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Elizabeth O'Donnell  
Executive Director  
Kentucky Public Service Commission  
211 Sower Boulevard  
Frankfort, Kentucky 40602

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PUBLIC SERVICE  
COMMISSION

**Kentucky Utilities Company**  
State Regulation and Rates  
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Louisville, Kentucky 40232  
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November 21, 2006

Kent W. Blake  
Director  
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**RE: *In the Matter of: Petition of Kentucky Utilities Company and Blue Grass Energy Cooperative Corporation to be Designated as the Retail Electric Service Supplier for the New Wal-Mart Store Number 591 Located in Cynthiana, Kentucky, Case No. 2006-00214***

Dear Ms. O'Donnell:

Enclosed please find an original and eight (8) copies of Kentucky Utilities Company's Response to the Commission staff's Second Data Request dated November 13, 2006 in the above-referenced docket.

Should you have any questions concerning the enclosed, please do not hesitate to contact me.

Sincerely,

Kent Blake

cc: Parties of Record

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

**In the Matter of:**

<b>PETITION OF KENTUCKY UTILITIES</b>	)	
<b>COMPANY AND BLUE GRASS ENERGY</b>	)	
<b>COOPERATIVE CORPORATION TO BE</b>	)	<b>CASE NO. 2006-00214</b>
<b>DESIGNATED AS THE RETAIL ELECTRIC</b>	)	
<b>SERVICE SUPPLIER FOR THE NEW WAL-</b>	)	
<b>MART STORE NUMBER 591 LOCATED IN</b>	)	
<b>CYNTHIANA, KENTUCKY</b>	)	

**RESPONSE OF**  
**KENTUCKY UTILITIES COMPANY**  
**TO COMMISSION STAFF'S**  
**SECOND DATA REQUEST**  
**DATED NOVEMBER 13, 2006**

**FILED: November 21, 2006**



**KENTUCKY UTILITIES COMPANY**

**Response to Commission Staff's Second Data Request  
Dated November 13, 2006**

**Case No. 2006-00214**

**Question No. 1**

**Witness: F. Howard Bush, II, Manager, Tariffs/Special Contracts**

- Q-1. Pursuant to KRS 278.018(6), describe with specificity how the allocation from KU to Blue Grass Energy Cooperative Corporation ("Blue Grass") of lots 6 and 7 in the Brannon Crossings development near Nicholasville, Kentucky and lots 1-88 in the residential development known as The Cottages of Alton Station in Anderson County, Kentucky, as identified in Article 1.02 of your proposed Settlement Agreement ("New Blue Grass Territory"), would promote the purposes of KRS 278.016 and provide adequate and reasonable service to all areas and consumers affected thereby.
- A-1. In determining whether the terms of a Settlement Agreement are in the public interest and are reasonable, the Commission has historically taken into consideration the comprehensive nature of the Agreement and the provision of KRS 278.018(6), which authorizes retail electric suppliers to allocate territories and consumers between themselves, subject to Commission approval. *See In the Matter of: Petition of CTA Acoustics, Inc. to Retain Kentucky Utilities Company as its Power Supplier and for Expedited Treatment*, Case No. 2003-00226, Order of February 19, 2004. The Settlement Agreement proposed by the parties in this case is the product of arm's-length negotiations among capable, knowledgeable parties, is in the public interest, and results in a reasonable resolution of all issues in this case. The proposed settlement will facilitate the orderly development of retail electric service and avoid wasteful duplication of distribution facilities, in that it will provide certainty regarding the retail electric supplier to serve the territories at issue and will eliminate the pending dispute between Blue Grass and KU. As a result, the boundary changes agreed to by the parties herein will promote the purposes of KRS 278.016 and will result in adequate and reasonable electric service being provided to the affected areas and consumers.



**KENTUCKY UTILITIES COMPANY**

**Response to Commission Staff's Second Data Request  
Dated November 13, 2006**

**Case No. 2006-00214**

**Question No. 2**

**Witness: Edwin R. Staton, Director, Distribution Operations**

Q-2. Provide the names, addresses, and telephone numbers of New Blue Grass Territory property owners.

