECIFIC WIN
 WIN: 61852 PRJ: C/R IND: BOTH C/U NBR: ALL POLE NBR: ALL

WIN: 61852 PRJ: C/R IND: CONSTRUCTION EST QTY: 30.000 REF1: REF2: SECT: CHG:
 C/U NBR: E1-3 DESC: SINGLE DOWN GUY POLE NBR:
 WORKPLAN: 03-06 LOAN NBR: AN 8 740C REF: 0102 COND CD: LAB FACTOR:

***** RECORD UNIT *****

ACCT	TYPE	LINE	REC UNIT	QTY	RANK	HOURS	RATE	COST	AVERAGE PRICE	LOC	QUANTITY	COST
364.00	M			0.000								
								1353.45			30.000	68.65
											30.000	14.13
											60.000	176.00
											300.000	122.90
											1500.000	574.35
											30.000	12.00
											30.000	8.76

LABOR COST	MATERIAL COST	RECORD UNIT COST
1,353.45	976.79	2,330.24
CONST UNIT LABOR COST	CONST UNIT MAT COST	CONST UNIT COST
878.39	146.52	3,355.15
LABOR OVERHEAD COST	MAT OVERHEAD COST	CONSTRUCTION UNIT COST

USER SELECTIONS -> DELETE: N INCLUDE SALVAGE: Y SPECIFIC WIN
 WIN: 61852 PRJ: 30.000 REF1: REF2: SECT: CHG:
 C/R IND: BOTH C/U NBR: ALL POLE NBR: ALL
 C/R IND: CONSTRUCTION EST QTY: 30.000
 DESC: SINGLE DOWN GUY POLE NBR:
 LOAN NBR: AN 8 740C REF: 0102 COND CD: LAB FACTOR:

ACCT:364.00 TYPE:M LINE: REC UNIT QTY: 0.000
 RANK 01 HOURS 15.00000 RATE 90.230 COST 1353.45
 TYPE L ITEM 00000426 GUY GUARD

***** RECORD UNIT *****
 QUANTITY 30.000 AVERAGE PRICE 2.8900 COST 86.70
 LOC 01
 MATERIAL COST 86.70 RECORD UNIT COST 1,440.15

CONST UNIT LABOR COST 1,353.45 CONST UNIT MAT COST 86.70 CONST UNIT COST 1,440.15
 LABOR OVERHEAD COST 878.39 MAT OVERHEAD COST 13.01 CONSTRUCTION UNIT COST 2,331.55

USER SELECTIONS -> DELETE: N INCLUDE SALVAGE: Y SPECIFIC WIN
 WIN: 61852 PRJ: C/U IND: BOTH C/U NBR: ALL POLE NBR: ALL
 C/R IND: BOTH C/R IND: CONSTRUCTION EST QTY: 4.000 REF1: REF2: SECT: CHG:
 DESC: GUY STRAIN INSULATOR POLE NBR:
 WORKPLAN: 03-06 LOAN NBR: AN 8 740C REF: 0102 COND CD: LAB FACTOR:

***** RECORD UNIT *****

ACCT:364.00	TYPE:M	LINE:	REC UNIT QTY:	0.000																
RANK	HOURS	RATE	COST	RANK	HOURS	RATE	COST	RANK	HOURS	RATE	COST	RANK	HOURS	RATE	COST	RANK	HOURS	RATE	COST	COST
01	4.00000	90.230	360.92																	
	ITEM	DESCRIPTION	QUANTITY	LOC	AVERAGE PRICE	COST														
L	0000015	GUY ATTACHMENTS	4.000	01	2.2884	9.15														
L	0000045	BOLT, MACH	4.000	01	0.4708	1.88														
L	0000110	CLAMP 3 BOLT - GUY PREFORMED D	8.000	01	2.9332	23.47														
L	0000424	FIBERGLASS EXT	4.000	01	84.0500	336.20														
L	0000425	GUY WIRE	280.000	01	0.3829	107.21														
L	0000860	WASHERS, ALL	4.000	01	0.2920	1.17														

LABOR COST	360.92	MATERIAL COST	479.08	RECORD UNIT COST	840.00
CONST UNIT LABOR COST	360.92	CONST UNIT MAT COST	479.08	CONST UNIT COST	840.00
LABOR OVERHEAD COST	234.24	MAT OVERHEAD COST	71.86	CONSTRUCTION UNIT COST	1,146.10

USER SELECTIONS -> DELETE: N WIN: 61852 C/R IND: BOTH INCLUDE SALVAGE: Y PRJ: SPECIFIC WIN C/U NBR: BOTH C/U NBR: ALL POLE NBR: ALL

WIN: 61852 PRJ: C/R IND: CONSTRUCTION EST QTY: 15.000 REF1: REF2: SECT: CHG:
 C/U NBR: F1-5 DESC: LINE ANCHOR 20000 LBS POLE NBR:
 WORKPLAN: 03-06 LOAN NBR: AN 8 740C REF: 0102 COND CD: LAB FACTOR:

***** RECORD UNIT *****

ACCT:364.00 TYPE:M LINE:300 REC UNIT QTY: 1.000

RANK	HOURS	TYPE	ITEM	DESCRIPTION	ANCHOR ROD	QUANTITY	LOC	AVERAGE PRICE	COST	RATE	RANK	HOURS	RATE	COST
01	15.00000					15.000	01	36.4112	546.17					

LABOR COST	1,353.45			MATERIAL COST	546.17			RECORD UNIT COST	1,899.62
CONST UNIT LABOR COST	1,353.45			CONST UNIT MAT COST	546.17			CONST UNIT COST	1,899.62
LABOR OVERHEAD COST	878.39			MAT OVERHEAD COST	81.93			CONSTRUCTION UNIT COST	2,859.94

USER SELECTIONS -> DELETE: N INCLUDE SALVAGE: Y PRJ: SPECIFIC WIN
 WIN: 61852 C/R IND: BOTH C/U NBR: ALL POLE NBR: ALL
 PRJ: C/R IND: CONSTRUCTION EST QTY: 3.000 REF1: REF2: SECT: CHG:
 DESC: GROUND ROD ONLY POLE NBR:
 WORKPLAN: 03-06 LOAN NBR: AN 8 740C REF: 0102 COND CD: LAB FACTOR:

ACCT:365.00 TYPE:M LINE:100 REC UNIT QTY: 1.000 ***** RECORD UNIT *****
 RANK HOURS RATE COST RANK HOURS RATE COST RANK HOURS RATE COST
 01 3.00000 90.230 270.69
 TYPE ITEM DESCRIPTION QUANTITY LOC AVERAGE PRICE COST
 L 00000130 GRD. ROD 3.000 01 6.6694 20.01
 L 00000280 CU SOL 6 15.000 01 0.4096 6.14

LABOR COST 270.69 MATERIAL COST 26.15 RECORD UNIT COST 296.84
 CONST UNIT LABOR COST 270.69 CONST UNIT MAT COST 26.15 CONST UNIT COST 296.84
 LABOR OVERHEAD COST 175.68 MAT OVERHEAD COST 3.92 CONSTRUCTION UNIT COST 476.44

USER SELECTIONS -> DELETE: N INCLUDE SALVAGE: Y PRJ: 61852 SPECIFIC WIN
 C/R IND: BOTH C/U NBR: ALL C/U NBR: ALL POLE NBR: ALL

