

August 3, 2015

Mr. Jeffrey Derouen
Executive Director
Kentucky Public Service Commission
211 Sower Boulevard
P. O. Box 615
Frankfort, Kentucky 40602-0615

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AUG 5 2015
PUBLIC SERVICE
COMMISSION

Re: Administrative Case No. 353

Dear Mr. Derouen:

Pursuant to the Commission's January 18, 1996 order in Administrative Case No. 353, East Kentucky Power Cooperative, Inc.'s ("EKPC") owner-member cooperatives ("owner-members") have continued to file, as part of their emergency plans, their emergency curtailment procedures. At the time, this order was in keeping with the operational necessities of the manual load-shedding procedures in place – the owner-members developed manual load-shed plans in order to effect load shedding at the distribution level when instructed to do so by EKPC.

In June 2007, the North American Electric Reliability Corporation ("NERC") released two standards, EOP-001 and EOP-003, which, as a NERC-registered Transmission Operator and a Balancing Authority, EKPC was mandated to, "... have plans for operator controlled manual load shedding to respond to real-time emergencies.", and "... be capable of implementing the load shedding in a timeframe adequate for responding to the emergency." In order to be compliant with the NERC Standards, EKPC created a system-wide Manual Load-Shed Plan to be operated at the transmission level. At that point, the individual owner-members of EKPC no longer had the responsibility to physically shed load – instead the responsibility was with EKPC, per the NERC standards.

Then, on June 1, 2013 EKPC integrated with PJM, and PJM immediately undertook to perform the NERC responsibilities of Transmission Operator and Balancing Authority on EKPC's behalf. In line with PJM's contractual requirements, PJM is now responsible for directing EKPC to manage, alleviate, or end any capacity emergency within PJM's footprint, up to and including manual load shed, within 5 minutes of receiving PJM's Directive.

Working under PJM directive, EKPC now allocates each owner-member a load shed requirement based on EKPC's highest coincident peak. EKPC meets with its owner-members to determine the specific substation loads to shed during a PJM-declared capacity emergency. EKPC then enters these individual substation loads into The EKPC Rotating Power Outage Plan ("RPO"), which is designed to give guidance to the EKPC Transmission Operator when directed by PJM to shed load.

Mr. Jeff Derouen
August 3, 2015
Page Two

Given that the NERC standards required a change to how EKPC and its owner-members coordinate and establish the elements of their Manual Load-Shed Plans, with the owner-members no longer needing to develop their own individual Manual Load-Shed Plans, and with load-shedding decisions or actions no longer taking place at the distribution level, EKPC would respectively suggest that the Commission reconsider the requirements of the order in Administrative Case No. 353 requiring EKPC's owner-members to submit their Manual Load-Shed Plans to the Commission. Instead, EKPC suggests that it be allowed to file its Manual Load-Shed Plan (including the RPO), on its owner-members' behalf.

— EKPC would be grateful for written confirmation that the Commission agrees for EKPC to file its Manual Load-Shed Plan on the owner-members' behalf, thus absolving the owner-members of the requirements of the order in Administrative Case No. 353, or would welcome an opportunity to meet with Commission staff to discuss this matter in greater detail.

Sincerely,



Patrick C. Woods