

June 28, 2012

Mr. Jeff Derouen
Executive Director
Public Service Commission
P.O. Box 615
211 Sower Boulevard
Frankfort, KY 40602

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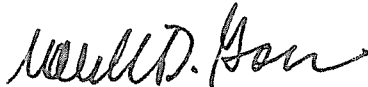
PUBLIC SERVICE
COMMISSION

Re: PSC Case No. 2012-00169

Dear Mr. Derouen:

Please find enclosed for filing with the Commission in the above-referenced case, an original and ten copies of the responses of East Kentucky Power Cooperative, Inc. ("EKPC") to the Commission Staff's First Information Request, dated June 15, 2012. Also enclosed are an original and ten copies of EKPC's responses to the Attorney General's Initial Data Requests and to the Data Requests of Kentucky Utilities Company and Louisville Gas and Electric Company, both dated June 15, 2012.

Very truly yours,



Mark David Goss
Counsel

Enclosures

CC: Parties of Record

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

**APPLICATION OF EAST KENTUCKY POWER)
COOPERATIVE, INC. TO TRANSFER) CASE NO.
FUNCTIONAL CONTROL OF CERTAIN) 2012-00169
TRANSMISSION FACILITIES TO PJM)
INTERCONNECTION, L.L.C.)**

**RESPONSES TO KENTUCKY UTILITIES COMPANY AND LOUISVILLE
GAS AND ELECTRIC COMPANY FIRST REQUEST FOR INFORMATION
TO EAST KENTUCKY POWER COOPERATIVE, INC.
DATED JUNE 15, 2012**

EAST KENTUCKY POWER COOPERATIVE, INC.

PSC CASE NO. 2012-00169

**KENTUCKY UTILITIES COMPANY AND LOUISVILLE GAS AND ELECTRIC
COMPANY'S FIRST DATA REQUEST DATED 06/15/12**

East Kentucky Power Cooperative, Inc. ("EKPC") hereby submits responses to the information requests of Kentucky Utilities Company and Louisville Gas and Electric Company's ("KU/LG&E") in this case dated June 15, 2012. Each response with its associated supportive reference materials is individually tabbed.

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF EAST KENTUCKY POWER)	
COOPERATIVE, INC. TO TRANSFER)	CASE NO.
FUNCTIONAL CONTROL OF CERTAIN)	2012-00169
TRANSMISSION FACILITIES TO PJM)	
INTERCONNECTION, LLC)	

CERTIFICATE

STATE OF KENTUCKY)
)
 COUNTY OF CLARK)

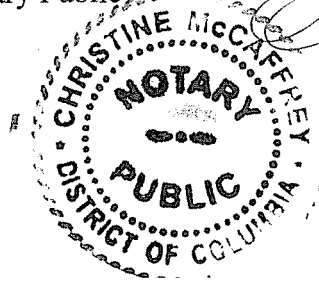
Ralph L. Luciani, being duly sworn, states that he has supervised the preparation of the responses of East Kentucky Power Cooperative, Inc. to the Kentucky Utilities Company and Louisville Gas and Electric Company's Data Requests in the above-referenced case dated June 15, 2012, and that the matters and things set forth therein are true and accurate to the best of his knowledge, information and belief, formed after reasonable inquiry.

Ralph L. Luciani

Subscribed and sworn before me on this 25 day of June, 2012.

Christine McCaffrey
 Notary Public

CHRISTINE McCAFFREY
 NOTARY PUBLIC
 DISTRICT OF COLUMBIA
 My Commission Expires
 October 14, 2012



COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF EAST KENTUCKY POWER)
COOPERATIVE, INC. TO TRANSFER) CASE NO.
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TRANSMISSION FACILITIES TO PJM)
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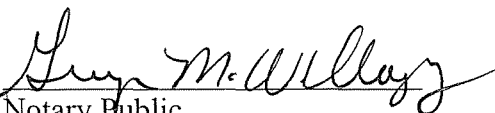
CERTIFICATE

STATE OF KENTUCKY)
)
 COUNTY OF CLARK)

Don Mosier, being duly sworn, states that he has supervised the preparation of the responses of East Kentucky Power Cooperative, Inc. to the Kentucky Utilities Company and Louisville Gas and Electric Company's Data Requests in the above-referenced case dated June 15, 2012, and that the matters and things set forth therein are true and accurate to the best of his knowledge, information and belief, formed after reasonable inquiry.