WIN: 61852 PRJ: C/R IND: CONSTRUCTION EST QTY: 10.000 REF1: REF2: SECT: CHG:
 C/U NBR: M2-12 DESC: POLE PROTECTION ASSEMBLY, PLATE TYPE POLE NBR:
 WORKPLAN: 03-06 LOAN NBR: AN 8 740C REF: 0102 COND CD: LAB FACTOR:

***** RECORD UNIT *****

ACCT	RANK	TYPE	LINE	REC UNIT	QTY	RANK	HOURS	RATE	COST	AVERAGE PRICE	LOC	QUANTITY	COST
365.00	01	M	100	1.000	1.000				902.30	0.2807	01	500.000	140.36
										0.4096	01	120.000	49.16
										2.6360	01	10.000	26.36

LABOR COST	MATERIAL COST	CONST UNIT LABOR COST	CONST UNIT MAT COST	LABOR COST	RECORD UNIT COST
902.30	215.88	902.30	215.88	1,118.18	1,118.18
585.59	32.38	585.59	32.38	1,736.15	1,736.15

USER SELECTIONS -> DELETE: N INCLUDE SALVAGE: Y SPECIFIC WIN
 WIN: 61852 PRJ: C/R IND: BOTH C/U NBR: ALL POLE NBR: ALL

WIN: 61852 PRJ: C/R IND: CONSTRUCTION EST QTY: 6.000 REF1: REF2: SECT: CHG:
 C/U NBR: M5-6 DESC: LIGHTING ARRESTER POLE NBR:
 WORKPLAN: 03-06 LOAN NBR: AN 8 740C REF: 0102 COND CD: LAB FACTOR:

ACCT:365.00 TYPE:M LINE:175 REC UNIT QTY: 1.000
 RANK HOURS RATE COST RANK HOURS RATE COST
 01 3.00000 90.230 270.69

***** RECORD UNIT *****
 TYPE ITEM DESCRIPTION QUANTITY LOC AVERAGE PRICE COST
 L 00000010 LIGHTNING ARRESTER 6.000 01 30.7828 184.70

LABOR COST 270.69 MATERIAL COST 184.70 RECORD UNIT COST 455.39
 CONST UNIT LABOR COST 270.69 CONST UNIT MAT COST 184.70 CONST UNIT COST 455.39
 LABOR OVERHEAD COST 175.68 MAT OVERHEAD COST 27.71 CONSTRUCTION UNIT COST 658.78

USER SELECTIONS -> DELETE: N INCLUDE SALVAGE: Y SPECIFIC WIN
 WIN: 61852
 C/R IND: BOTH C/U NBR: ALL POLE NBR: ALL
 PRJ: 61852
 C/R IND: CONSTRUCTION EST QTY: 2.000 REF1:
 C/U NBR: VC1-1 DESC: 3-PH XARM CONST, DOUBLE PRI SUPP 0°/5° POLE NBR:
 WORKPLAN: 03-06 LOAN NBR: AN 8 740C REF: 0102 COND CD: LAB FACTOR:

***** RECORD UNIT *****

ACCT:	364.00	TYPE:	M	LINE:	200	REC UNIT	QTY:	2.000
RANK	01	HOURS	5.50000	RATE	90.230	COST	496.27	
DESCRIPTION	BOLT, D.A.							
ITEM	00000030	QUANTITY	6.000	AVERAGE PRICE	0.3811	LOC	01	COST
	L							2.29
	L							5.65
	L							5.39
	L							63.57
	L							148.30
	L							86.06
	L							1.36
	L							29.26
	L							69.86
	L							1.60
	L							11.10

LABOR COST	496.27	MATERIAL COST	424.44	RECORD UNIT COST	920.71
CONST UNIT LABOR COST	496.27	CONST UNIT MAT COST	424.44	CONST UNIT COST	920.71
LABOR OVERHEAD COST	322.08	MAT OVERHEAD COST	63.67	CONSTRUCTION UNIT COST	1,306.46

USER SELECTIONS -> DELETE: N WIN: 61852 C/R IND: BOTH INCLUDE SALVAGE: Y PRJ: 61852 C/U IND: ALL SPECIFIC WIN POLE NBR: ALL

WIN: 61852 PRJ: C/R IND: CONSTRUCTION EST QTY: 6.000 REF1: REF2: SECT: CHG: C/U NBR: VC3 DESC: PRIMARY 3-PH VERTICAL CONST, 30°/60° ANG POLE NBR: WORKPLAN: 03-06 LOAN NBR: AN 8 740C REF: 0102 COND CD: LAB FACTOR:

***** RECORD UNIT *****

ACCT	TYPE	LINE	REC UNIT	QTY	RANK	HOURS	RATE	COST	AVERAGE PRICE	LOC	QUANTITY	COST
365.00	M	150		3.000				1353.45				
	RANK											
01	01											
	TYPE	ITEM	DESCRIPTION	QUANTITY	LOC							
L	00000040		BOLT, EYE	24.000	01			2.2467			53.92	
L	00000045		BOLT, MACH	6.000	01			0.4708			2.83	
L	00000105		CLAMP, SUSPENSION	18.000	01			11.9674			215.41	
L	00000145		BRACKET, RIDGET 3IN	6.000	01			3.3869			20.32	
L	00000475		INSULATOR, SPOOL 3IN	6.000	01			0.6800			4.08	
L	00000485		INSULATOR, SUSPENSION	54.000	01			4.1900			226.26	
L	00000750		SHACKLE, ANCHOR	18.000	01			3.3207			59.77	
L	00000860		WASHERS, ALL	24.000	01			0.2920			7.01	

LABOR COST	1,353.45	MATERIAL COST	589.60	RECORD UNIT COST	1,943.05
CONST UNIT LABOR COST	1,353.45	CONST UNIT MAT COST	589.60	CONST UNIT COST	1,943.05
LABOR OVERHEAD COST	878.39	MAT OVERHEAD COST	88.44	CONSTRUCTION UNIT COST	2,909.88

USER SELECTIONS -> DELETE: N INCLUDE SALVAGE: Y SPECIFIC WIN
 WIN: 61852 PRJ: C/U IND: BOTH POLE NBR: ALL
 C/R IND: BOTH C/R IND: CONSTRUCTION EST QTY: 2.000 REF1: REF2: SECT: CHG:
 DESC: 3-PH CROSSARM CONST, DEADEND (SINGLE) POLE NBR:
 WORKPLAN: 03-06 LOAN NBR: AN 8 740C REF: 0102 COND CD: LAB FACTOR:

***** RECORD UNIT *****

ACCT:364.00	TYPE:M	LINE:200	REC UNIT QTY:	3.000															
RANK	HOURS	RATE	COST	RANK	HOURS	RATE	QUANTITY	LOC	AVERAGE PRICE	COST	RANK	HOURS	RATE	COST	RANK	HOURS	RATE	COST	
01	3.50000	90.230	315.81				6.000	01	0.3811	2.29									
							4.000	01	2.2467	8.99									
							8.000	01	0.4708	3.77									
							8.000	01	7.9466	63.57									
							6.000	01	37.0758	222.46									
							4.000	01	0.4001	1.60									
							32.000	01	0.2920	9.35									

LABOR COST 315.81 MATERIAL COST 312.03 RECORD UNIT COST 627.84

***** RECORD UNIT *****

ACCT:365.00	TYPE:M	LINE:150	REC UNIT QTY:	3.000															
RANK	HOURS	RATE	COST	RANK	HOURS	RATE	QUANTITY	LOC	AVERAGE PRICE	COST	RANK	HOURS	RATE	COST	RANK	HOURS	RATE	COST	
01	3.50000	90.230	315.81				6.000	01	8.7415	52.45									
							0.000	01	2.6324	0.00									
							0.000	01	0.6800	0.00									
							18.000	01	4.1900	75.42									
							4.000	01	1.2183	4.87									

