

Mark David Goss
Member
859.244.3232
mgoss@fbtlaw.com

January 7, 2011

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

RECEIVED

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**PUBLIC SERVICE
COMMISSION**

Re: Case No. 2010-00449

Dear Mr. Derouen:

Please find enclosed for filing with the Commission in the above-referenced case, an original and ten redacted copies of the responses of East Kentucky Power Cooperative, Inc. ("EKPC") to the Commission Staff's Initial Information Request, dated December 22, 2010. Also enclosed are an original and ten copies of EKPC's Petition for Confidential Treatment of Information ("Petition") regarding the responses to Requests 2c, 3b and 6. One unredacted copy of the designated confidential portions of each of the responses to Requests 2c, 3b and 6, which are the subjects of the Petition, is enclosed in a sealed envelope.

Additionally, please find enclosed for filing with the Commission in the above-reference case, an original and ten copies of the responses of EKPC to the Attorney General's Initial Request for Information, dated December 22, 2010.

Very truly yours,

Mark David Goss *by afw*

Mark David Goss

Enclosures

cc: Hon. Dennis Howard, II
Hon. Larry Cook
Hon. Mike Kurtz
(with enclosures)

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COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

IN THE MATTER OF:

THE APPLICATION OF EAST KENTUCKY POWER)
COOPERATIVE, INC. FOR AN ORDER APPROVING)
THE ESTABLISHMENT OF A REGULATORY ASSET)
FOR THE AMOUNT EXPENDED ON ITS SMITH 1)
GENERATING UNIT)

CASE NO.
2010-00449

CERTIFICATE

STATE OF KENTUCKY)
)
COUNTY OF CLARK)

Isaac S. Scott, being duly sworn, states that he has supervised the preparation of the responses of East Kentucky Power Cooperative, Inc. to the Attorney General’s Initial Request for Information in the above-referenced case dated December 22, 2010, and that the matters and things set forth therein are true and accurate to the best of his knowledge, information and belief, formed after reasonable inquiry.

Isaac S. Scott

Subscribed and sworn before me on this 7th day of January, 2011.

Heup M. Wilkey
Notary Public

MY COMMISSION EXPIRES NOVEMBER 30, 2013
NOTARY ID #409352

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

IN THE MATTER OF:

THE APPLICATION OF EAST KENTUCKY POWER)	
COOPERATIVE, INC. FOR AN ORDER APPROVING)	
THE ESTABLISHMENT OF A REGULATORY ASSET)	CASE NO.
FOR THE AMOUNT EXPENDED ON ITS SMITH 1)	2010-00449
GENERATING UNIT)	

CERTIFICATE

STATE OF KENTUCKY)
)
 COUNTY OF CLARK)

Gary G. Stansberry, being duly sworn, states that he has supervised the preparation of the responses of East Kentucky Power Cooperative, Inc. to the Attorney General's Initial Request for Information in the above-referenced case dated December 22, 2010, and that the matters and things set forth therein are true and accurate to the best of his knowledge, information and belief, formed after reasonable inquiry.

Gary G. Stansberry

Subscribed and sworn before me on this 7th day of January, 2011.

Heun M. Allaway
 Notary Public

MY COMMISSION EXPIRES NOVEMBER 30, 2013
 NOTARY ID #409352

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

IN THE MATTER OF:

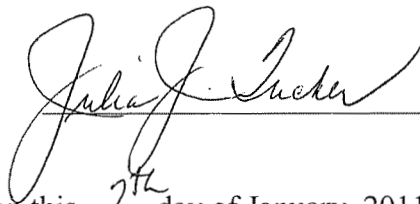
THE APPLICATION OF EAST KENTUCKY POWER)
COOPERATIVE, INC. FOR AN ORDER APPROVING)
THE ESTABLISHMENT OF A REGULATORY ASSET)
FOR THE AMOUNT EXPENDED ON ITS SMITH 1)
GENERATING UNIT)

CASE NO.
2010-00449

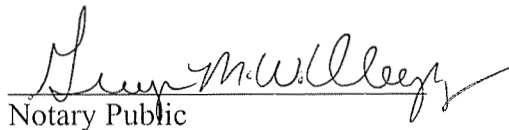
CERTIFICATE

STATE OF KENTUCKY)
)
COUNTY OF CLARK)

Julia J. Tucker, being duly sworn, states that she has supervised the preparation of the responses of East Kentucky Power Cooperative, Inc. to the Attorney General’s Initial Request for Information in the above-referenced case dated December 22, 2010, and that the matters and things set forth therein are true and accurate to the best of her knowledge, information and belief, formed after reasonable inquiry.



