

ALSTON & BIRD

The Atlantic Building
950 F Street, NW
Washington, DC 20004-1404
202-239-3300 | Fax: 202-239-3333

Michael Kunselman

Direct Dial: 202-239-3395

Email: michael.kunselman@alston.com

October 27, 2017

Kimberly D. Bose
Secretary
Federal Energy Regulatory Commission
888 First Street, N.E.
Washington, DC 20426

Re: Louisville Gas and Electric Company and
Kentucky Utilities Company
Docket No. ER11-4396-

Dear Secretary Bose:

This letter transmits for filing the Semi-Annual ITO Report for the period March 2017 – August 2017 required by Attachment P of the LG&E/KU Joint Pro Forma Open Access Transmission Tariff.

Please contact the undersigned with any questions.

Respectfully submitted,

/s/ Michael Kunselman

Michael Kunselman
Alston & Bird LLP

Attorney for TranServ International, Inc.

ATTACHMENT

INDEPENDENT TRANSMISSION ORGANIZATION FOR LG&E and KU SEMI-ANNUAL REPORT MARCH 2017 - AUGUST 2017

October 27, 2017

TranServ International, Inc.

3660 Technology Drive NE
Minneapolis, MN 55418
Phone: 763.205.7080

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1. Introduction

On September 1, 2012, TranServ International, Inc. (TranServ) began to perform its obligations as the Independent Transmission Organization (ITO) for Louisville Gas & Electric Company (LG&E) and the Kentucky Utilities Company (KU) pursuant to the terms of the ITO Agreement between LG&E and KU and TranServ dated August 29, 2011 (ITO Agreement)¹ and Attachment P of the LG&E and KU Joint Pro Forma Open Access Transmission Tariff (OATT).²

Section 3.2.1.1 of Attachment P of the OATT requires that the ITO “report in writing to FERC every six months . . . to address (i) any concerns expressed by stakeholders and the ITO’s response to same and (ii) any issues or Tariff provisions that hinder the ITO from performing its functions and responsibilities under this Attachment P and the other provisions of the Tariff.” Appendix 1 of Attachment P of the OATT also requires that the Semi-Annual ITO Report include the ITO’s documentation of possible transmission hoarding.

¹ The original ITO Agreement between LG&E and KU and TranServ expired on August 31, 2017. A successor agreement that is substantially similar to the original agreement was filed with the Commission on January 25, 2017, to be effective as of September 1, 2017. The Commission accepted the successor agreement by letter order on March 2, 2017 in Docket No. ER17-850. TranServ’s obligations under the successor agreement remain functionally identical. However, because this report covers the period ending August 2017, TranServ’s obligations for this period were performed pursuant to the original agreement.

² By order dated December 15, 2011, the Commission accepted TranServ as new ITO for LG&E/KU effective September 1, 2012. See *Louisville Gas and Electric Co. and Kentucky Utilities Co.*, 137 FERC ¶ 61,195 (2011).

2. General ITO Activities and Stakeholder Concerns

2.1 Current Reporting Period

Attachment P and the ITO Agreement require the ITO to conduct and oversee the LG&E and KU Stakeholder Process. The Stakeholder Process provides a forum for interested parties to raise concerns and discuss with ITO management issues related to the ITO's tariff administration, planning, and other functions.

During the current reporting period, March 2017 - August 2017, the ITO held one stakeholder meeting on July 27, 2017 in Louisville, KY. The Agenda and Meeting Minutes are included in this report as Exhibit 1. The presentations from this meeting can be found under the Stakeholder Information tab on the LG&E and KU Open Access Same Time Information System (OASIS).

<https://www.oasis.oati.com/LGEE/index.html>

Pursuant to Attachment P, the ITO is responsible for reviewing and approving all planning activities for the LG&E and KU transmission system. The ITO and LG&E and KU are working jointly to complete the 2018 LG&E and KU Transmission Expansion Plan (TEP) Report and the ITO Assessment Report for the 2018 TEP.

2.2 Stakeholder Concerns Expressed to ITO

The ITO documents any Stakeholder concerns and any ITO responses to those concerns. Any such responses are included in Meeting Minutes in the Exhibits or posted on OASIS.