LABOR COST 315.81 MATERIAL COST 132.74 RECORD UNIT COST 448.55

CONST UNIT LABOR COST 631.62 CONST UNIT MAT COST 444.77 CONST UNIT COST 1,076.39

LABOR OVERHEAD COST 409.92 MAT OVERHEAD COST 66.72 CONSTRUCTION UNIT COST 1,553.03

TOTAL LABOR COST 22,516.34 TOTAL MATERIAL COST 14,209.84 GRAND TOTAL COST 36,726.18

USER SELECTIONS --> DELETE: N WIN: 61852 INCLUDE SALVAGE: Y PRJ: SPECIFIC WIN
C/R IND: BOTH C/U NBR: ALL POLE NBR: ALL

WIN	PRJ	TYPE	MAT ITEM	CONSTRUCTION	LOC	QUANTITY	COST
61852		L	0000010	LIGHTNING ARRESTER	01	6.000	184.70
61852		L	0000015	GUY ATTACHMENTS	01	34.000	77.80
61852		L	0000030	BOLT, D.A.	01	17.000	6.49
61852		L	0000040	BOLT, EYE	01	28.000	62.91
61852		L	0000045	BOLT, MACH	01	67.000	31.56
61852		L	0000050	BOLT, S-U.	01	2.000	5.39
61852		L	0000075	BRACE, X-ARM WOOD 60IN	01	20.000	158.93
61852		L	0000105	CLAMP, SUSPENSION	01	18.000	215.41
61852		L	0000110	CLAMP 3 BOLT - GUY PREFORMED D	01	68.000	199.47
61852		L	0000125	CLAMP, PRI. D.E.	01	6.000	52.45
61852		L	0000130	GRD. ROD	01	3.000	20.01
61852		L	0000145	BRACKET, RIDGET 3IN	01	7.000	23.71
61852		L	0000150	CLEVIS, SEC SWING	01	0.000	0.00
61852		L	0000170	ACSR 1/0	01	12532.000	4217.46
61852		L	0000185	ACSR 2	01	500.000	140.36
61852		L	0000280	CU SOL 6	01	435.000	178.20
61852		L	0000380	CROSSARMS	01	10.000	370.76
61852		L	0000381	X ARM 10	01	2.000	74.14
61852		L	0000424	FIBERGLASS EXT	01	4.000	336.20
61852		L	0000425	GUY WIRE	01	1780.000	681.56
61852		L	0000426	GUY GUARD	01	30.000	86.70
61852		L	0000465	INSULATOR, PIN TYPE	01	20.000	143.43
61852		L	0000475	INSULATOR, SPOOL 3IN	01	9.000	6.12
61852		L	0000485	INSULATOR, SUSPENSION	01	72.000	301.68
61852		L	0000580	NUT, OVAL EYE	01	4.000	4.87
61852		L	0000620	PIN, CLAMP TYPE	01	6.000	63.94
61852		L	0000625	PIN, POLE TOP	01	4.000	29.26
61852		L	0000630	PIN, X-ARM STEEL	01	10.000	87.33
61852		L	0000631	GRD BUTT PLATE	01	10.000	26.36
61852		L	0000675	POLE 45	01	3.000	1146.89
61852		L	0000680	POLE 50	01	6.000	2755.65
61852		L	0000710	ANCHOR ROD	01	15.000	546.17
61852		L	0000725	LAG SCREW	01	40.000	16.00
61852		L	0000750	SHACKLE, ANCHOR	01	18.000	59.77
61852		L	0000860	WASHERS, ALL	01	153.000	44.69

DATE 12/07/06 15:58
 COOP-ID 19057
 PROGRAM CUESTRPT
 C/R IND: BOTH
 DELETE: N
 WIN: 61852

CUMBERLAND VALLEY ELECTRIC
 WORK ORDER ESTIMATE
 RECORD UNIT SUMMARY BY WIN

USER SELECTIONS -> INCLUDE SALVAGE: Y SPECIFIC WIN

PRJ: C/U NBR: ALL POLE NBR: ALL

106CUESTRPT.A01

WIN	PRJ	ACCT	TYPE	LINE	QUANTITY
61852		364.00	M	000	0.000
61852		364.00	M	103	3.000
61852		364.00	M	104	6.000
61852		364.00	M	200	12.000
61852		364.00	M	300	15.000
61852		365.00	M	100	13.000
61852		365.00	M	150	24.000
61852		365.00	M	175	6.000
61852		365.00	M	351	12532.000

CONSTRUCTION

CUMBERLAND VALLEY ELECTRIC
CASE NO. 2006-00148

Response to Supplemental Data and Document Requests
For Information From Kentucky Utilities
Dated November 29, 2006

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:

CVE applied its line extension policy as written. CVE extended service to the Stillhouse Mining water pump per request of Stillhouse Mining upon application for service and the deposit of security, membership fee and Contribution in Aid of Construction. There was no decision to waive facilities cost.

CUMBERLAND VALLEY ELECTRIC
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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:

According to LEB-1 and Mr. Matda's agreement of the accuracy of the U.S. Steel property boundary depicted thereon, the only property owner affected by a CVE line extension to Stillhouse #2 would be Black Mountain Resources. CVE does not obtain easements of specific widths for distribution lines. However, the right-of-way for a three phase distribution line is normally cleared approximately 15 feet each side of center. CVE expects the line extension cost to be approximately \$12 per foot, labor and materials included.

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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:

This information was not recorded on CVE documentation and its production required a survey in the field. After field measurements were taken, it was found that the length of the line extension on the public R/W of US119 is approximately 93 feet with the remaining majority of 192 feet being on the property of BMR.

CUMBERLAND VALLEY ELECTRIC
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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:

The person that dealt with Black Mountain Resources on behalf of CVE for the extension of service to the Stillhouse #2 Mine water pump has since retired. Exactly what that person did or did not do to verify ownership of any private land affected by the line extension to the water pump is unknown. In any event, the service was extended at the request of Stillhouse Mining. If there is, or was, any private land affected by the line extension that is not, or was not, owned by or otherwise controlled by BMR and/or Stillhouse Mining, BMR/Stillhouse Mining should have made this fact known to CVE, if known, on its own initiative to avoid the encumbrance of any third party property.

When CVE met with BMR at its office in Benham on October 6, 2005 it learned that BMR was considering CVE service for the water pump near US 119. BMR had extended its own line up the mountain side from the Stillhouse #2 portal to a well that BMR intended to use as the water source to Stillhouse #2. BMR stated that this well failed to produce sufficient quantity of water which prompted its decision to place the pump in the pond near US119. BMR had constructed a pole line down the haul road from the portal to U.S. 119. At that time only a telephone line occupied the pole route as power would be added later.

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For Information From Kentucky Utilities
Dated November 29, 2006

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

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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.

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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:

Objection. The request is unduly burdensome, and requests a multitude of information, at least some of which is irrelevant to issues in this proceeding and not reasonably calculated to lead to the discovery of admissible evidence.