Subscribed and sworn before me on this 28th day of June, 2012.



 Notary Public

MY COMMISSION EXPIRES NOVEMBER 30, 2013
 NOTARY ID #409352

**EAST KENTUCKY POWER COOPERATIVE, INC.
PSC CASE NO. 2012-00169
FIRST REQUEST FOR INFORMATION RESPONSE**

KU/LG&E'S FIRST REQUEST FOR INFORMATION DATED 06/15/12

REQUEST 1

RESPONSIBLE PERSON: Don Mosier

COMPANY: East Kentucky Power Cooperative, Inc.

Request 1. How will full PJM membership affect EKPC's generation dispatch?

Request 1a. Provide detail of the dispatch costs used for EKPC and PJM membership analysis.

Response 1a. As stated in the response to Commission Staff's First Information Request No. 11, EKPC expects its generation units to dispatch in the same order after PJM integration as they are dispatched today as a stand alone utility. EKPC economically orders and dispatches its fleet today and utilizes the PJM market to buy and/or sell on an economic basis. The difference between being a fully integrated PJM member and a stand alone entity is that EKPC will be included with the economic dispatch within PJM as opposed to EKPC estimating the PJM market prices and then dispatching. Additionally, transmission availability from EKPC to PJM will not be a limiting issue after integration. The results indicate that EKPC could realize less than 10% production cost savings by being fully dispatched by PJM. The bulk of these savings are based on running the coal units as much or slightly more within PJM and running gas combustion turbines less. PJM market purchases are expected to increase to

displace the gas generation. Detailed dispatch information was included in EKPC's 2012 Integrated Resource Plan (Case No. 2012-00149.) Please also see workpapers in Response 11.

Request 1b. Provide a detailed, unit-by-unit comparison by output for the 2013 summer and 2014 winter peaks compared to 2012 summer and winter peaks.

Response 1b. Unit specific operational data is given on pages 63 through 72 of the 2012 Integrated Resource Plan. EKPC does not expect its unit operations to change significantly with full PJM operations, as stated in the response to Request 1a.

Request 1c. What are the savings due to decreasing production cost (estimated at \$52.7 million) when the forward power price curve used in the study is adjusted 10% higher? 10% lower?

Response 1c. The forward price curve is driven by underlying factors such as fuel prices, load growth and new environmental laws. Sensitivities around these driving forces were completed for the first five years of the study and reported on page 20 of 49 of Exhibit RLL-2 of the EKPC Application to Transfer Functional Control of Certain Transmission Facilities to PJM Interconnection, L.L.C. Three of the four sensitivities evaluated increased Trade and Capacity Benefits. The one sensitivity that lowered the benefits was a low natural gas (<10%) and low load (load flat at 2011 levels) scenario. That case still shows a net total benefit of approximately \$45 million over the five year period. None of the four sensitivities studied drove the expected benefits negative.

EAST KENTUCKY POWER COOPERATIVE, INC.
PSC CASE NO. 2012-00169
FIRST REQUEST FOR INFORMATION RESPONSE

KU/LG&E'S FIRST REQUEST FOR INFORMATION DATED 06/15/12
REQUEST 2

RESPONSIBLE PERSON: Don Mosier

COMPANY: East Kentucky Power Cooperative, Inc.

Request 2. What are EKPC's plans for its existing generating units?

Response 2. Please refer to EKPC's most recently filed Integrated Resource Plan. (Case No. 2012-00149)

Request 2a. If EKPC plans to retire and not replace any of its current generating units, please explain in detail how EKPC plans to serve its load and maintain adequate operating and planning reserves.

Response 2a. On page 8 of EKPC's 2012 Integrated Resource Plan, under discussion of risks and uncertainties of plan, EKPC discusses its plan to "*Issue an RFP for Power Supply resources to address the existing capacity affected by the EPA MATS rules.*" EKPC must consider the impacts of the MATS rules on its existing generation fleet. The Spurlock Plant units are state of the art facilities that can be readily modified to meet all of the new rules. Likewise, the Cooper 2 unit with its recent addition of pollution control equipment can also meet the new rules.

