

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

RECEIVED

FEB 06 2009

PUBLIC SERVICE
COMMISSION

In the Matter of:

GENERAL ADJUSTMENT OF ELECTRIC RATES)	PSC CASE NO.
OF EAST KENTUCKY POWER)	2008-00409
COOPERATIVE, INC.)	

PETITION FOR CONFIDENTIAL TREATMENT OF INFORMATION
PURSUANT TO 807 KAR 5:001, SECTION 7

Comes now the Petitioner, East Kentucky Power Cooperative, Inc. ("EKPC"), and as grounds for its Petition for Confidential Treatment of Information (the "Petition"), states as follows:

1. This Petition is filed in conjunction with the filing of EKPC's Responses to the Second Data Requests of Kentucky Industrial Utility Customers ("KIUC"), dated January 23, 2009, at Request 40. This motion relates to confidential or proprietary information contained in the Response to KIUC 2-40 that is entitled to protection pursuant to 807 KAR 5:001, Section 7, and KRS § 61.878(1)(c)1, and related sections.

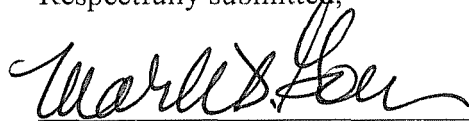
2. The information designated as confidential in the subject response includes the identification of sensitive energy pricing information contained in the contracts referenced in the request. If such information were openly disclosed, it would immediately and irreparably present an unfair commercial advantage to competitors of EKPC related to the market for purchase of bulk power both now and in the future.

3. Along with this Petition, EKPC has enclosed one copy of its Responses to KIUC Request 40, with the confidential information identified by highlighting or other designation, and ten copies of the complete Responses, with the confidential information redacted. The identified

confidential information is not known outside of EKPC, except to the other parties to the referenced contracts, and is distributed within EKPC only to persons with a need to use it for business purposes. It is entitled to confidential treatment pursuant to 807 KAR 5:001, Section 7, and KRS § 61.878(1)(c)1, for the reasons stated hereinabove, as information which would permit an unfair commercial advantage to competitors of EKPC if the information were otherwise disclosed. The subject information is also entitled to protection pursuant to KRS § 61.878(1)(c)2.c., as records generally recognized as confidential or proprietary which are confidentially disclosed to an agency in conjunction with the regulation of a commercial enterprise.

WHEREFORE, EKPC respectfully requests the Public Service Commission to grant confidential treatment to the identified information and deny public disclosure of said information for the reasons stated hereinabove.

Respectfully submitted,



Mark David Goss
Frost Brown Todd LLC
250 West Main Street, Suite 2800
Lexington, KY 40507-1749
(859) 231-0000 – Telephone
(859) 231-0011 – Facsimile
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 Jeffrey Derouen, Executive Director of the Kentucky Public Service Commission, 211 Sower Boulevard, Frankfort, Kentucky 40601, and mailed to Hon. Dennis G. Howard, II, Assistant

Attorney General, Office of Rate Intervention, P. O. Box 2000, Frankfort, Kentucky 40602-2000, and to Hon. Michael L. Kurtz, Counsel for KIUC, 36 East Seventh Street, Suite 1510, Cincinnati, Ohio 45202 on February 6, 2009.


Counsel for East Kentucky Power Cooperative, Inc.

RECEIVED

FEB 06 2009

**AGREEMENT FOR THE TRANSFER OF SEPA ALLOCATIONS
FOR THE REMAINDER OF CALENDAR YEAR 2007**

PUBLIC SERVICE
COMMISSION

This Agreement is entered into as of the 12th day of June, 2007, between East Kentucky Power Cooperative, Inc ("EKPC" or "Transferee") and the twelve "KU Area" preference customers of Southeastern Power Administration (individually, "Transferor," and collectively, "Transferors"). The Transferors are the Frankfort Electric & Water Plant Board of Frankfort, Kentucky, Owensboro Municipal Utilities in Owensboro, Kentucky, and the municipal electric systems of Barbourville, Bardstown, Bardwell, Benham, Corbin, Falmouth, Madisonville, Nicholasville, Paris, and Providence, Kentucky. EKPC and Transferors are referred to herein as a "Party" individually or together as "Parties."