Without waiver and subject to that objection,

- a. A full and unredacted copy of CVE’s 2003-2006 Work Plan is available at the Commission. Case No. 2003-00026.
- b. Outage data is not readily available for Chad Substation circuit 4 previous to 2003. Data for 2003 through YTD 2006 follows:

2003:
SAIFI 0.3008 CAIDI 1.8125
SAIDI 0.0069 ASAI 99.9999

2004:
SAIFI 0.7730 CAIDI 1.4545

CUMBERLAND VALLEY ELECTRIC
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Response to Supplemental Data and Document Requests
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Dated November 29, 2006

SAIDI 0.0153 ASAI 99.9998

2005:

SAIFI 1.2672 CAIDI 1.05
SAIDI 0.0050 ASAI 99.9999

2006:

SAIFI 1.4904 CAIDI 2
SAIDI 0.0057 ASAI 99.9999

- c. CVE understands that both of these companies are Kentucky corporations. Public information, as submitted by each company on its own behalf, is available from the website of the Kentucky Secretary of State: www.sos.ky.gov
- d. The project was not contracted through a competitive bidding process, but the contractors themselves were selected through a competitive bidding process.
- e. A complete and unredacted copy of CVE's work order is attached.
- f. Yes.
- g. CVE plans to extend the "relocated and modernized" line an additional 2.57 miles and connect its end to some point (said point is yet to be determined) of the 1974 line at which time all load will be transferred to the "new" line. Subsequently, most or all of the 1974 line from that point back to the Chad Substation will be retired. This process is expected to be completed within the next 4 years. There are no documents "which discuss, describe or relate to the "transfer" of such load".
- h. Chad Substation
CVE is uncertain of the length of original line that was reconstructed in 1974.

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The “relocated and modernized” line appears on Matda-2, LEB-1 and CVE’s Vicinity Map. Scaling from CVE’s Vicinity Map yields approximately 3.2 miles

- i. CVE is uncertain of the exact length of the original line that was reconstructed in 1974. A map depicting all of Chad Substation circuit 4, which is the source for both lines, is attached. The “relocated and modernized line is depicted on LEB-1, Matda-2 and CVE’s Vicinity Map.
- j. See sections (d) and (j) of CVE’s response to KU’s initial data request #14 for an explanation of why the 1974 line is still in service. CVE plans to retire the line within the next 4 years.
- k. As CVE disclosed in section (h) of its response to KU’s initial data request #14, the “relocated and modernized” line, as of the date of said response, presently serves approximately 85 customers. The 1974 line is capable (from an engineering feasibility standpoint) of serving each of those customers presently served by the “relocated and modernized

WIN 57587X DESCRIPTION CHAD TO CUMBERLAND OFFICE
 PRJ NUMBER CONSUMER NAME CHAD TO CUMBERLAND OFFI
 WORK PLAN 01-06 MAP LOCATION 38-2E
 LOAN NUMBER AN 3 BUDGET CODE 140
 740C REF 0364 S/C WIN

PETIREMENT

ITEM	DESCRIPTION	LOC	RUS SPEC	QUANTITY	NO VAL	SALV
0000750	SHACKLE ANCHOR	01		10 000		
L 0000760	PIPE SPACER	01		1000		
L 0000784	REGULATOR BYPASS SWITCH	01		3 000		
L 0000860	WASHERS ALL	01		227 000		
* * * T O T A L * * *				15 217 000		

KU 2nd-29
 Attachment 1
 Page 17 of 17

CONSUMER DATA NAME: CHAD TO CUMBERLAND OFFICE ADDRESS: COUNTY: INST: SHEET 1 OF 7 SHEETS

STAKING SHEET DATA

POLE NO	RET CONST		PRI WIRE		UNDER BUILD		SEC WIRE		R-W	POLES			PRI UNITS			G TRANS			M-2			J			K			SERVICE			METER		
	I	N	I	N	I	N	I	N		I	N	I	N	I	N	I	N	I	N	I	N	I	N	I	N	I	N	I	N	I		N	
601	185		3w3c4								VC2A	VC5-1	5-1																				
602	360		1w4pnc				1.021				VC5-3	VC1A	5-3	1.41																			
603	275						1.087				VC5-3	VC1B	5-3																				
604	310						2.040				VC5-3	VC2	5-3	1.5																			
605	310						3.5025				VC5-3	VC2	5-3	1.5																			
606	300						4.15081				VC5-2	VC2	5-2	1.5																			
607	300						3.087				VC5-3	VC2	5-3	1.5																			
608	150										VC5-3	VC1B	5-3																				
609	320										VC5-3	VC1B	5-3																				
610	160										VC5-3	VC1B	5-3																				
611	155										VC5-3	VC1B	5-3																				
36	62	150	3w3c4								VC5-3	VC2	5-3	1.5																			
14		210									VC5-3	VC2	5-3	1.5																			
613		345									VC5-3	VC2	5-3	1.5																			
616											VC5-3	VC2	5-3	1.5																			
617		311									VC5-3	VC1B	5-3																				
18		311									VC5-3	VC1B	5-3																				