The oldest units in the EKPC fleet, Dale Station and Cooper 1, will require capital intensive retrofits to meet operating requirements under the MATS rules. EKPC will seek to find the most economic alternative to meet its power supply requirements and meet MATS rules. EKPC will need to mitigate the potential risk of losing approximately 300 MW of existing power supply resources while maintaining economic and reliable power supply to its member owners.” EKPC issued an All Source Long-Term Request for Proposals 2012 on June 8, 2012 through The Brattle Group. The solicitation and related information can be found at www.ekpc-rfp2012.com. EKPC will need to address these issues regardless of its membership status in PJM.

Request 2b. What are the savings due to participating in the Reliability Pricing Model (estimated at \$147.8 million) if the forward capacity price curve used in the study is adjusted 10% higher? 10% lower?

Response 2b. As stated in the response to Request 1c, EKPC completed comprehensive sensitivities to the underlying factors that determine a forward price curve. The impacts on the Trade and Capacity Benefits can be found on page 20 of 49 of Exhibit RLL-2. Three of the four sensitivities evaluated increased the Trade and Capacity Benefits. The one sensitivity that lowered the benefits was a low natural gas (<10%) and low load (load flat at 2011 levels) scenario. That case still shows a net total benefit of approximately \$45 million over the five year period. None of the four sensitivities studied drove the expected benefits negative.

Request 2c. Have system impact or stability studies been completed?

Response 2c. EKPC has not yet completed system impact studies and stability studies.

Request 2c(i-iii). (i) If so, what were the analysis inputs and assumptions used?
(ii) What are the results and impacts indicated by the studies? (iii) Please provide any such studies and related work-papers

Response 2c(i-iii). This is not applicable. Please see the response to Request 2c.

Request 2d. Please state how any such unit retirements could affect the Companies, if known, for example, impacts on the utilization on EKPC's and LG&E-KU's transmission relative to LG&E-KU serving its native load.

Response 2d. EKPC cannot provide an answer to this question until it develops a final plan to comply with MATS. As stated above, potential retirements within EKPC's existing generation fleet will not be driven by EKPC's full membership in PJM.

**EAST KENTUCKY POWER COOPERATIVE, INC.
PSC CASE NO. 2012-00169
FIRST REQUEST FOR INFORMATION RESPONSE**

**KU/LG&E'S FIRST REQUEST FOR INFORMATION DATED 06/15/12
REQUEST 3**

RESPONSIBLE PERSON: Don Mosier

COMPANY: East Kentucky Power Cooperative, Inc.

Request 3. How will PJM's transmission expansion plans impact EKPC financially and operationally?

Response 3. From an operational perspective, the transmission expansion plans developed from PJM's forward-looking RTEP process studies provide solutions to obviate violations of NERC Reliability Standards under expected future system conditions. Those standards require that the PJM system be stable, within applicable equipment thermal ratings and system voltage limits.

From a financial perspective, as shown on page 24 of 49 of Exhibit RLL-2, the study assumed that EKPC would pay approximately \$10 million per year for the first six years and then the transmission charges would increase to \$15 million per year. Total costs incurred are estimated to be \$70.2 million in present worth dollars. EKPC will avoid paying \$56 million in fixed transmission costs for the 400 MW of transmission rights that it currently buys from PJM. Net incremental transmission costs are in the \$14 million present worth range over the ten year period.

**EAST KENTUCKY POWER COOPERATIVE, INC.
PSC CASE NO. 2012-00169
FIRST REQUEST FOR INFORMATION RESPONSE**

**KU/LG&E'S FIRST REQUEST FOR INFORMATION DATED 06/15/12
REQUEST 4**

RESPONSIBLE PERSON: Don Mosier

COMPANY: East Kentucky Power Cooperative, Inc.

Request 4. Does EKPC anticipate that its full membership in PJM will affect in any way the current interconnection arrangements between the Companies and EKPC?

