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AUG 18 2015

PUBLIC SERVICE  
COMMISSION

Mr. Jeff DeRouen  
Executive Director  
Kentucky Public Service Commission  
211 Sower Boulevard  
Frankfort, Kentucky 40601

**LG&E and KU Energy LLC**  
State Regulation and Rates  
220 West Main Street  
PO Box 32010  
Louisville, Kentucky 40232  
lge-ku.com

August 18, 2015

Rick E. Lovekamp  
Manager Regulatory  
Affairs/Tariffs  
T 502-627-3780  
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rick.lovekamp@lge-ku.com

**RE: *Application of East Kentucky Power Cooperative, Inc. for Approval of the Acquisition of Existing Combustion Turbine Facilities from Bluegrass Generation Company, LLC at the Bluegrass Generating Station in LaGrange, Oldham County, Kentucky and for Approval of the Assumption of Certain Evidences of Indebtedness***  
**Case No. 2015-00267**

Dear Mr. DeRouen:

Enclosed please find Louisville Gas and Electric Company's and Kentucky Utilities Company's Initial Request for Information to East Kentucky Power Cooperative, Inc. in the above-referenced proceeding.

Please confirm your receipt of this filing by placing the stamp of your Office with the date received on the attached copy.

Should you have any questions regarding the enclosed, please contact me at your convenience.

Sincerely,

A handwritten signature in blue ink that reads "Rick E. Lovekamp". The signature is written in a cursive style.

Rick E. Lovekamp

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

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COMMISSION

In the Matter of:

THE APPLICATION OF EAST KENTUCKY )  
POWER COOPERATIVE, INC. FOR APPROVAL )  
OF THE ACQUISITION OF EXISTING )  
COMBUSTION TURBINE FACILITIES FROM )  
BLUEGRASS GENERATION COMPANY, LLC AT )  
THE BLUEGRASS GENERATING STATION IN )  
LAGRANGE, OLDHAM COUNTY, KENTUCKY )  
AND FOR APPROVAL OF THE ASSUMPTION OF )  
CERTAIN EVIDENCES OF INDEBTEDNESS )

CASE NO. 2015-00267

INITIAL REQUEST FOR INFORMATION OF  
LOUISVILLE GAS AND ELECTRIC COMPANY  
AND KENTUCKY UTILITIES COMPANY PROPOUNDED TO  
EAST KENTUCKY POWER COOPERATIVE, INC.

Kentucky Utilities Company ("KU") respectfully submits the following initial request for information to East Kentucky Power Cooperative, Inc. ("EKPC"), to be answered by the date specified in the procedural schedule established by the Kentucky Public Service Commission ("Commission") in this matter on July 31, 2015.

Instructions

1. As used herein, "Documents" include all correspondence, memoranda, notes, email, maps, drawings, surveys or other written or recorded materials, whether external or internal, of every kind or description in the possession of, or accessible to, EKPC, its witnesses, or its counsel.
2. Please identify by name, title, position, and responsibility the person or persons answering each of these data requests.

3. These requests shall be deemed continuing so as to require further and supplemental responses if EKPC receives or generates additional information within the scope of these requests between the time of the response and the time of any hearing conducted herein.

4. To the extent that the specific document, work paper, or information as requested does not exist, but a similar document, work paper, or information does exist, provide the similar document, work paper, or information.

5. To the extent that any request may be answered by a computer printout, spreadsheet, or other form of electronic media, please identify each variable contained in the document or file that would not be self-evident to a person not familiar with the document or file.

6. If EKPC objects to any request on the ground that the requested information is proprietary in nature, or for any other reason, please notify the undersigned counsel as soon as possible.

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

8. In the event any document requested has been destroyed or transferred beyond the control of EKPC, its counsel, or its witnesses, state: the identity of the person by whom it was destroyed or transferred and the person authorizing the destruction or transfer; the time, place and method of destruction or transfer; and the reason(s) for its destruction or transfer. If such a document was destroyed or transferred by reason of a document retention policy, describe in detail the document retention policy.

9. If a document responsive to a request is a matter of public record, please produce a copy of the document rather than a reference to the record where the document is located.

## Data Requests

1. EKPC has indicated in its Application that it has made a transmission service request (“TSR #80522955”) to designate Bluegrass Station Units 1 and 2 as Network Resources for “EKPC load,” which was accepted by TranServ and confirmed by EKPC on June 26, 2015, and a separate transmission service request (“TSR #81128526”) to designate Unit 3 as a Network Resource for “EKPC load”. (Paragraphs 32 and 34 of the Application).
  - a. Is the referenced “EKPC load” only the load connected to the LG&E/KU transmission system, or does it also refer to and include EKPC load connected to the EKPC transmission system?
  - b. Does EKPC believe once TSR #80522955 and TSR #81128526 have been granted that it has been/will have been granted transmission service from LG&E/KU to serve its load connected to the EKPC transmission system, or does EKPC intend to request and obtain additional service in order to serve such load on EKPCs Transmission System?
  
