

Goss ■ Samford PLLC



Attorneys at Law

October 10, 2012

Mr. Jeff Derouen
Executive Director
Public Service Commission
211 Sower Boulevard
Frankfort, Kentucky 40602

Re: Case No. 2012-00169

Dear Mr. Derouen:

Please find enclosed for filing with the Commission in the above-reference case, an original and ten copies of East Kentucky Power Cooperative, Inc.'s Information Requests to KU and LG&E.

Very truly yours,

Mark David Goss
Counsel

Enclosures

Cc: Parties of Record

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PUBLIC SERVICE
COMMISSION

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.)	

EAST KENTUCKY POWER COOPERATIVE, INC.
INFORMATION REQUESTS TO
KU AND LG&E

KU and LG&E (collectively “the Companies”), pursuant to the Order dated September 28, 2012, which revised the Procedural Schedule in Case No. 2012-00169, are requested to file responses to the following requests for information by October 24, 2012, with copies to the Commission and to all parties of record, and in accordance with the following:

1. Please provide written responses, together with any and all exhibits pertaining thereto, in one or more bound volumes, separately indexed and tabbed by each response.
 2. If any request appears confusing, please request clarification directly from EKPC.
 3. The responses provided should first restate the question asked and also identify the person(s) supplying the information.
 4. Please answer each designated part of each information request separately.
- If you do not have complete information with respect to any interrogatory, so state and give as much information as you do have with respect to the matter inquired about, and

identify each person whom you believe may have additional information with respect thereto.

5. To the extent that the specific document, workpaper or information does not exist as requested, but a similar document, workpaper or information does exist, provide the similar document, workpaper, or information.

6. To the extent that any request may be answered by way of a computer printout, please identify each variable contained in the printout which would not be self-evident to a person not familiar with the printout.

7. If the Companies object to any request on the grounds that the requested information is proprietary in nature, or for any other reason, please notify EKPC as soon as possible.

8. For any document withheld on the basis of privilege, state the following: date; author; addressee; indicted or blind copies; all persons to whom distributed, shown, or explained; and, the nature and legal basis for the privilege asserted.

9. "Document" means the original and all copies (regardless of origin and whether or not including additional writing thereon or attached thereto) of memoranda, reports, books, manuals, instructions, directives, records, forms, notes, letters, notices, confirmations, telegrams, pamphlets, notations of any sort concerning conversations, telephone calls, meetings or other communications, bulletins, transcripts, diaries, analyses, summaries, correspondence investigations, questionnaires, surveys, worksheets, and all drafts, preliminary versions, alterations, modifications, revisions, changes, amendments and written comments concerning the foregoing, in whatever form, stored or contained in or on whatever medium, including computerized memory or magnetic media. A request to identify a document means to state the date or dates, author or originator, subject matter, all addressees and recipients, type of document (e.g., letter, memorandum, telegram, chart, etc.), code number thereof, or other means of identifying it and its present location and custodian. If any such document was, but is no longer in the Companies' possession or subject to its control, state what disposition was made of it, including the date of such disposition.

10. "Study" means any written, recorded, transcribed, taped, filmed, or graphic matter, however produced or reproduced, either formally or informally, considering or evaluating a particular issue or situation, in whatever detail, whether or not

the study of the issue or situation is in a preliminary stage, and whether or not the study discontinued prior to completion.

11. "Person" means any natural person, corporation, professional corporation, partnership, association, joint venture, proprietorship, firm, or the other business enterprise or legal entity. A request to identify a natural person means to state his or her full name and residence address, his or her present last known position and business affiliation at the time in question. A request to identify a person other than a natural person means to state its full name, the address of its principal office, and the type of entity.

12. "And" and "or" should be considered to be both conjunctive and disjunctive, unless specifically stated otherwise. "Each" and "any" should be considered to be both singular and plural, unless specifically stated otherwise. Words in the past tense should be considered to include the present, and words in the present tense include the past, unless specifically stated otherwise. "You" or "your" means the person whose filed testimony is the subject of these interrogatories and, to the extent relevant and necessary to provide full and complete answers to any request, "you" or "your" may be deemed to include any person with information relevant to any interrogatory who is or was employed by or otherwise associated with the witness or who assisted, in any way, in the preparation of the witness' testimony.

13. Respondent means the Companies and/or any of their officers, directors, employees, or agents who may have knowledge of the particular matter addressed.

Respectfully submitted,

A handwritten signature in black ink that reads "Mark David Goss" followed by a stylized monogram or initials.

Mark David Goss
Goss Samford, PLLC
2365 Harrodsburg Road
Suite B130
Lexington, KY 40504
Counsel for East Kentucky Power Cooperative, Inc.

CERTIFICATE OF SERVICE

This is to certify that an original and 10 copies of the foregoing Petition for Confidential Treatment of Information in the above-styled case were hand delivered to the office of the Public Service Commission, 211 Sower Boulevard, Frankfort, KY 40601 this 10th day of October, 2012.

Jennifer B. Hans
Executive Director
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Office of the Attorney General
1024 Capital Center Drive, Suite 200
Frankfort, Kentucky 40601-8204

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Counsel for East Kentucky Power Cooperative, Inc.