Whereas, each Transferor has an allocation of power and energy from the Cumberland System of Projects marketed by and purchased from the Southeastern Power Administration ("SEPA"), which allocations together total 62 megawatts of capacity and 111,600 megawatt-hours of energy per year, as specified in their respective long-term contracts with SEPA; and

Whereas, each Transferor is a party to a SEPA Power Supply Contract with Kentucky Utilities Company ("KU"), each dated as of December 31, 1996, pursuant to which each respective allocation is made available to KU for the benefit of the Transferor, and KU compensates each Transferor for the use of the allocation; and

Whereas, effective February 25, 2007, in response to difficulties being experienced at the Wolf Creek Dam, SEPA has invoked the "Uncontrollable Forces" provisions in its contracts with EKPC, Transferors, KU and others related to the sale of power and energy from the Cumberland System of Projects, and has adopted an Interim Operating Plan which, among other things, revises the amounts of capacity and energy to which Transferors and others are entitled, as well as the scheduling parameters for the delivery of SEPA energy; and

Whereas, pursuant to SEPA's Interim Operating Plan, Transferors collectively are currently entitled to five and five hundred seventy-eight one-thousandths per cent (5.578%) of the energy output of the Cumberland System of Projects, with no prescribed capacity entitlement (the "Transferors' Allocation"); and

Whereas, because of the operational changes associated with the Interim Operating Plan and other reasons, and at the request of Transferors and SEPA, KU has advised Transferors and SEPA that KU, for the remainder of calendar year 2007, is willing to suspend its contractual obligations and benefits associated with Transferors' SEPA allocation, thus removing any objection from KU to the Transferors' making the Transferors' Allocation available to EKPC; and

Whereas, SEPA has advised Transferors of its concurrence in the transfer of Transferors' Allocation to EKPC for the remainder of calendar year 2007; and

REDACTED

Whereas, EKPC has its own independent allocation of output from the Cumberland System of Projects that is marketed by and purchased from SEPA; and

Whereas, EKPC wishes to receive, and Transferors wish to make available to EKPC, the Transferors' Allocation in accordance with the terms of this Agreement; and

Whereas, EKPC currently has a 100 MW transmission reservation for deliveries of SEPA power and energy by TVA associated with EKPC's own SEPA allocation which has not been fully utilized since the implementation of the Interim Operating Plan, and SEPA has advised Transferors that TVA is studying the possibility of deliveries to EKPC in amounts greater than 100 MW;

NOW, THEREFORE, the Parties agree as follows:

1. The term of this Agreement shall be from the Effective Date through midnight on December 31, 2007. The Effective Date shall be 12:01 AM on the first day for which SEPA provides reasonable advance notice authorizing EKPC to initiate the scheduling of deliveries to EKPC of all energy associated with Transferors' Allocation.
2. Transferors shall fully exercise their rights to cause SEPA to make available and deliver to EKPC all of the energy that Transferors are entitled to receive under the Transferors' Allocation for use by EKPC.
3. Transferors shall remain responsible for the payment to SEPA for the purchase cost of Transferors' Allocation, which includes payment by Transferors to SEPA for delivery of Transferors' Allocation over the Tennessee Valley Authority ("TVA") transmission system. Delivery to EKPC of Transferors' Allocation shall be made at the TVA-EKPC electrical interface.
4. EKPC shall schedule the delivery to EKPC of the full amount of energy available from Transferors' Allocation, except that if transmission limitations on the TVA transmission system or at the TVA-EKPC interface make it impossible for EKPC obtain delivery of the full amount of energy available under Transferors' Allocation, EKPC shall accept delivery of as much of the energy as possible and shall have no payment obligation with respect to any remaining energy allocated to Transferors that is not able to be delivered to EKPC. For purposes of this Agreement, delivery of EKPC's own current allocation of SEPA energy from the Cumberland System of Projects shall take priority over the delivery of energy from the Transferors' Allocation, such that Transferors' SEPA energy will be delivered using the remaining available transfer capability after all of EKPC's own allocation of SEPA energy has been accommodated. EKPC shall seek to obtain delivery of as much of the SEPA energy of both Parties as possible.
5. EKPC agrees to pay Transferors [REDACTED] [REDACTED] for all energy delivered to EKPC associated with Transferors' Allocation. EKPC shall pay nothing for energy associated with Transferors' Allocation that is unable to be delivered to EKPC.