Response 4. EKPC's full membership in PJM is not expected to substantially affect the current interconnection arrangements it has with LG&E-KU.

Request 4a. If so, describe the effects.

Response 4a. PJM will become a signatory to the existing Interconnection Agreement dated September 19, 2011 between EKPC and LG&E-KU. However, EKPC and LG&E-KU will continue to coordinate and operate under the terms of the Interconnection Agreement in a similar manner as is occurring presently.

Request 4b. Have system impact or stability studies been completed to evaluate the effect of EKPC's full membership in PJM on current interconnections between EKPC and LG&E-KU? (i) If so, what were the analysis inputs and assumptions used? (ii) What are the results and impacts indicated by the studies? (iii) Please provide any such studies and related work-papers.

Response 4b. PJM is in the process of conducting integration studies for EKPC that will consider the effects on current interconnections between EKPC and LG&E-KU. From a *PJM* RTEP perspective, PJM presumes that the “*current interconnections between EKPC and LG&E-KU*”, as stated in this Information Request refers to the extent any contractual arrangements exist for generating units that deliver capacity into or out of EKPC. As PJM does with any generator, PJM will examine the power flow impacts on reliability criteria that arise from those “contractual arrangements.”

Request 4b(i). If so, what were the analysis inputs and assumptions used?

Response 4b(i). The market integration generator deliverability studies being conducted by PJM are based on a 2016 power flow case model, which incorporated the inputs and assumptions described in the PJM Transmission Expansion Advisory Committee (TEAC) meeting materials of December 15, 2011, available on PJM’s web site via the following <http://www.pjm.com/~media/committees-groups/committees/teac/20111215/20111215-teac-2012-rtep-assumptions-reliability-analysis-update-and-market-efficiency-update.ashx>

Request 4b(ii). What are the results and impacts indicated by the studies?

Response 4b(ii). Please see general response to Request 4b.

Request 4b(iii). Please provide any such studies and related work-papers.

Response 4b(iii). PJM will provide same under separate cover upon completion. See general response to 4(b), above.

**EAST KENTUCKY POWER COOPERATIVE, INC.
PSC CASE NO. 2012-00169
FIRST REQUEST FOR INFORMATION RESPONSE**

**KU/LG&E'S FIRST REQUEST FOR INFORMATION DATED 06/15/12
REQUEST 5**

RESPONSIBLE PERSON: Don Mosier

COMPANY: East Kentucky Power Cooperative, Inc.

Request 5. Does EKPC anticipate that its full membership in PJM will affect in any way the manner in which EKPC will serve some of its customers using the Companies' facilities and vice versa?

Response 5. EKPC is interconnected with Duke Energy Kentucky, Inc. ("Duke") who is a full member of PJM. EKPC has customers which are served by the Duke system and Duke has customers served by the EKPC System. The integration of Duke into PJM did not affect the way in which EKPC serves its customers on the Duke System. Likewise, EKPC does not anticipate that full membership in PJM will affect the manner in which EKPC will serve some of its customers using the Companies' facilities or vice versa.

Request 5a. How will EKPC's full membership in PJM impact EKPC's present use of LG&E-KU's transmission system to serve EKPC load and vice versa?

Response 5a. EKPC does not anticipate any impacts to EKPC's present use of LG&E-KU's transmission system to serve EKPC load or vice versa. EKPC has not experienced any impacts resulting from the Duke integration into PJM and anticipates a similar experience during EKPC's own integration.

Request 5b. Will there be any drive-in or drive-out charges or any other increases in costs or additional charges not being paid today by LG&E-KU associated with serving some of their load using EKPC's transmission system and vice versa? If so, what are the additional charges or increased costs (and the amounts thereof, if known)?

Response 5b. EKPC is not aware of any drive-in or drive-out charges in PJM. LG&E-KU will work with PJM to determine what transmission services they choose to serve their load.

**EAST KENTUCKY POWER COOPERATIVE, INC.
PSC CASE NO. 2012-00169
FIRST REQUEST FOR INFORMATION RESPONSE**

**KU/LG&E'S FIRST REQUEST FOR INFORMATION DATED 06/15/12
REQUEST 6**

RESPONSIBLE PERSON: Don Mosier

COMPANY: East Kentucky Power Cooperative, Inc.