Subscribed and sworn before me on this 7th day of January, 2011.


Notary Public

MY COMMISSION EXPIRES NOVEMBER 30, 2013
NOTARY ID #409352

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

**THE APPLICATION OF EAST KENTUCKY POWER)
COOPERATIVE, INC. FOR AN ORDER APPROVING)
THE ESTABLISHMENT OF A REGULATORY ASSET)
FOR THE AMOUNT EXPENDED ON ITS SMITH 1)
GENERATING UNIT)**

**CASE NO.
2010-00449**

**RESPONSES TO ATTORNEY GENERAL'S
INITIAL REQUESTS FOR INFORMATION
TO EAST KENTUCKY POWER COOPERATIVE, INC.
DATED DECEMBER 22, 2010**

EAST KENTUCKY POWER COOPERATIVE, INC.

PSC CASE NO. 2010-00449

INFORMATION REQUEST RESPONSE

**ATTORNEY GENERAL'S INITIAL REQUESTS FOR INFORMATION DATED
DECEMBER 22, 2010**

REQUEST 1

RESPONSIBLE PERSON: Julia J. Tucker

COMPANY: East Kentucky Power Cooperative, Inc.

Request 1. With regard to the Julia Tucker testimony, please provide the exhibits which the testimony references but which apparently were not included in the filing.

Response 1. The exhibits to Ms. Tucker's testimony are included in Case No. 2010-00238, filed with the Commission on November 18, 2010. As indicated in the Application Exhibit List, only the testimony transcripts from Case No. 2010-00238 were provided for reference purposes.

EAST KENTUCKY POWER COOPERATIVE, INC.
PSC CASE NO. 2010-00449
INFORMATION REQUEST RESPONSE

ATTORNEY GENERAL'S INITIAL REQUESTS FOR INFORMATION DATED
DECEMBER 22, 2010
REQUEST 2

RESPONSIBLE PERSON: Julia J. Tucker

COMPANY: East Kentucky Power Cooperative, Inc.

Request 2. With regard to the proposed new DSM programs Ms. Tucker references in her testimony on p. 9, please provide as many details as possible including but not limited to:

- (i) Estimated coverage of the company's rate base;
- (ii) The classes to which the programs (if approved) would apply;
- (iii) MWh and MW of estimated load savings per program, per class;
- (iv) Costs the company anticipates it will attempt to recoup;
- (v) Results of tests conducted, including California tests, whether conducted by consultants or other utilities (if known and in EKPC's possession);
- (vi) Whether EKPC has proposed any of the proposed new programs at any prior time, and if so, please provide the relevant case number(s).

Response 2. Although EKPC does not consider this data request to be relevant to its request for the establishment of a regulatory asset, it will nevertheless provide a response. Please note that a revision has been made to the page 9 of Ms. Tucker's testimony as originally filed in Case No. 2010-00238. This revision is provided on page 5 of this response.

- (i) The following DSM amounts were included in EKPC's test year in Case No. 2010-00167: \$1.5 million in commercial, residential and industrial transfer payments and \$4.6 million in direct load control.
- (ii) Please see the response to Request 2(i).

- (iii) In 2011, for the Residential Class, estimated energy savings from the new DSM programs will be 9,982 MWh. Winter Peak will be decreased by 5.9 MW and Summer Peak by 16.0 MW. The following table shows the projected savings through 2020 depending upon participation.