A-2. (1) Lots 6 and 7 in the Brannon Crossing development near Nicholasville, Kentucky:

JAH Nicholasville Rd No. 3 LLC  
Bellerive Office Park  
400 Bellerive Blvd, Suite 200  
Nicholasville, KY 40356  
Matt Steen or Belinda Amburgey  
(859) 514-3100.

(2) Lots 1 - 88 in the residential development known as The Cottages of Alton Station in Anderson County, Kentucky:

Jerry Sutherland  
1306 Alton Station Road  
Lawrenceburg, KY 40342  
(502) 680-1228

Please note that the majority of the lots in this residential development are already located wholly within the Blue Grass service territory. As a result of the tendered settlement, all of the individual lots, which constitute separate electric consuming facilities, will be served by the same utility provider.



**KENTUCKY UTILITIES COMPANY**

**Response to Commission Staff's Second Data Request  
Dated November 13, 2006**

**Case No. 2006-00214**

**Question No. 3**

**Witness: F. Howard Bush, II, Manager, Tariffs/Special Contracts**

- Q-3. Will any existing customer be reassigned to a different electric supplier as a result of the proposed territorial boundary changes? If so, identify with specificity such customers.
- A-3. No existing customers will be reassigned to a different retail electric supplier as a result of the proposed territorial boundary changes.





**KENTUCKY UTILITIES COMPANY**

**Response to Commission Staff's Second Data Request  
Dated November 13, 2006**

**Case No. 2006-00214**

**Question No. 4**

**Witness: Edwin R. Staton, Director, Distribution Operations**

Q-4. Do any of the New Blue Grass Territory property owners have residences, homes, or other buildings constructed on said property? If so, identify with specificity such property owners.

A-4. No. To the best of our knowledge, the New Blue Grass Territory properties are currently undeveloped.



**KENTUCKY UTILITIES COMPANY**

**Response to Commission Staff's Second Data Request  
Dated November 13, 2006**

**Case No. 2006-00214**

**Question No. 5**

**Witness: Edwin R. Staton, Director, Distribution Operations**

Q-5. Have any of the New Blue Grass Territory property owners consented to or been consulted or notified of the possible change in utility provider? If so, describe with specificity such discussions, consent, consultation, or notice given, including the applicable dates.

A-5. Yes. Jerry Sutherland, owner and developer of The Cottages of Alton Station, was notified of the proposed territorial change during a meeting with Lee McClure (KU Design Technician) on September 13, 2006. Mr. Sutherland had requested a plan from KU showing our proposed method of service to the lots originally thought to be within KU's service territory. Lee McClure explained that KU did not plan to serve the development, pending approval from the Kentucky Public Service Commission. Mr. Sutherland voiced no objection to the proposed change. In addition, please note that because these property owners are not currently receiving utility service from any provider at these locations, they will not experience a "change in utility provider" as a result of the proposed settlement.



**KENTUCKY UTILITIES COMPANY**

**Response to Commission Staff's Second Data Request  
Dated November 13, 2006**

**Case No. 2006-00214**

**Question No. 6**

**Witness: F. Howard Bush, II, Manager, Tariffs/Special Contracts**

- Q-6. Describe with specificity the reasons that KU and Blue Grass previously made territorial boundary changes involving certain of the New Blue Grass Territory in Commission Case No. 2006-00021 and are now again requesting to make similar territorial boundary changes in the instant case.
- A-6. KU and Blue Grass agreed to territorial boundary changes in Case No. 2006-00021 in an effort to resolve a territorial dispute with regard to serving a new Kroger store at the Brannon Crossings development. Since that time, KU and Blue Grass have learned that the developers' present intent is to combine Lots 6 (allocated to KU) and 8 (allocated to Blue Grass). Should that occur, a new territorial dispute could arise. The tendered settlement provided an opportunity to resolve that potential dispute in conjunction with the current one.