2.3 Issues or Tariff Provisions that Hinder the ITO from Performing its Required Duties

The ITO and LG&E and KU jointly presented information to Stakeholders at the July Stakeholder Meeting regarding a concern that the ITO reported in its last Semi-Annual report.³ Namely, a reminder to existing customers that they must submit a Transmission Service Request (TSR) on OASIS for all new delivery points well in advance of the actual delivery point interconnection date. It was further explained that this advance notice is needed to allow the ITO to study the impact to the system of a new delivery point. The most recent MOD-032 data provided by the customers indicated that at this time all customers are in compliance with the LG&E and KU OATT with

³ See Docket No. ER11-4396, April 17, 2017, Semi-Annual ITO Report for the period September 2016 – February 2017.

regard to submitting TSRs for new delivery points. Therefore, the ITO deems that no further action is required related to this topic.

3. Hoarding Analysis

The ITO is charged with identifying activities by Market Participants that could potentially result in transmission capacity hoarding on the LG&E and KU system. Pursuant to Section 4.1 of Appendix 1 to Attachment P of LG&E and KU's OATT, the ITO compiles monthly data on unscheduled reservations and redirected capacity to identify recurring instances that could have a potentially detrimental market impact.

3.1 Recurring Instances of Unused Transmission Reservations

TranServ has posted a table on the OASIS which contains a report of monthly transmission capacity reserved that went unused or nearly unused for more than one month during the current reporting period, March 2017 - August 2017. Unused transmission reservations are listed in the table under the Stakeholders Information tab in the applicable ITO Semi-Annual Report folder. These unused reservations constitute a small subset of the overall volume of system transactions, and TranServ found no detrimental market impact resulting from these unused reservations.

3.2 Recurring Redirected Transmission Reservations

TranServ has posted a table on the OASIS which contains a report of purchased transmission capacity that was redirected on multiple occasions during the current reporting period, March 2017 - August 2017. The table is located under the Stakeholders Information tab in the applicable ITO Semi-Annual Report folder. The majority of the redirected capacity was scheduled on the redirected path. The capacity redirected comprised a small percentage of the daily transmission sold on the LG&E and KU transmission system. TranServ observed no detrimental market impact resulting from these redirect transactions.

3.3 Instances in Which Scheduling Practices Have Had Potentially Detrimental Market Significance

TranServ has posted a table on the OASIS which contains the scheduling statistics for the LG&E and KU Balancing Authority for the current reporting period, March 2017 - August 2017. The table is located under the Stakeholders Information tab in the applicable ITO Semi-Annual Report folder. For the applicable six-month review period, TranServ examined the statistics of the cancelled, terminated, and reloaded tags for all scheduling parties and found that the totals of these types of actions for each month were a very small portion of the overall schedules submitted and concluded that further investigation into individual behavior was unnecessary.

Exhibit List

Exhibit 1: Agenda and Minutes from ITO Stakeholder Meeting (July 27, 2017).

Exhibit 1

ITO Stakeholder Meeting

July 27, 2017

TranServ International, Inc.

3660 Technology Drive NE
Minneapolis, MN 55418
Phone: 763.205.7080

Meeting Minutes
TranServ International, Inc. (TranServ)
Louisville Gas & Electric and Kentucky Utilities Companies (LG&E and KU)
Independent Transmission Organization (ITO)
Stakeholder Meeting
Galt House Louisville, Louisville, KY
July 27, 2017

1. Call To Order

Ms. Mary Melvin called the meeting to order at 9:00 AM EDT on July 27, 2017 at the Galt House in Louisville, Kentucky. Those present were the following:

Aaron Tolliver, LG&E and KU	Keith Steinmetz, LG&E and KU
Amanda Stacy, EKPC	Kevin Burns, TranServ
Andrea Fackler, LG&E and KU	Kevin Kizzee, Princeton Electric Plant Board
Ashley Moore, LG&E and KU	La'Vita Jones, LG&E and KU
Austin McLimore, OMU	Linn Oelker, LG&E/KU
Bill Berry, OMU	Mary Melvin, TranServ
Brown Thorton, KYMA	Marshallia Green, TVA
Charlie Freibert, LG&E and KU	Matthew Burns, LG& E and KU
Chris Norton, AMP	Maxwell Shannon, LG&E and KU
Chris Balmer, LG&E and KU	Prakash Pandey, TranServ
Daryn Barker, LG&E and KU	Scott Sells, EKPC
Glen Flood, LG&E and KU	Simon Cherucheril, TranServ
Heather Overby, KMPA	Tim Lyons, OMU
Jeremy Board, LG&E and KU	Tom Trauger, Spiegel & McDiarmid
Joe Barnes, LG&E and KU	Wayne Van Liere, LG&E and KU
Kelsey Colvin, LG&E and KU	

2. Agenda

Note: Final presentation materials are posted on the LG&E and KU OASIS.