Request 6. How will full PJM membership affect EKPC's transmission rates?

Response 6. EKPC will no longer be a Transmission Provider offering Transmission Service after becoming a full member of PJM. PJM will become the Transmission Provider for EKPC. Any Customer reserving Point-to-Point Transmission Service will be charged the applicable rate established in PJM's Open Access Transmission Tariff. EKPC will establish a zonal rate for Network Integration Transmission Service within the EKPC zone to be created in PJM.

Request 6a. Will EKPC, like other PJM members, have a zonal rate?

Response 6a. As stated in the general response to Request 6 above, EKPC will have a zonal rate.

Request 6b. Does EKPC know what the new zonal rate will be? If so, what will it be?

Response 6b. EKPC does not know at this time what the zonal rate will be. EKPC will determine this zonal rate prior to completing integration into PJM.

**EAST KENTUCKY POWER COOPERATIVE, INC.
PSC CASE NO. 2012-00169
FIRST REQUEST FOR INFORMATION RESPONSE**

**KU/LG&E'S FIRST REQUEST FOR INFORMATION DATED 06/15/12
REQUEST 7**

RESPONSIBLE PERSON: Don Mosier

COMPANY: East Kentucky Power Cooperative, Inc.

Request 7. How will full PJM membership affect EKPC's transmission planning criteria?

Response 7. From a *PJM* perspective, as NERC regional transmission provider and planning authority, PJM tests the transmission system for compliance with NERC Reliability Standards, and the reliability criteria designed by PJM and the Transmission Owners ("TOs") are identified to preserve the electric reliability of the transmission system, consistent with PJM's RTEP Protocol codified in Schedule 6 of PJM's Operating Agreement and further described in PJM Manual 14-B. PJM tests the entire RTO system – including EKPC - for compliance to the most conservative respective criterion in each set.

PJM's Open Access Transmission Tariff (OATT), Schedule 12, "Transmission Enhancement Charges," is accessible from PJM's web site via the following URL link: <http://pjm.com/documents/~media/documents/agreements/tariff.ashx>

PJM Manual 14-B, "Regional Transmission Planning," is accessible from PJM's web site via the following URL link: <http://pjm.com/documents/manuals.aspx>

The following is a list of expected changes to EKPC's transmission planning criteria in order to meet PJM requirements when EKPC becomes a full member:

- For N-1-1 contingency analysis on the EKPC Bulk Electric System, PJM criteria require that no loss of firm load is allowed to maintain flows and voltages within applicable limits. EKPC's present criteria allow some shedding of firm load for N-1-1 contingencies to maintain flows and voltages within applicable limits.
- PJM performs load deliverability tests with a transmission reliability criterion of 1 loss-of-load event in 25 years. EKPC does not presently require a load deliverability analysis.
- PJM has a voltage drop criterion for single-contingency conditions. The maximum allowable voltage drop is 10% between pre-contingency and post-contingency conditions. EKPC does not presently use a voltage drop criterion.

**EAST KENTUCKY POWER COOPERATIVE, INC.
PSC CASE NO. 2012-00169
FIRST REQUEST FOR INFORMATION RESPONSE**

**KU/LG&E'S FIRST REQUEST FOR INFORMATION DATED 06/15/12
REQUEST 8**

RESPONSIBLE PERSON: Don Mosier

COMPANY: East Kentucky Power Cooperative, Inc.

Request 8. EKPC's application states that full PJM membership will help alleviate certain transmission constraints.

Request 8a. Please list the existing constraints and state how they have negatively affected EKPC's operations.

Response 8a. As an external (non-member) participant in the PJM market, EKPC must secure point-to-point transmission service to establish a path to sell into the PJM system. Sufficient capacity is not always available for non-members.

Request 8b. How will EKPC's full membership in PJM alleviate those constraints?