6. Payment by EKPC for energy delivered pursuant to this Agreement shall be made on or before the tenth day of each month for energy delivered during the preceding calendar month. To facilitate payment by EKPC, Transferors have authorized Owensboro Municipal Utilities ("OMU") to serve as their agent to receive payments pursuant to this Agreement from EKPC and to distribute the payments to the individual Transferors. EKPC's liability for payment shall be extinguished upon payment of the specified amounts to OMU. EKPC shall not be liable to any Transferor for any failure by OMU to properly distribute payments from EKPC to the individual Transferors.
7. If conditions affecting the Cumberland System of Projects or the TVA transmission system result in a material change in the nature or magnitude of Transferors' Allocation, or a material reduction in the amount of SEPA energy associated with Transferors' Allocation that can be delivered to EKPC, the Parties will promptly meet to seek to agree on what changes, if any, should be made to this Agreement to address the changes, consistent with the respective expectations of the Parties at the time of entering into this Agreement. If the Parties are unable to agree on how to address those changes, either Party may terminate this Agreement on thirty (30) days' written notice to the other Party.
8. This Agreement may be amended only by the agreement in writing of both Parties.
9. This Agreement constitutes the entire agreement between the Parties with reference to the subject matter hereof and supersedes all prior and contemporaneous communications, understandings or agreements, oral or written, between the Parties with respect to the subject matter of this Agreement.
10. Each Party represents that the person signing this Agreement on its behalf has the authority to sign and, by signing, to bind the Party to the terms and conditions of this Agreement.

IN WITNESS HEREOF, the Parties have caused this Agreement to be signed as of the day and year written first above.

TRANSFERORS

By: Thomas C. Trauger
 Thomas C. Trauger
 Spiegel & McDiarmid

Counsel and authorized agent for
 Transferors

EAST KENTUCKY POWER COOPERATIVE, INC.

By: [Signature]
 Name: President & CEO

Title: June 20, 2007

REDACTED

11/16/2006 15:42 FAX 8597446008

EKPC

002

RECEIVED

FEB 06 2009

PUBLIC SERVICE COMMISSION

MASTER POWER PURCHASE AND SALE AGREEMENT
CONFIRMATION LETTER

This confirmation letter shall confirm the Transaction agreed to on the Trade Date set forth below between East Kentucky Power Cooperative and Duke Energy Ohio, Inc. regarding the sale/purchase of the Product under the terms and conditions as follows:

Trade Date:	November 17, 2006
Seller:	Duke Energy Ohio, Inc.
Buyer:	East Kentucky Power Cooperative
Product:	Energy
Delivery Point:	Busbar of Greenup Hydroelectric Generating Facility
Contract Quantity:	Entire output of the Greenup Hydroelectric Generating Facility
Energy Price:	[REDACTED]
Term:	Hour ending 0100 eastern prevailing time ("EPT") January 1, 2007 through hour ending 2400 EPT December 31, 2010, including NERC Holidays.

This confirmation is being provided pursuant to and in accordance with the Master Power Purchase and Sale Agreement dated November 3, 2006 (the "Master Agreement") between East Kentucky Power Cooperative and Duke Energy Ohio, Inc., and constitutes part of and is subject to the terms and provisions of such Master Agreement. Terms used but not defined herein shall have the meaning ascribed to them in the Master Agreement.

If the foregoing accurately reflects your understanding of our agreement, please acknowledge your acceptance of these terms and conditions by signing below and returning by facsimile at (513) 419-5557.

East Kentucky Power Cooperative, Inc. Duke Energy Ohio, Inc.

By: [Signature]
Name: James Lamb
Title: Vice President Planning
Date Signed: 11/16/06

By: [Signature]
Name: Curtis H. Davis
Title: Group VP
Date Signed: 11/17/06

As To Form
[Signature]

cln001778

cln001779