KU 2nd-29
Attachment 1
Page 1 of 17

2/28/10 5/31/06

LINE SECTION	NAME	CONSUMER DATA	ADDRESS	COUNTY	INST	REF

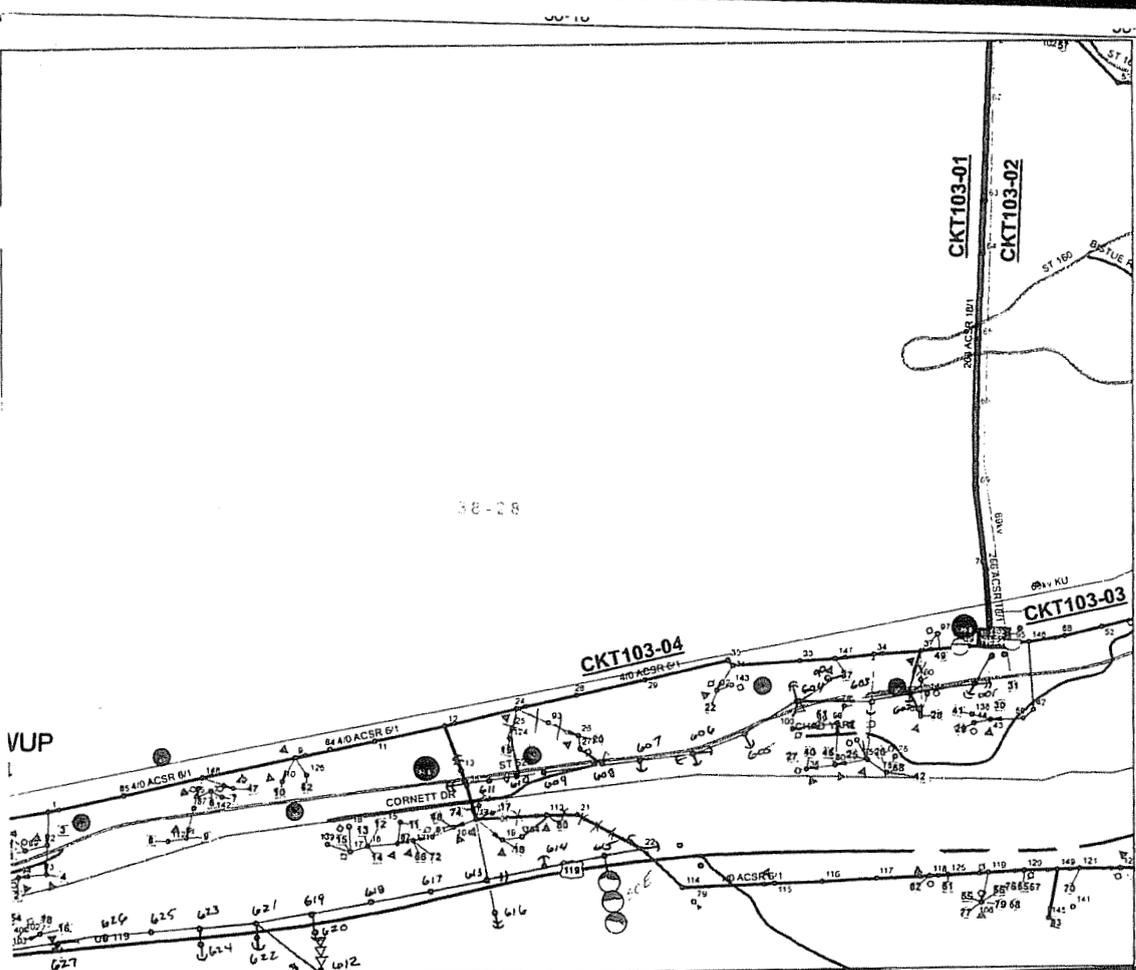
STAKING SHEET DATA

POLE NO	RET	CONST	PRI WIRE		UNDER BUILD		SEC WIRE		R.W.	POLES		PRI UNITS			E	F	G TRANS	H	H-2	J	K	SERVICE		HETER	SEE NOTE NO
			I	N	I	N	I	N		I	N	A	B	C								I	N		
7		270	3/38							503	VCH2														
608		215	11							453	VCH2														
609		215	11							503	VCH2			2-2											
210										403				2-2											
141		345								453 505	VCH2	11	1-2						5-0						
611		315	11							503	VCH2								45-5						
612		300	11							453	VCH2														
613		270	11							453	VCH2			41-5		3-5									

WO #	250' LEGLEN	300' LEGLEN	350' LEGLEN	400' LEGLEN	450' LEGLEN	500' LEGLEN	550' LEGLEN	600' LEGLEN	650' LEGLEN	700' LEGLEN	750' LEGLEN	800' LEGLEN	850' LEGLEN	900' LEGLEN	950' LEGLEN	1000' LEGLEN	TOTAL	PER	REMARKS	DATE	BY	APPROVED	REQUIRE	M	M	END FOR	TOTAL

NOTES

1000



Map: 38-28

CUMBERLAND VALLEY ELECTRIC COOPERATIVE

CONTAINS CKTS:
103-01-02-03-04

KU 2nd-29
Attachment 1
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38-29

Map: 38-27
CUMBERLAND
VALLEY
ELECTRIC
COOPERATIVE

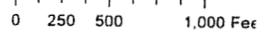
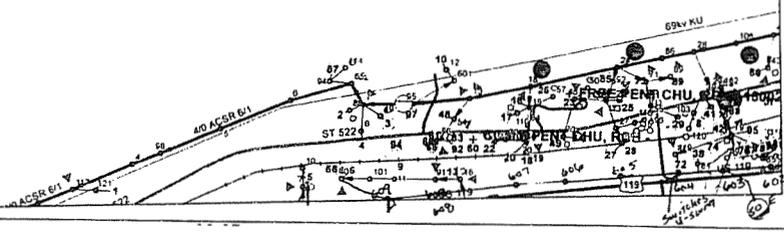
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103-04

KU 2nd-29
Attachment 1
Page 9 of 17

38-27

38-26

38-28



Map: 38-37

CUMBERLAND
VALLEY
ELECTRIC
COOPERATIVE

CONTAINS CKTS:

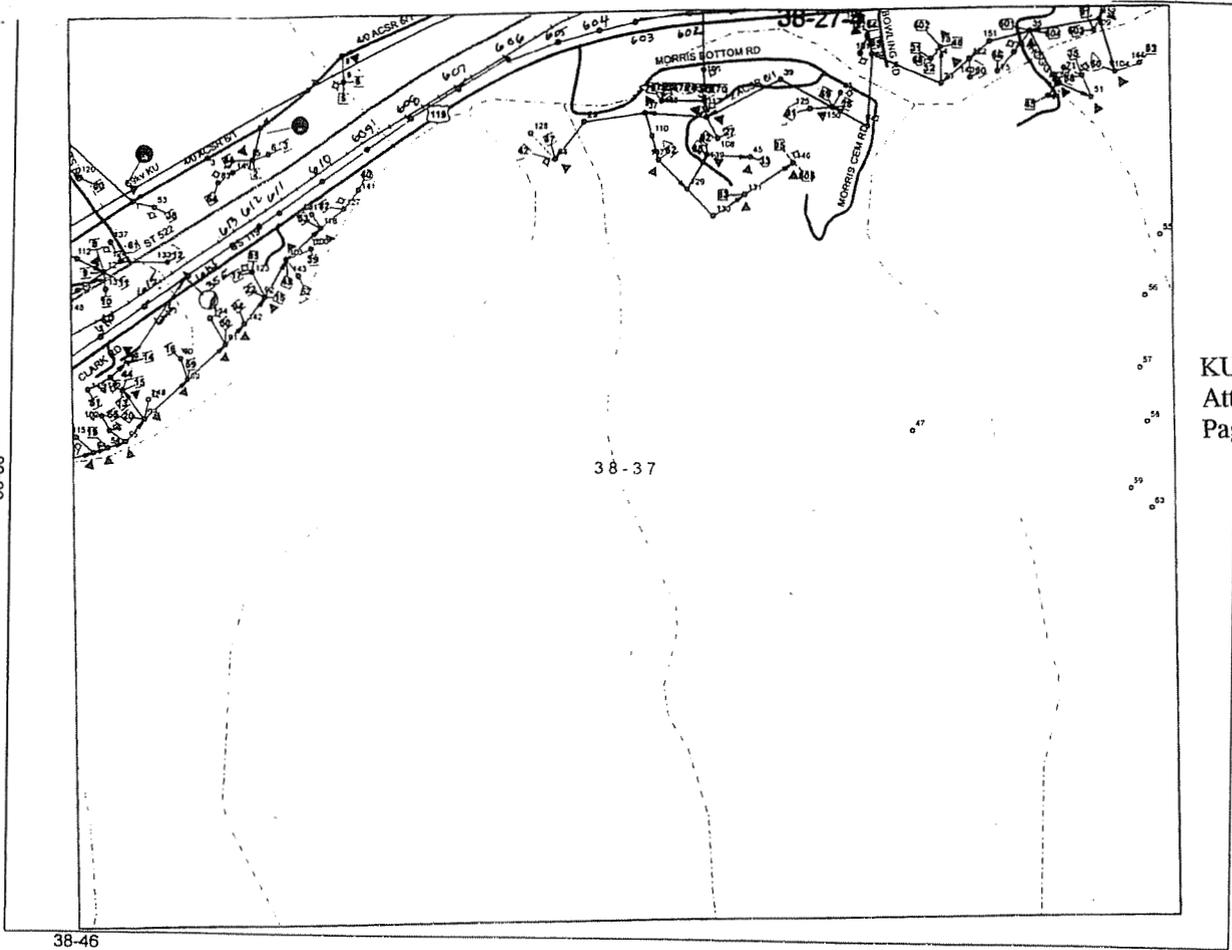
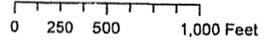
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KU 2nd-29
Attachment 1
Page 10 of 17