Response 8b. As a full member, EKPC will receive Network Integration Transmission Service. PJM's congestion management process is utilized within the PJM market to re-dispatch generators within the system to optimize cost while avoiding or mitigating congestion on the transmission system. As a member, if congestion is encountered while EKPC is selling excess energy within the PJM market, units outside of the EKPC system may be ramped up or down to mitigate congestion. Following

integration, PJM will have more opportunity to optimize the market efficiency of resources from across the entire RTO, including EKPC.

Request 8c. Please provide any and all analysis concerning the identification of these constraints and the plans to alleviate them.

Response 8c. Please see the response to Request 8b.

**EAST KENTUCKY POWER COOPERATIVE, INC.
PSC CASE NO. 2012-00169
FIRST REQUEST FOR INFORMATION RESPONSE**

**KU/LG&E'S FIRST REQUEST FOR INFORMATION DATED 06/15/12
REQUEST 9**

RESPONSIBLE PERSON: Don Mosier

COMPANY: East Kentucky Power Cooperative, Inc.

Request 9. Please provide a list of EKPC flowgates that PJM will monitor in the Available Transfer Capacity ("ATC") process.

Response 9. The list of EKPC flowgates that will be monitored by PJM will be available near EKPC's integration date into PJM. PJM will evaluate EKPC flowgates consistent with applicable NERC MOD Standards, PJM's Tariff (OATT attachment C) and other applicable Joint Operating Agreements.

Request 9a. Have any been identified as constraints? If so, please state which ones and the nature of each constraint.

Response 9a. As stated in the above response to Request 9, PJM has not yet identified the list of EKPC flowgates to be monitored in the PJM processes. Therefore, no EKPC flowgate constraints have been identified at this time.

**EAST KENTUCKY POWER COOPERATIVE, INC.
PSC CASE NO. 2012-00169
FIRST REQUEST FOR INFORMATION RESPONSE**

**KU/LG&E'S FIRST REQUEST FOR INFORMATION DATED 06/15/12
REQUEST 10**

RESPONSIBLE PERSON: Don Mosier

COMPANY: East Kentucky Power Cooperative, Inc.

Request 10. Will EKPC's full membership in PJM impact flows and voltages on the LG&E-KU transmission system?

Response 10. It is not anticipated that dispatch patterns will vary outside of what is typically considered in planning studies conducted by EKPC and LG&E-KU today. As a result, it is not likely that the LG&E-KU system would experience flows and voltages that are substantially different than those being experienced at the present time, although seasonal patterns may vary to some degree.

PJM is in the process of conducting integration studies for EKPC that will consider the effects of EKPC's membership in PJM on the LG&E-KU system. EKPC will also begin coordinating with PJM on regional planning issues, including consideration of impacts on neighboring systems.

Request 10a. What specific flow and voltage impacts have been identified?

Response 10a. At this time, no significant impacts on flows and voltages on the LG&E-KU system have been identified.

Request 10b. How were these impacts determined?

Response 10b. Please see responses to Requests 10 and 10a.

Request 10c. Please provide the analysis of determining these impacts, including any system impact studies and similar or related documents.

Response 10c. No system impact studies or other documents are available at this time.

**EAST KENTUCKY POWER COOPERATIVE, INC.
PSC CASE NO. 2012-00169
FIRST REQUEST FOR INFORMATION RESPONSE**

**KU/LG&E'S FIRST REQUEST FOR INFORMATION DATED 06/15/12
REQUEST 11**

RESPONSIBLE PERSON: Ralph L. Luciani

COMPANY: East Kentucky Power Cooperative, Inc.

Request 11. Please provide the complete Charles River Associates analysis and results, including all work-papers.

Response 11. The CRA analysis and results are provided in Exhibit RLL-2 in EKPC's Application filed May 3, 2012. Electronic workpapers associated with this analysis are included on the attached CD.

**EAST KENTUCKY POWER COOPERATIVE, INC.
PSC CASE NO. 2012-00169
FIRST REQUEST FOR INFORMATION RESPONSE**

**KU/LG&E'S FIRST REQUEST FOR INFORMATION DATED 06/15/12
REQUEST 12**

RESPONSIBLE PERSON: Don Mosier

COMPANY: East Kentucky Power Cooperative, Inc.