**EAST KENTUCKY POWER COOPERATIVE, INC.
INFORMATION REQUESTS TO
KU AND LG&E**

1. Please refer to the Bellar Testimony, page 2, lines 15 through 17. Mr. Bellar notes that the transmission service costs are included in the cost of providing service to the Companies' native load customers, which also includes retail electric customers in Kentucky.

a. Does Mr. Bellar agree that the Companies' Kentucky retail electric customers pay rates which are bundled, where generation, transmission, and distribution costs are not shown as separate components in the rate structure?

b. Does Mr. Bellar agree that the Companies' Kentucky retail electric rates change only as a result of filing a base rate application with the Commission seeking a change in those rates? For purposes of this question, retail electric rates mean the base rates rather than charges and credits resulting from adjustment mechanisms like the fuel adjustment clause and environmental surcharge.

c. Does Mr. Bellar agree that when the Commission establishes the Companies' Kentucky retail electric rates, it considers all the costs of providing service to the customers and that some of those costs may have increased and some may have decreased since the current retail electric rates were established?

d. Assume that the transmission rates increased after EKPC joined PJM. Would Mr. Bellar agree that this increase in transmission service costs:

1) Would not be immediately reflected on Kentucky retail electric customers' bills?

2) Would be considered along with all other costs when the Companies filed their next base rate application?

3) Would not necessarily result in an increase in the Kentucky retail electric rates because other cost reductions could offset the transmission service costs increase?

2. Please refer to the Bellar Testimony, page 3, lines 7 through 10.

a. Please explain in detail how the Companies paying the FERC approved PJM transmission rates constitutes a subsidization of EKPC's full membership in PJM.

b. Please provide the final results of any and all financial and operational analyses, including, but not limited to, any and all workpapers, data inputs, and all assumptions used to support such analyses, that the Companies have prepared which detail the impact of EKPC's integration into PJM on the Companies.

3. Please refer to the Bellar Testimony, page 3, lines 11 through 15. Mr. Bellar recommends that the Commission require EKPC and PJM charge to the Companies transmission rates and charges calculated in the same manner they are today for transmission service necessary to serve the Companies' native load customers.

a. Does Mr. Bellar agree that the referenced transmission rates and charges are subject to the exclusive jurisdiction of the FERC and not the Commission? If he does not, please explain the response.

b. Assuming that the referenced transmission rates and charges are subject to the exclusive jurisdiction of the FERC, please explain in detail how the Commission can issue an Order with the requirement Mr. Bellar recommends.

c. Does Mr. Bellar agree that one of the goals of FERC Order No. 888 and one of the purposes of Regional Transmission Organizations is to ensure that all users of a utility's transmission system are treated fairly and have equal access to such system?

d. It would appear that a possible result of Mr. Bellar's recommendation is that the Companies would be charged the currently determined rates and charges for transmission service while entities like Duke Energy Kentucky and Kentucky Power Company could be charged the PJM rates and charges for identical transmission service. Does Mr. Bellar agree that this could be a possible result? Please explain the response and specifically address how such an arrangement would be permitted by FERC.

4. Please refer to the Bellar Testimony, page 3, line 19 through page 4, line 9.

a. Please explain in detail the basis for Mr. Bellar's statement that EKPC's remaining a member of the Contingency Reserve Sharing Group would not be sufficient to ensure no harm comes to the Companies' customers from EKPC's full PJM membership.

b. In discussions between EKPC, the Companies, and the Tennessee Valley Authority ("TVA") concerning EKPC becoming a member of PJM, have the Companies at any time specifically communicated to EKPC any concerns regarding harm that may be suffered by its customers by a failure of EKPC or PJM to respond to a call on reserves in the event of an emergency on the Companies' system? Please explain the response.

c. If the response to 4b. above is "yes", specifically identify the time, place and nature of the Companies' communication, and, if in writing, provide copies of same.

d. State whether, if the status quo were to be maintained and EKPC were to remain a standalone utility and not become a member of PJM, the Companies believe that the likelihood of its customers being harmed would be more or less than if EKPC joined PJM.

e. If the Companies' response to 4d. above is that the likelihood of its customers being harmed would be "more" if EKPC were to join PJM, please discuss and provide detailed reasons for this position.

5. Please refer to the Bellar Testimony, page 4, lines 11 through 14. Mr. Bellar states that the Companies' customers must be protected from higher transmission charges that could arise from EKPC's full PJM membership.

a. Please explain in detail why the Companies' customers must be afforded protection from higher transmission charges that might result from EKPC joining a FERC-approved Regional Transmission Operator?

b. Please explain whether similar protections were provided by the Companies to the ultimate retail ratepayers of EKPC when the Companies joined the Midwest Independent System Operator.

c. Please provide any Commission precedent or authority upon which the Companies rely for the belief that their customers must be protected from higher transmission charges that could arise from EKPC's full PJM membership.

6. Please refer to the Staton Testimony, page 9, lines 11 through 16.

a. Is Mr. Staton aware of a document entitled "Joint Reliability Coordination Agreement Among and Between Midwest Independent Transmission System Operator, Inc., PJM Interconnection, L.L.C., and Tennessee Valley Authority," which prescribes the equitable and economical management of congestion on flowgates affected by flows of TVA (and those companies under the TVA Reliability Coordinator umbrella), PJM, and/or the Midwest ISO?

b. If aware of this document, does Mr. Staton believe that following the protocols contained in this Agreement will ensure that PJM, on behalf of EKPC, will honor the flowgates identified by the Companies in the granting of transmission service and in real-time congestion management processes? Please explain in detail why or why not.