38-36

38-37

38-46

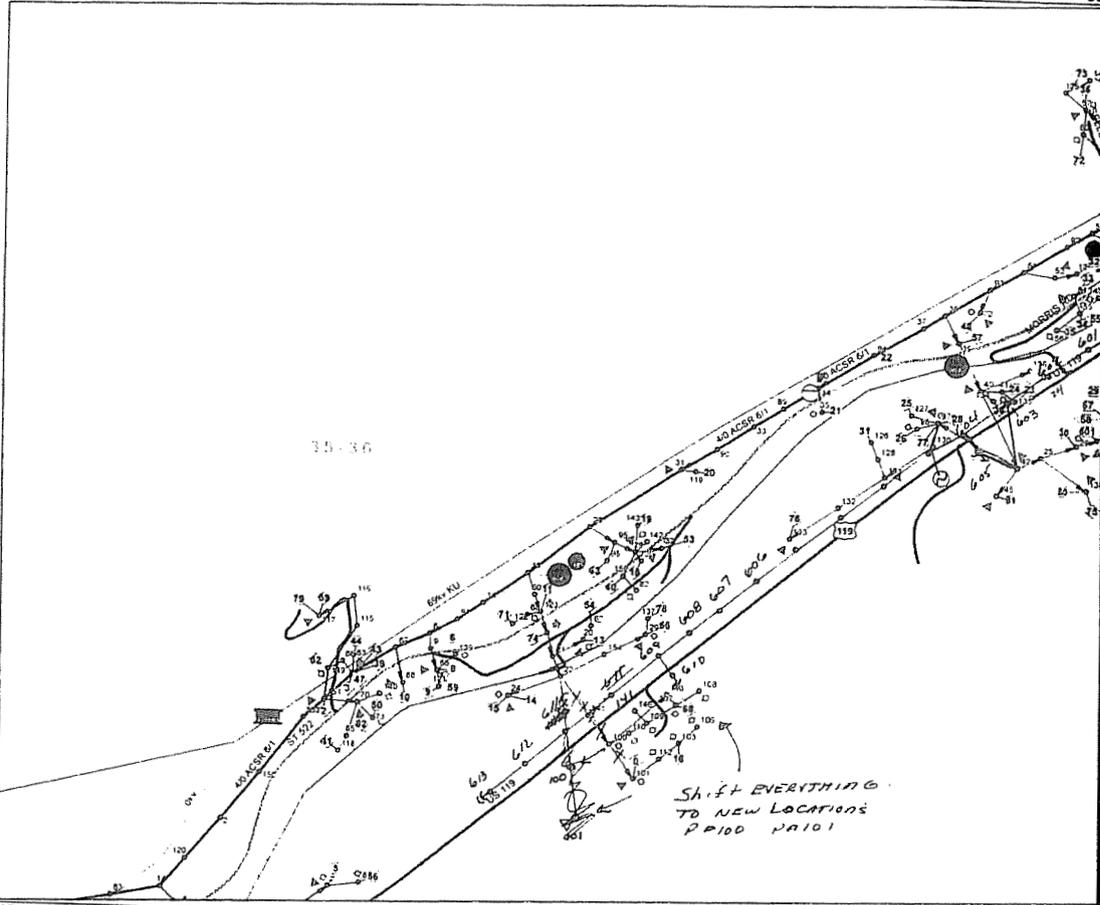


38-35

35-36

38-45

38-46



DATE TIME COOP-ID PROGRAM
06/09/06 13:35 19057 CUESTSUM

CONST UNIT PICKING LIST

PAGE
1

WIN 57687
PRJ NUMBER 57687 DESCRIPTION CHAD TO CUMBERLAND 3 PHASE
WORK PLAN 03-06 CONSUMER NAME CHAD TO CUMBERLAND 3 PH
LOAN NUMBER AN # MAP LOCATION 38-28
7400 REF 0164 BUDGET CODE 120
S/O WIN

CONSTRUCTION

TYPE	ITEM	DESCRIPTION	LOC	R/S SPEC	QUANTITY	ISSUE	RETURN
	00000010	LIGHTNING ARRESTER	01		5 000		
L	00000015	GUY ATTACHMENTS	01		70 000		
L	00000030	BOLT. D A	01		177 000		
L	00000040	BOLT. EYE	01		85 000		
L	00000045	BOLT. WACH	01		606 000		
L	00000050	BOLT. S U	01		17 000		
L	00000055	BOLT. THIMBLE EYE	01		1 000		
L	00000075	BRACE X-ARM HOOD ACIN	01		232 000		
L	00000078	UNDER-SLUNG SWITCH	01		1 000		
L	00000105	CLAMP. SUSPENSION	01		1 000		
L	00000110	CLAMP 3 BOLT GUY PREFORMED D	01		158 000		
L	00000120	D.E. WEDGE CLAMP	01		9 000		
L	00000125	CLAMP. FRT D E.	01		102 000		
L	00000130	GRD. ROD	01		16 000		
L	00000135	CLAMP, HOT LINE	01		23 000		
L	00000145	BRACKET. RIDGET PIN	01		32 000		
L	00000150	CLEVIS, SEC SWING	01		22 000		
L	00000155	CLEVIS, SER SWING	01		1 000		
L	00000170	ACSR 1/C	01		2.946 000	188	
L	00000181	ACSR 4/0	01		17.452 000	1524	1
L	00000185	ACSR 2	01		4.170 000	114	

KU 2nd-29
Attachment 1
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DATE TIME COOP-ID PROGRAM
06/05/04 13:35 19057 CUESTSUM

WIN 57687
PRJ NUMBER
WORK PLAN 03-06
LOAN NUMBER AN 5
740C REF 0364

CONST UNIT PICKING LIST

DESCRIPTION CHAD TO CUMBERLAND 4 PHASE
CONSUMER NAME CHAD TO CUMBERLAND 4 PH
MAP LOCATION 38-28
BUDGET CODE 120
S/O WIN

PAGE
2

CONSTRUCTION

DE	ITEM	DESCRIPTION	LOC	RUS SPEC	QUANTITY	ISSUE	RETURN
	00000188	ACSR 336 4 MCM	01		52 355.000	+1571	
L	00000206	TRIPLEX 170	01		228 000	+15	
L	00000210	TRIPLEX 2	01		635 000	+15	
L	00000240	CU SOL 4	01		1,744 000*		
L	00000380	CROSSARMS	01		1,08 000		
L	00000381	X ARM 10	01		20 000		
L	00000385	CUTOUT	01		5 000		
L	00000420	GUY HOOK	01		2 000		
L	00000424	FIBERGLASS EXT	01		3 000*		
L	00000425	GUY WIRE	01		3 000 000		
L	00000426	GUY GUARD	01		51 000*		
L	00000430	HANGER TRANS. BR & CL	01		1 000		
L	00000455	ADAPTER. INSULATOR	01		7 000		
L	00000465	INSULATOR. PIN TYPE	01		284 000		
L	00000475	INSULATOR. SPOOL 3IN	01		71 000*		
L	00000480	INSULATOR. SPOOL 3IN	01		3 000*		
L	00000485	INSULATOR. SUSPENSION	01		279 000*		
L	00000580	NUT. OVAL EYE	01		91 000		
L	00000585	NUT. THIMBLE EYE	01		5 000		
L	00000620	PIN. CLAMP TYPE	01		175 000		
L	00000625	PIN. POLE TOP	01		74 000		

DATE TIME COOP-ID PROGRAM PAGE
 06/09/04 13:35 19057 CUESTSUM 3
 CONST UNIT PICKING LIST

WIN 57687 DESCRIPTION CHAD TO CUMBERLAND 3 PHASE
 PRJ NUMBER CONSUMER NAME CHAD TO CUMBERLAND 3 PH
 WORK PLAN 33 06 MAP LOCATION 38-28
 LOAN NUMBER AN 8 BUDGET CODE 120
 740C REF 0364 S/O WIN