- A. Introduction and Overview
- B. ITO Operations
- C. ITO TSR Studies and Generation Interconnection (GI) Studies
- D. 2017 TEP Assessment and 2018 TEP Review Schedule
- E. OASIS Queue for Consideration of Local Transmission Needs Driven by Public Policy Requirements Identified Through Stakeholder Input and Proposals
- F. Reliability Coordinator Updates
- G. Construction Update
- H. Draft 2018 Transmission Expansion Plan
- I. TSRs Required for New Delivery Points and Load Increases
- J. 2017 Transmission Rates
- K. Operating Committee Discussion
- L. LG&E and KU Stakeholder Planning Committee Update
- M. Open Forum – Stakeholder Feedback & Wrap-up - Mary Melvin

3. Meeting Discussion

A. Introduction and Overview

- I. Mary Melvin opened the meeting with a welcome and introductions. There were no callers on the phone.

B. ITO Operations

- I. Prakash Pandey gave a presentation on the ITO Operations, including reservation metrics. This presentation covered the November 2016 – May 2017 period and is posted on the LG&E and KU OASIS page.

C. ITO TSR Studies and GI Studies

- I. Mary Melvin gave a presentation on the status and progress of the System Impact Studies (SIS) for Transmission Service Requests (TSRs) as of June 30, 2017 and reviewed 2016 fourth quarter and 2017 first and second quarter study metrics.
- II. Mary Melvin reviewed GI Queue activities since third quarter 2016.

D. 2017 TEP Assessment and 2018 TEP Review Schedule

- I. Mary Melvin provided an update on the 2017 TEP Assessment and 2018 TEP Review Schedule.

E. OASIS Queue for Consideration of Local Transmission Needs Driven by Public Policy Requirements Identified Through Stakeholder Input and Proposals

- I. Mary Melvin led a discussion concerning OASIS Queue for Consideration of Local Transmission Needs Driven by Public Policy. It was cautioned that if a request was submitted, it may not align with current TEP schedules as followed today. This item will be reviewed by the TO and ITO at a later date.

F. Reliability Coordinator Updates

- I. Marshalia Green provided the Reliability Coordinator updates.

G. Construction Update

- I. Matthew Burns provided the LG&E and KU Construction Update.

H. Draft 2018 Transmission Expansion Plan

- I. Matthew Burns provided an update on the 2018 Transmission Expansion Plan.

I. TSRs Required for New Delivery Points and Load Increases

- I. Ashley Moore and Mary Melvin reviewed the business practice concerning TSRs Required for New Delivery Points and Load Increases.

J. 2017 Transmission Rates

- I. Ashley Moore reviewed LG&E and KU 2017 Transmission Rates. LG&E and KU committed to providing an update as soon as information becomes available as to new rate.

K. Operating Committee Discussion

- I. Jeremy Board led the Operating Committee discussion. LG&E and KU is committed to providing projected NITS and PTP rates for 2018.

L. LG&E and KU Stakeholder Planning Committee Update

- I. Tim Lyons provided the LG&E and KU Stakeholder Planning Committee Update.

M. Open Forum – Stakeholder Feedback and Wrap-up – Mary Melvin

- I. An Open Forum for Stakeholder Feedback was initiated.

4. Action Items

Action Item	Description	Owner	Status	Target Date
1	Stakeholder requested transmission rate information earlier in order to align with budget cycle.	LG&E and KU	Closed	08/18/2017

5. Next Meeting

The next scheduled meeting is for November 16, 2017.

6. Adjourn

The ITO Stakeholder meeting was adjourned at 11:00 AM EDT on July 27, 2017.

CERTIFICATE OF SERVICE

I hereby certify that I have served the foregoing document upon all of the parties listed on the official service list for the above-referenced proceeding, in accordance with the requirements of Rule 2010 of the Commission's Rules of Practice and Procedure (18 C.F.R. § 385.2010 (2017)).

Dated at Washington, D.C. this 27th day of October, 2017.

/s/ Michael Kunselman

Michael Kunselman
Alston & Bird LLP