

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF EAST KENTUCKY POWER	)	
COOPERATIVE, INC. FOR AN ORDER APPROVING	)	CASE NO.
THE ESTABLISHMENT OF A REGULATORY ASSET	)	2015-00302
FOR THE UNDEPRECIATED BALANCE OF THE	)	
WILLIAM C. DALE GENERATING STATION	)	

COMMISSION STAFF'S INITIAL REQUEST FOR INFORMATION  
TO EAST KENTUCKY POWER COOPERATIVE, INC.

East Kentucky Power Cooperative, Inc. ("EKPC"), pursuant to 807 KAR 5:001, is 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 on or before October 16, 2015. 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.

EKPC shall make timely amendment to any prior response if it obtains 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 EKPC fails or refuses to furnish all or part of the requested information, EKPC 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 filing a paper containing personal information, EKPC shall, in accordance with 807 KAR 5:001, Section 4(10), encrypt or redact the paper so that personal information cannot be read.

1. Refer to the Application, paragraph 5.
  - a. Explain what is meant by “condition the [Dale Units 3 and 4] facilities for indefinite storage.” Provide a complete description of the process involved and the length of time required to achieve EKPC’s plan.
  - b. Provide a detailed analysis and explanation of the costs involved to condition Dale Units 3 and 4.
  - c. Provide the detailed annual costs EKPC would incur to maintain Dale Units 3 and 4 in a conditioned state for indefinite storage.
  - d. Define how long indefinite storage is expected to last.
  - e. Explain how EKPC’s intentions to condition Dale Units 3 and 4 for indefinite storage and allow the Dale Station site to remain viable for potential future uses would constitute abandonment for accounting purposes.

2. Refer to the Application, paragraph 6.
  - a. Explain under what circumstances the Dale Station site would be repowered after April 16, 2016.
  - b. Explain why it would be appropriate to repower any of the Dale units once they have been retired from an accounting standpoint.
  - c. Identify any other possible uses at the Dale Station site and describe any considerations EKPC has had with respect to any other uses.
3. Refer to the Application, paragraph 13.
  - a. For Projects 5 and 10, provide the original cost, accumulated depreciation and monthly depreciation expense for each project as of December 31, 2015.
  - b. Explain why it is appropriate for EKPC to earn a return on Projects 5 and 10 through the environmental surcharge once the Dale Station units have been retired.
  - c. Explain why it is appropriate that EKPC should be able to recover property tax and property insurance through the environmental surcharge once the Dale Station units are retired.
  - d. Provide an estimate of property tax and insurance expense that EKPC expects to incur once the Dale Station units are retired, and the period of time that EKPC would continue to incur these costs.
4. Refer to the Application, paragraph 14.
  - a. Explain whether any disassembly of Dale Units 1 and 2 has occurred at the present time.

b. Provide a detailed estimate of total disassembly costs to be incurred.

c. Given that EKPC plans to only partially disassemble Dale Units 1 and 2, explain EKPC's plan for the portion of Dale Units 1 and 2 that are not to be disassembled.

d. Explain whether EKPC has made any attempts to market parts from Dale Units 1 and 2, and the level of interest that EKPC has received to date regarding the assets of Dale Units 1 and 2.

5. Refer to the Application, paragraph 9. Confirm that EKPC is not requesting accrual of any carrying charges associated with the proposed regulatory asset other than those associated with Projects 5 and 10 listed in paragraphs 11 and 13 of the Application.

6. Refer to the Application, paragraph 15. Explain whether EKPC has requested approval from Rural Utilities Service ("RUS") for the retirement of the Dale Station units. Provide any documentation of such request and any response received from RUS approving or denying EKPC's request.

7. Refer to the Application, paragraph 19, where EKPC requests that the Commission approve this request no later than December 31, 2015. Provide the latest date after December 31, 2015, that the Commission could approve EKPC's request in order for EKPC to record the transaction for fiscal year 2015.



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Jeff Derouen  
Executive Director  
Public Service Commission  
P.O. Box 615  
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DATED OCT 02 2015

cc: Parties of Record

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