CONSTRUCTION

PE	ITEM	DESCRIPTION	RUS LOC SPEC	QUANTITY	ISSUE	RETURN
	00000630	PIN, X-ARM STEEL	01	27 000	_____	_____
L	00000631	GRD BUTT PLATE	01	47 000	_____	_____
L	00000635	GUY STRAIN PLATE	01	2 000	_____	_____
L	00000650	POLE 30	01	1 000	_____	_____
L	00000670	POLE 40	01	5 000	_____	_____
L	00000675	POLE 45	01	38 000	_____	_____
L	00000680	POLE 50	01	29 000	_____	_____
L	00000685	POLE 55	01	7 000	_____	_____
L	00000687	POLE 65	01	1 000	_____	_____
L	00000710	ANCHOR ROD	01	39 000	_____	_____
L	00000725	LAG SCREW	01	195 000	_____	_____
L	00000738	FLOODLIGHT 400 W TORRA	01	1 000	_____	_____
L	00000750	SHACKLE, ANCHOR	01	47 000	_____	_____
L	00000760	PIPE SPACER	01	000	_____	_____
L	00000764	REGULATOR BYPASS SWITCH	01	3 000	_____	_____
L	00000800	WASHERS, ALL	01	1,250 000	_____	_____
* * * T O T A L * * *				88,078 000		

DATE TIME COOP-ID PROGRAM PAGE
 06/09/06 13:54 19057 CUSTSUM CONST UNIT PICKING LIST 1

WIN 57687X DESCRIPTION CHAD TO CUMBERLAND OFFICE
 PRJ NUMBER CONSUMER NAME CHAD TO CUMBERLAND OFF
 WORK PLAN 03-06 MAP LOCATION 38-28
 LOAN NUMBER AN 3 BUDGET CODE 143
 740C REF 0364 S/C WIN

RETIREMENT

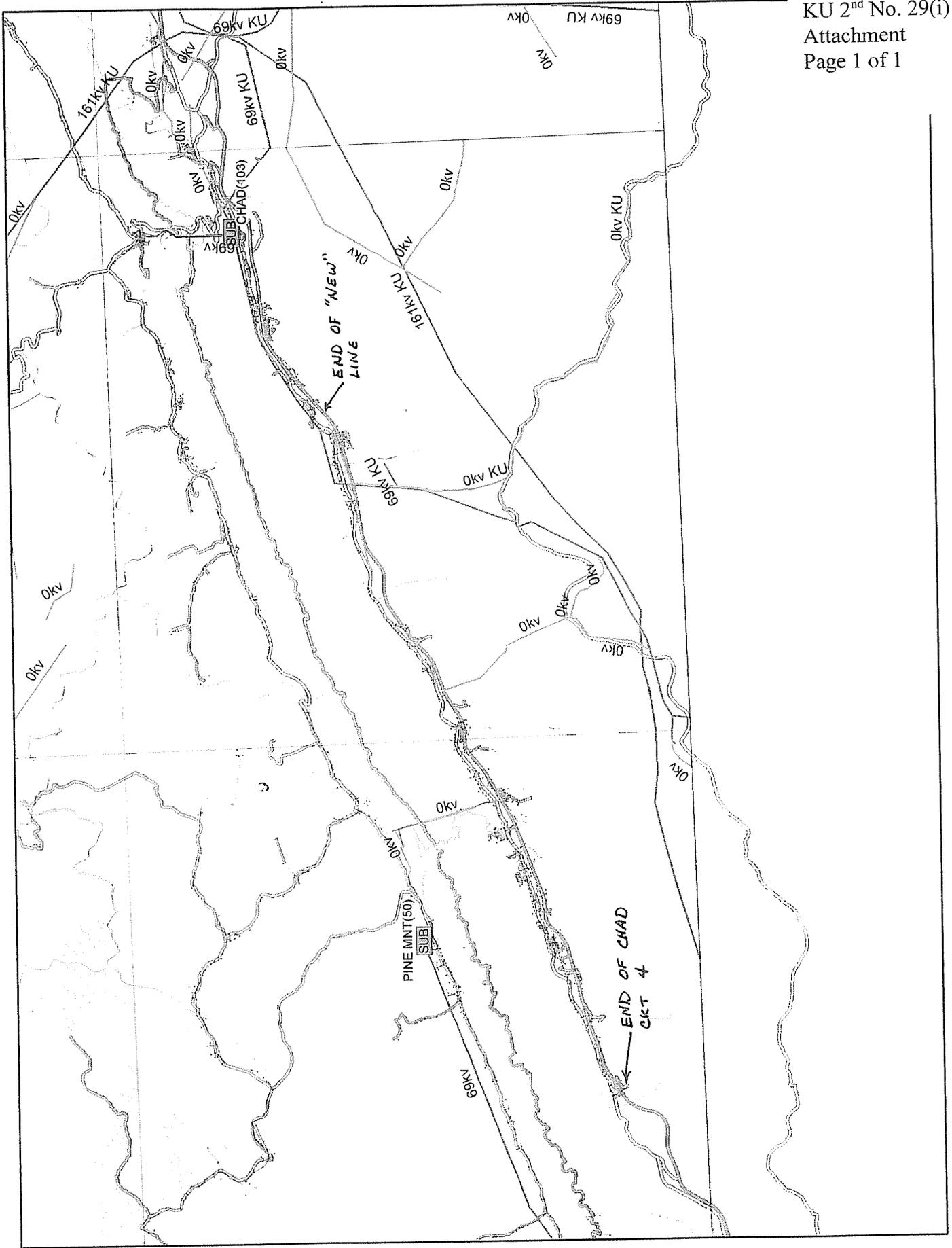
QTY	ITEM	DESCRIPTION	LOC	R/S SPEC	QUANTITY	NO VAL	SALV
	00000910	LIGHTNING ARRESTER	01		3 000		
L	00000915	GUY ATTACHMENTS	01		15 000		
L	00000930	BOLT. D A	01		25 000		
L	00000935	BOLT. D U	01		1 000		
L	00000940	BOLT. EYE	01		36 000		
L	00000945	BOLT. MACH	01		105 000		
L	00000950	BOLT. S U	01		7 000		
L	00000975	BRACE X-ARM WOOD 60IN	01		30 000		
L	00001110	CLAMP 3 BOLT - GUY PREFORMED D	01		30 000		
L	00001120	D E WEDGE CLAMP	01		5 000		
L	00001135	CLAMP. PRI. D E	01		21 000		
L	00001135	CLAMP. HOT LINE	01		17 000		
L	00001145	BRACKET. RIDGET 3IN	01		3 000		
L	00001150	CLEVIS. SEC SWING	01		16 000		
L	00001155	CLEVIS. SER SWING	01		4 000		
L	00001170	ACSR 1/0	01		4 290 000		
L	00001185	ACSR 2	01		8 330 000		
L	00002005	TRIPLEX 2/0	01		50 000		
L	00002020	TRIPLEX 2	01		320 000		
L	00002260	CJ SOL 6	01		626 000		
L	00003080	CROSSARMS	01		11 000		

DATE TIME COOP ID PROGRAM PAGE
06/09/06 13:54 19057 CUESTSUM CONST UNIT PICKING LIST 2

WIN 57687X DESCRIPTION CHAD TO CUMBERLAND OFFICE
PRJ NUMBER 03-06 CONSUMER NAME CHAD TO CUMBERLAND OFF
WORK PLAN AN 8 MAP LOCATION 35-28
LOAN NUMBER 0364 BUDGET CODE 149
740C REF S/O WIN