2. EKPC has indicated that it has already executed transmission service agreements with PJM for transmission service on the PJM system, such that Bluegrass Station Unit 1 and Unit 2 could be bid in the Base Residual Auction or other incremental auctions for the '18-'19 Delivery Year, and that it is working with PJM to explore the possibility of bidding into the upcoming incremental capacity auctions for the '16-'17 Delivery Year and the '17-'18 Delivery Year. (Paragraph 37 of the Application)
  - a. Does EKPC plan to bid the entire capacity of the Bluegrass Station Units 1 and 2 into PJM capacity, day ahead, and real time markets or some partial amount?
  - b. Does EKPC need additional transmission service on the LG&E/KU system to qualify it to submit such bids into PJM?
  - c. Does EKPC already have the needed transmission service on the LG&E/KU system to support such bids into PJM? If so, please identify the transmission service request.
  - d. If EKPC believes TSR # 80522955 is the needed transmission service, please explain how TSR# 80522955, which is an LG&E/KU network service to deliver designated network resources (Bluegrass Units 1 and 2) to designated loads (EKPC’s load connected to the LG&E/KU transmission system), can be used during times when Bluegrass Units 1 and 2 are called on by PJM in an amount greater than the designated load connected to the LG&E/KU transmission system and applicable under the LG&E/KU & EKPC NITSA.

3. Related to EKPC's Application, Section 5 entitled *The KU/LG&E Tolling Agreement*:
  - a. Does EKPC anticipate the costs from ownership, operation, and maintenance of Unit 3(or an Alternative Unit as defined in the Tolling Agreement) to be included in the rates charged to EKPC's customers and the respective revenues EKPC receives from the Tolling Agreement applied to offset those costs?
  - b. Who has the responsibility under the Tolling Agreement to seek, and who will be seeking the required consent of LG&E/KU for assignment of the Tolling Agreement?
  - c. As the proposed assignee of the Tolling Agreement, will EKPC "agree in writing to assume assignor's [Bluegrass'] obligations hereunder, and (B) deliver to Buyers such assurances regarding its creditworthiness (or provision of a Seller Guaranty and Eligible Collateral as required hereunder) and its ability to perform all obligations of Seller" as required in section 17.1(a)(i) of the Tolling Agreement?
  - d. With respect to the acquisition by EKPC of the Bluegrass Station, what is the plan to comply with the requirement in Section 17.2 (b) (ii) (i) of the Tolling Agreement which states "the sale or transfer of ownership interests in the Facility as a whole or the Unit [is permitted] if (i) all security required under Section 10.1 shall remain in place or be replaced notwithstanding such disposition, or that such other security in form, substance and amount in full compliance with this Agreement shall have been provided at or prior to such disposition..."?
4. Related to Exhibit 3 of the Application entitled Asset Purchase Agreement, specifically, Schedule 4.06(b) and Schedule 4.14(b) of the Disclosure Schedules:
  - a. Does EKPC anticipate any potential disputes that may arise from the Tolling Agreement?
  - b. Does EKPC plan to continue LS Power's invoicing practices by including energy generated outside the Schedule as Delivered Energy in calculating the Monthly Fuel Adjustment (MFA) portion of the Tolling Agreement invoice?

Dated: August 18, 2015

Respectfully submitted,

A handwritten signature in blue ink that reads "Allyson K. Sturgeon". The signature is written in a cursive style and is positioned above a horizontal line.

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Allyson K. Sturgeon  
Senior Corporate Attorney  
LG&E and KU Services Company  
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Louisville, Kentucky 40202  
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*Counsel for Kentucky Utilities Company and  
Louisville Gas and Electric Company*

**CERTIFICATE OF SERVICE**

This is to certify that a true and correct copy of the foregoing Initial Request for Information to East Kentucky Power Cooperative, Inc. has been served by United States mail, this 18<sup>th</sup> day of August, 2015 on the following:

Larry Cook  
Assistant Attorney General  
Office of the Attorney General Utility & Rate  
Intervention  
1024 Capital Center Drive, Suite 200  
Frankfort, KENTUCKY 40601-8204

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*Counsel for Kentucky Utilities Company and  
Louisville Gas and Electric Company*