	RESIDENTIAL - NEW		
		Summer	Winter
	Annual	Peak	Peak
	MWh	MW	MW
2011	9,982	16.0	5.9
2012	15,441	24.0	9.3
2013	22,657	32.1	13.1
2014	29,877	40.3	17.0
2015	37,096	48.4	20.8
2016	44,316	56.5	24.7
2017	51,423	59.2	27.2
2018	58,485	59.6	29.0
2019	65,546	60.0	30.9
2020	66,483	60.3	31.6

The following tables present program by program savings estimates for the new DSM programs:

	Button-Up Weath. w/ Air Sealing		
		Summer	Winter
	Annual	Peak	Peak
	MWh	MW	MW
2011	1,406	0.42	1.07
2012	2,108	0.62	1.60
2013	3,045	0.90	2.31
2014	3,982	1.18	3.03
2015	4,919	1.45	3.74
2016	5,856	1.73	4.45
2017	6,793	2.01	5.16
2018	7,730	2.28	5.87
2019	8,667	2.56	6.58
2020	9,604	2.84	7.30

ASHP Replacing Resistance			
		Summer	Winter
	Annual	Peak	Peak
	MWh	MW	MW
2011	7,326	0.18	0.00
2012	10,989	0.27	0.00
2013	15,871	0.39	0.00
2014	20,752	0.51	0.00
2015	25,634	0.63	0.00
2016	30,516	0.74	0.00
2017	35,397	0.86	0.00
2018	40,279	0.98	0.00
2019	45,160	1.10	0.00
2020	45,160	1.10	0.00

Dual Fuel			
		Summer	Winter
	Annual	Peak	Peak
	MWh	MW	MW
2011	934	0.00	0.86
2012	1,869	0.00	1.73
2013	3,111	0.00	2.88
2014	4,354	0.00	4.02
2015	5,597	0.00	5.17
2016	6,839	0.00	6.32
2017	8,082	0.00	7.47
2018	9,325	0.00	8.62
2019	10,568	0.00	9.77
2020	10,568	0.00	9.77

Residential Direct Load Control			
		Summer	Winter
	Annual	Peak	Peak
	MWh	MW	MW
2011	316	15.43	3.98
2012	475	23.14	5.97
2013	630	30.86	7.96
2014	789	38.57	9.95
2015	946	46.28	11.93
2016	1,105	54.00	13.92

Residential Direct Load Control			
2017	1,151	56.37	14.54
2018	1,151	56.37	14.54
2019	1,151	56.37	14.54
2020	1,151	56.37	14.54

- (iv) Please see the response to Request 2(i).
- (v) The results of the California tests are presented in the table below.

Benefit Cost Ratios for California Tests				
New DSM Program	TRC	Participant	EK RIM	Coop RIM
<i>Button Up Weath. with air sealing</i>	4.24	4.11	1.27	0.91
<i>ASHP replacing Resistance Heat</i>	1.78	1.76	0.96	0.75
<i>Dual Fuel</i>	1.20	1.07	1.08	0.93
<i>DLC of Res AC and WH</i>	2.33	Infinite	0.88	2.27

- (vi) Please see the response to Request 2(i) as well as the table below.

DSM Programs	Class	Proposed prior
<i>Button Up HVAC with air sealing</i>	Res	<i>similar program in 2009 IRP (Case No. 2009-00106)</i>
<i>ASHP replacing Resistance Heat</i>	Res	<i>similar program in 2009 IRP (Case No. 2009-00106)</i>
<i>Dual Fuel</i>	Res	<i>no</i>
<i>DLC of Res AC and WH</i>	Res	<i>Case No. 2008-00161</i>

Existing programs include:

Electric Thermal Storage Incentive Program

- Tune-Up HVAC Maintenance Program
- Button-up Weatherization Program
- Touchstone Energy Home Program
- Touchstone Energy Manufactured Home Program
- Compact Fluorescent Lighting Program
- Commercial Advanced Lighting
- Interruptible rates for industrial customers
- Industrial Compressed Air

New Programs include:

- Button-up Weatherization with Air Sealing Program
- Air Source Heat Pump replacing resistance heat
- Dual Fuel
- Direct Load Control of Air Conditioners and Water Heaters

Estimated demand and energy impacts as well as descriptions of the programs are shown on Exhibit JJT-3. The net total winter peak demand impact grows from 141 MW in 2010 to over 220 MW at the end of the 20 year period.