RETIREMENT

TYPE	ITEM	DESCRIPTION	LOL	RUE SPEC	QUANTITY	NO VAL	SALV
	00000381	X ARM 10		01	6 000		
	00000390	CUTOUT ARP COMB		01	1 000		
	00000425	GUY WIRE		01	750 000		
	00000426	GUY GUARD		01	4 000		
	00000430	HANGER TRANS BR & CL		01	1 000		
	00000465	INSULATOR PIN TYPE		01	41 000		
	00000475	INSULATOR SPOOL 2IN		01	27 000		
	00000480	INSULATOR SPOOL 2IN		01	4 000		
	00000485	INSULATOR SUSPENSION		01	50 000		
	00000580	NUT OVAL EYE		01	14 000		
	00000520	PIN CLAMP TYPE		01	16 000		
	00000625	PIN POLE TOP		01	13 000		
	00000630	PIN X-ARM STEEL		01	12 000		
	00000531	GRD BUTT PLATE		01	15 000		
	00000560	POLE 33		01	1 000		
	00000665	POLE 35		01	5 000		
	00000670	POLE 40		01	8 000		
	00000675	POLE 45		01	4 000		
	00000710	ANCHOR ROD		01	13 000		
	00000725	LAG SCREW		01	19 000		
	00000738	FLOODLIGHT 400 W COBRA		01	1 000		



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CASE NO. 2006-00148**

**Response to Supplemental Data and Document Requests
For Information From Kentucky Utilities
Dated November 29, 2006**

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:

Objection. The request is argumentative, and inaccurate in implying that CVE's response was not fully responsive.

Without waiver and subject to that objection, CVE has insufficient information to render an opinion as to whether KU, particularly as extended through BMR's distribution system, is capable of providing adequate service to all BMR mining operations through the Lynch Substation. To render such an opinion would require a comprehensive engineering analysis of both KU and BMR systems. Information necessary for such an analysis would require the production of, but not necessarily limited to, plan and profiles for all lines involved complete with all conductor sizes and types and terrain profiles, conductor attachment positions on all structures, all structure sizes and classes and spacings, conductor and equipment loadings, all equipment ratings and settings and a review of vegetation management and line/equipment maintenance practices of KU and BMR. Such an undertaking would be extremely laborious, expensive and time consuming. CVE contends that KU is not entitled, pursuant to KRS 278.016-.018, to furnish, make available, render or extend its retail electric service to BMR for use in the certified territory of CVE in the electric consuming facility, the Stillhouse Mine #2 electrical load.

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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:

Objection. The request is speculative, in that neither KU nor BMR will provide CVE with information sufficient to make such a determination. KU further claims that usage at the Stillhouse Mine No. 2 is not separately metered, rendering any actual comparison based on usage impossible and purely hypothetical. The information requested is irrelevant to any issue in this proceeding and not reasonably calculated to lead to the discovery of admissible evidence, as rates are not a factor considered by the Commission unless and until it is determined that no other basis for a determination under KRS278.010(3) exists.

Without waiver and subject to that objection, as a purely hypothetical exercise, see Responses to KU Supplemental Requests Nos. 20, 21 and 22.

KU's calculation of billing costs, based on the assumptions and applicable rates therein contained, appears to be accurate. However, KU is applying rate LMP-TOD. CVE agrees that this may be the appropriate KU rate schedule for all of BMR loads served from KU's Lynch Station. CVE is not proposing to serve all BMR loads, just Stillhouse #2. If Stillhouse #2 is taken as a stand alone ECF, KU's LMP-TOD rate may not be applicable.

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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:

In light of CVE's response to question 17 of this request, it appears evident that Mr. Matda's "recitation of the history of ownership of the U.S. Steel property" is, in fact, incomplete and inaccurate as asserted by CVE's response to initial KU Request No. 19. In all fairness to Mr. Matda, the U.S. Steel property is quite extensive and its history spans more than 80 years. CVE does not believe that Mr. Matda can presume to know every action taken by U.S. Steel or Arch Minerals that physically affected the property in any particular way.

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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:

Objection. The evidence in this proceeding is as available to KU as to CVE. The request for CVE to disclose the evidence which it considers to be relevant to an issue raised by KU in a format desired by KU may call for the production of information which is protected by the attorney client privilege or the work product doctrine. The evidence is still being developed in this case, and a request that CVE limit its position in this case at this stage is unreasonable and unduly burdensome. Further, CVE objects to any assumption that customer lines should be considered.

Without waiver and subject to that objection, CVE cannot admit that there is not other evidence until it has reviewed supplemental information requests and whatever information is subsequently provided before, during and after a hearing. CVE does not accept the assumption regarding BMR's distribution lines as it does not comport with the ACT. However, consistent with prior Commission Orders the electric consuming facility ("ECF") is comprised of the

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mining equipment that will use electricity to mine the reserves as presented to the Kentucky Department of Mines and Minerals on the Stillhouse Mine No. 2 Mine License Map, *Agreed Statement of Facts Item 4*, and the water pumping equipment above and below the portal. In general, the evidence of which CVE is aware and that currently exists in the record with respect to each of the four factors includes as follows:

Factor 1 – The respective distances of various lines and facilities of CVE, KU and BMR from the ECF;

Factor 2 – Evidence as to the date and location of the provision of electric service and age of facilities in the area;

Factor 3 – Evidence as to the adequacy and dependability of existing distribution lines, including BMR's lines in producing high quality electric service;

Factor 4 – Evidence as to the impact of the location, current serviceability, duplication and other impacts of all lines, extensions of lines, and use of lines for single or multiple purpose, including BMR's lines, and including planning for future growth, in advancing the goal of the elimination of and prevention of duplication of electric lines and facilities supplying such territory.

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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:

Objection. The request is overbroad, burdensome, and may call for the production of information which is protected by the attorney client privilege or the work product doctrine. CVE further objects as the language of all Kentucky PSC and court opinions is as available to KU as to CVE.

Without waiver and subject to the objection, Mr. Willhite's testimony specifically cites at least four Commission cases where only the facilities of the suppliers were considered. Further, Mr. Willhite is unaware of any Commission decision in which customer-owned facilities have been attributed to one utility or another in applying the four factors contained in KRS278.017(3). See Willhite testimony at pp. 14-16.

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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:

Objection. The request is overbroad, burdensome, and may call for the production of information which is protected by the attorney client privilege or the work product doctrine. CVE further objects as the language of all Kentucky PSC and court opinions is as available to KU as to CVE.

Without waiver and subject to the objection, KU is presumably referring to CVE’s Response to initial KU Request No. 15, in which Mr. Willhite uses the term “electrical device” (not “electric consuming device(s)” as stated by KU in this Request). Mr. Willhite was providing examples of what could be an ECF from a logical and engineering standpoint. Any definition of electrical device as used by Mr. Willhite is not from his knowledge of any previous PSC or court opinion or as a legal definition, but rather as a term to describe a piece of electrical equipment.

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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:

The question, as posed, must allow the supposition that CVE is providing service to Stillhouse #2. CVE is not currently providing service to Stillhouse #2. Therefore, CVE must first extend three phase facilities to Stillhouse #2 and place adequate metering and transformer installations suitable for 1200 kW loading. With those supposed facilities in place, CVE does not expect any other system improvements or upgrades to be necessary to provide service to Stillhouse #2 at that load level.

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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:

All documents [if any] supporting CVE's responses are attached to these responses.