

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF EAST KENTUCKY POWER)	
COOPERATIVE, INC. FOR AN ORDER)	CASE NO.
DECLARING THE GLASGOW LANDFILL GAS)	2014-00292
TO ENERGY PROJECT TO BE AN ORDINARY)	
EXTENSION OF EXISTING SYSTEMS IN THE)	
USUAL COURSE OF BUSINESS AND A JOINT)	
APPLICATION OF FARMERS RURAL)	
ELECTRIC COOPERATIVE CORPORATION)	
AND EAST KENTUCKY POWER)	
COOPERATIVE, INC. FOR APPROVAL TO)	
ENTER INTO A TEN YEAR PURCHASED)	
POWER AGREEMENT AND APPROVAL OF A)	
SPECIAL CONTRACT)	

COMMISSION STAFF'S THIRD REQUEST FOR INFORMATION
TO EAST KENTUCKY POWER COOPERATIVE, INC., AND
FARMERS RURAL ELECTRIC COOPERATIVE CORPORATION

East Kentucky Power Cooperative, Inc. ("East Kentucky"), and Farmers Rural Electric Cooperative Corporation ("Farmers"), pursuant to 807 KAR 5:001, are to file with the Commission the original and ten copies of the following information, with a copy to all parties of record. The information requested herein is due 14 days from the issuance of this request. Responses to requests for information shall be appropriately bound, tabbed and indexed. Each response shall include the name of the witness responsible for responding to the questions related to the information provided.

Each response shall be answered under oath or, for representatives of a public or private corporation or a partnership or association or a governmental agency, be accompanied by a signed certification of the preparer or person supervising the preparation of the response on behalf of the entity that the response is true and

accurate to the best of that person's knowledge, information, and belief formed after a reasonable inquiry.

East Kentucky and Farmers shall make timely amendment to any prior response if they obtain information which indicates that the response was incorrect when made or, though correct when made, is now incorrect in any material respect. For any request to which East Kentucky or Farmers fails or refuses to furnish all or part of the requested information, East Kentucky or Farmers shall provide a written explanation of the specific grounds for its failure to completely and precisely respond.

Careful attention should be given to copied material to ensure that it is legible. When the requested information has been previously provided in this proceeding in the requested format, reference may be made to the specific location of that information in responding to this request. When applicable, the requested information shall be separately provided for total company operations and jurisdictional operations.

1. Explain how the fuel costs incurred by East Kentucky for the Glasgow Landfill Gas to Energy facility ("Glasgow facility") will be accounted for as follows:

a. On East Kentucky's books.

b. In the calculation of East Kentucky's fuel adjustment clause ("FAC"). Include in the response how both the fuel costs and MWhs sold will be accounted for in the calculation of the FAC.

2. Refer to the response to Item 17 of Commission Staff's Initial Request for Information. The sample bill provided in the response does not include an FAC component. Explain why it would not be appropriate to include the FAC factor on bills to Farmers for the Glasgow facility.

3. Refer to page 3 of the application, paragraph 5, which states, "Moreover, because the price being charged to Farmers fully recovers the cost of production from the Glasgow LFGTE Facility, the purchase of capacity, energy, and environmental attributes will not result in subsidization of Farmers by EKPC's other Members." Explain whether this statement means that East Kentucky is expected to make a profit on the sale of power to Farmers from the Glasgow facility.

a. If East Kentucky is expected to make a profit on this sale, explain whether the profit margin will be set at the same level as is approved by the Commission for East Kentucky's other wholesale power sales to its member cooperatives.

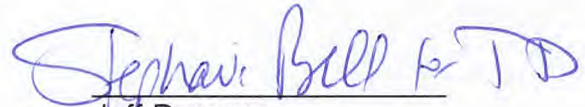
b. If East Kentucky is not expected to make a profit on this sale, explain why this sale will not include a profit margin.

4. Will Farmers incur any actual or potential liability in connection with its role in facilitating the financing of the city of Glasgow's gas collection system? If so, explain in detail the amount of the liability and the circumstances under which Farmers may be obligated to repay the financing.

5. After the Glasgow facility is completed, will East Kentucky's future Integrated Resource Plans reflect the Glasgow facility as a firm generating resource? If so, will the Glasgow facility be reflected as a firm generating resource for East Kentucky's system or as a firm generating resource reserved exclusively for Farmers?

6. After the Glasgow facility is completed, will East Kentucky plan to meet, and be obligated to meet, from its system resources: a) only the portion of Farmer's load supplied under the Wholesale Power Agreement; or b) Farmer's total load as

supplied under the Wholesale Power Agreement plus the 1 MW of Farmer's load to be supplied by the Glasgow facility?



Jeff Derouen
Executive Director
Public Service Commission
P.O. Box 615
Frankfort, Kentucky 40601

DATED DEC 09 2014

cc: Parties of Record

David S Samford
Goss Samford, PLLC
2365 Harrodsburg Road, Suite B325
Lexington, KENTUCKY 40504