Q. Will you please describe EKPC's production costing model?

A. The primary model used in developing the production costs for each of the evaluated scenarios was RTSim from Simtec, Inc., of Madison, WI. The RTSim production cost model calculates the hour-by-hour operation of the generation system including unit hourly generation, commitment, power purchases and sales, including economy and day

EAST KENTUCKY POWER COOPERATIVE, INC.

PSC CASE NO. 2010-00449

INFORMATION REQUEST RESPONSE

**ATTORNEY GENERAL'S INITIAL REQUESTS FOR INFORMATION DATED
DECEMBER 22, 2010**

REQUEST 3

RESPONSIBLE PERSON: Julia J. Tucker

COMPANY: East Kentucky Power Cooperative, Inc.

Request 3. With regard to the proposed new DSM programs referenced in Ms. Tucker's program, please state whether it is the company's intent to file a separate case seeking Commission approval of said programs.

Response 3. Although EKPC does not consider this data request to be relevant to its request for the establishment of a regulatory asset, it will nevertheless provide a response. EKPC does not intend to file a separate case seeking approval of said programs.

EAST KENTUCKY POWER COOPERATIVE, INC.

PSC CASE NO. 2010-00449

INFORMATION REQUEST RESPONSE

ATTORNEY GENERAL'S INITIAL REQUESTS FOR INFORMATION DATED

DECEMBER 22, 2010

REQUEST 4

RESPONSIBLE PERSON: Julia J. Tucker

COMPANY: East Kentucky Power Cooperative, Inc.

Request 4. With regard to the proposed new DSM programs referenced in Ms. Tucker's program, please state whether it is the company's intent to present said programs to the Company's DSM Collaborative identified in the proposed settlement filed in the instant case, for the Collaborative's discussion and deliberation.

Response 4. Although EKPC does not consider this data request to be relevant to its request for the establishment of a regulatory asset, it will nevertheless provide a response. The programs referenced in Ms. Tucker's testimony may be topics covered by the DSM Collaborative. Please note that the Collaborative has not yet been fully organized nor has it conducted its first meeting.

EAST KENTUCKY POWER COOPERATIVE, INC.

PSC CASE NO. 2010-00449

INFORMATION REQUEST RESPONSE

ATTORNEY GENERAL'S INITIAL REQUESTS FOR INFORMATION DATED

DECEMBER 22, 2010

REQUEST 5

RESPONSIBLE PERSON: Gary G. Stansberry

COMPANY: East Kentucky Power Cooperative, Inc.

Request 5. With regard to the testimony of Gary S. Stansberry, please provide the exhibits which the testimony references but which apparently were not included in the filing.

Response 5. The exhibits to Mr. Stansberry's testimony are included in Case No. 2010-00238, filed with the Commission on November 18, 2010. As indicated in the Application Exhibit List, only the testimony transcripts from Case No. 2010-00238 were provided for reference purposes.

**EAST KENTUCKY POWER COOPERATIVE, INC.
PSC CASE NO. 2010-00449
INFORMATION REQUEST RESPONSE**

**ATTORNEY GENERAL'S INITIAL REQUESTS FOR INFORMATION DATED
DECEMBER 22, 2010**

REQUEST 6

RESPONSIBLE PERSON: Julia J. Tucker

COMPANY: East Kentucky Power Cooperative, Inc.

Request 6. Please state whether the distribution cooperatives which EKPC serves have all agreed with the terms of the DSM programs in this filing. If they have not, and for each one that has not, please provide any and all details regarding same including any refusals, concerns, alternatives offered, or demands requested of EKPC in exchange for offering the program(s).

Response 6. Although EKPC does not consider this data request to be relevant to its request for the establishment of a regulatory asset, it will nevertheless provide a response. Based upon data available and resulting analyses, the DSM programs presented are estimates of a case that would result in the demand and energy reductions shown. Each of the 16 member systems makes an independent determination regarding which programs best fit its system.

EAST KENTUCKY POWER COOPERATIVE, INC.
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INFORMATION REQUEST RESPONSE

**ATTORNEY GENERAL'S INITIAL REQUESTS FOR INFORMATION DATED
DECEMBER 22, 2010
REQUEST 7**

RESPONSIBLE PERSON: Julia J. Tucker
COMPANY: East Kentucky Power Cooperative, Inc.