Request 12. Please provide any other studies and related work-papers concerning EKPC's decision to become a full member of PJM.

Response 12. Please see the response to Request 27 of the Attorney General's Initial Data Requests.

**EAST KENTUCKY POWER COOPERATIVE, INC.
PSC CASE NO. 2012-00169
FIRST REQUEST FOR INFORMATION RESPONSE**

**KU/LG&E'S FIRST REQUEST FOR INFORMATION DATED 06/15/12
REQUEST 13**

RESPONSIBLE PERSON: Don Mosier

COMPANY: East Kentucky Power Cooperative, Inc.

Request 13. How does EKPC plan to comply with Federal Energy Regulatory Commission Order 1000, both before and after becoming a full member of PJM?

Response 13. PJM has already begun incorporating EKPC into its planning processes in anticipation of EKPC becoming a full member on June 1, 2013. Therefore, EKPC is being considered in all regional planning activities of PJM moving forward. EKPC will begin participating in the regional planning meetings occurring at PJM immediately as well. These immediate actions and activities will be used to comply with FERC Order 1000 for the period until EKPC becomes a full member of PJM. Once full membership is achieved, EKPC and PJM will continue forward in much the same manner with regard to regional planning. That is, EKPC will effectively be a PJM member for regional planning purposes prior to the actual integration date. The primary difference between the period prior to June 1, 2013 (or an alternate final integration date) and the period after that date is that once EKPC becomes a full member, EKPC will become responsible for allocation of regional planning costs per PJM's approved methodology.

**EAST KENTUCKY POWER COOPERATIVE, INC.
PSC CASE NO. 2012-00169
FIRST REQUEST FOR INFORMATION RESPONSE**

**KU/LG&E'S FIRST REQUEST FOR INFORMATION DATED 06/15/12
REQUEST 14**

RESPONSIBLE PERSON: Don Mosier

COMPANY: East Kentucky Power Cooperative, Inc.

Request 14. How will EKPC's full PJM membership impact its participation in the TVA-LG&E-KU-EKPC Contingency Reserve Sharing Group from Transmission Reliability Margin and energy-cost perspectives?

Response 14. EKPC does not anticipate any impact to its participation in the TVA-LG&E-KU-EKPC Contingency Reserve Sharing group from Transmission Reliability Margin and energy-cost perspectives. However, EKPC has not yet been able to share the TCRSG agreements or protocol with PJM in order to verify this due to confidentiality issues.

EAST KENTUCKY POWER COOPERATIVE, INC.
PSC CASE NO. 2012-00169
FIRST REQUEST FOR INFORMATION RESPONSE

KU/LG&E'S FIRST REQUEST FOR INFORMATION DATED 06/15/12
REQUEST 15

RESPONSIBLE PERSON: Don Mosier

COMPANY: East Kentucky Power Cooperative, Inc.

Request 15. How will EKPC's full PJM membership impact the operations of LG&E-KU?

Response 15. EKPC does not anticipate any substantial impact to LG&E-KU operations resulting from full membership of EKPC into PJM. EKPC has not experienced any substantial impacts resulting from the Duke integration into PJM and expects a similar experience with this integration.

Request 15a. Please provide any analysis and work-papers supporting your response. If no such analysis or work-papers exists, please so state.

Response 15a. EKPC does not have any analysis or work-papers to support this response.

**EAST KENTUCKY POWER COOPERATIVE, INC.
PSC CASE NO. 2012-00169
FIRST REQUEST FOR INFORMATION RESPONSE**

**KU/LG&E'S FIRST REQUEST FOR INFORMATION DATED 06/15/12
REQUEST 16**

RESPONSIBLE PERSON: Don Mosier

COMPANY: East Kentucky Power Cooperative, Inc.

Request 16. How will EKPC's full PJM membership impact LG&E-KU's cost of providing service to their native load customers?

Response 16. EKPC is not able to comment on any element of LG&E/KU's cost of providing electric service to their native load customers.

Request 16a. Please provide any analysis and work-papers supporting your response. If no such analysis or work-papers exists, please so state.

Response 16a. Please see the response to Request 16.

**Please see electronic files included
with PSC Data Requests.**