Request 7. Reference the company's response to the prior question. Please provide any and all documentation in the company's possession regarding same.

Response 7. Please see the response to Request 6.

EAST KENTUCKY POWER COOPERATIVE, INC.

PSC CASE NO. 2010-00449

INFORMATION REQUEST RESPONSE

ATTORNEY GENERAL'S INITIAL REQUESTS FOR INFORMATION DATED

DECEMBER 22, 2010

REQUEST 8

RESPONSIBLE PERSON: Isaac S. Scott

COMPANY: East Kentucky Power Cooperative, Inc.

Request 8. Notwithstanding the language in KRS 278.285, given the fact that EKPC and its ratepayers are equity owners of the company and not shareholders as with investor owned utility companies, does EKPC plan on seeking recovery of lost sales from its distribution member cooperatives?

Response 8. Although EKPC does not consider this data request to be relevant to its request for the establishment of a regulatory asset, it will nevertheless provide a response. At this time, EKPC and its member systems do not plan to implement the DSM surcharge. Please see additional discussion of this matter in EKPC's response to Request 42 of Commission Staff's Initial Data Request in Case No. 2008-00408, filed with the Commission on March 30, 2009.

EAST KENTUCKY POWER COOPERATIVE, INC.
PSC CASE NO. 2010-00449
INFORMATION REQUEST RESPONSE

**ATTORNEY GENERAL'S INITIAL REQUESTS FOR INFORMATION DATED
DECEMBER 22, 2010**

REQUEST 9

RESPONSIBLE PERSON: Isaac S. Scott

COMPANY: East Kentucky Power Cooperative, Inc.

Request 9. If the response to the prior question is in the affirmative, please provide any and all documentation regarding same.

Response 9. Please see the response to Request 8.

EAST KENTUCKY POWER COOPERATIVE, INC.

PSC CASE NO. 2010-00449

INFORMATION REQUEST RESPONSE

**ATTORNEY GENERAL'S INITIAL REQUESTS FOR INFORMATION DATED
DECEMBER 22, 2010**

REQUEST 10

RESPONSIBLE PERSON: Isaac S. Scott

COMPANY: East Kentucky Power Cooperative, Inc.

Request 10. Notwithstanding the language in KRS 278.285, given the fact that EKPC's ratepayers are equity owners of the company and not shareholders as with investor owned utility companies, does EKPC plan on seeking recovery of any financial incentive for implementing the program(s)?

Response 10. Please see the response to Request 8.

EAST KENTUCKY POWER COOPERATIVE, INC.
PSC CASE NO. 2010-00449
INFORMATION REQUEST RESPONSE

ATTORNEY GENERAL'S INITIAL REQUESTS FOR INFORMATION DATED
DECEMBER 22, 2010

REQUEST 11

RESPONSIBLE PERSON: Isaac S. Scott

COMPANY: East Kentucky Power Cooperative, Inc.

Request 11. To the best of EKPC's knowledge, will any of its member cooperatives seek recovery for any lost sales? If so, please provide details of same along with any documentation in its possession.

Response 11. Please see the response to Request 8.

EAST KENTUCKY POWER COOPERATIVE, INC.
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**ATTORNEY GENERAL'S INITIAL REQUESTS FOR INFORMATION DATED
DECEMBER 22, 2010**

REQUEST 12

RESPONSIBLE PERSON: Isaac S. Scott

COMPANY: East Kentucky Power Cooperative, Inc.

Request 12. To the best of EKPC's knowledge, will any of its member cooperatives seek recovery of any financial incentives for implementing any program(s)? If so, please provide details of same along with any documentation in its possession.

Response 12. Please see the response to Request 8.

EAST KENTUCKY POWER COOPERATIVE, INC.

PSC CASE NO. 2010-00449

INFORMATION REQUEST RESPONSE

**ATTORNEY GENERAL'S INITIAL REQUESTS FOR INFORMATION DATED
DECEMBER 22, 2010**

REQUEST 13

RESPONSIBLE PERSON: Isaac S. Scott

COMPANY: East Kentucky Power Cooperative, Inc.

Request 13. If any of the responses to questions eight (8) through twelve (12) above were in the negative, please explain why.

Response 13. Please see the response to Request 8.