

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

AN EXAMINATION OF THE APPLICATION OF)	
THE FUEL ADJUSTMENT CLAUSE OF EAST)	CASE NO.
KENTUCKY POWER COOPERATIVE, INC.)	2016-00002
FROM MAY 1, 2015 THROUGH OCTOBER 31,)	
2015)	

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

East Kentucky Power Cooperative, Inc. ("East Kentucky"), pursuant to 807 KAR 5:001, is to file with the Commission an original and seven copies of the following information, with a copy to all parties of record. The information requested herein is due within ten days of the date 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 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 East Kentucky fails or refuses to furnish all or part of the requested information, East Kentucky shall provide a written explanation of the specific grounds for its failure to completely and precisely respond.

Careful attention shall 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. When filing a paper containing personal information, East Kentucky shall, in accordance with 807 KAR 5:001, Section 4(10), encrypt or redact the paper so that personal information cannot be read.

1. In its monthly fuel adjustment clause ("FAC") backup files, East Kentucky provides an analysis of coal purchases that includes a state and coal district number for the source of the coal.

a. Confirm that East Kentucky is using District No. 8 (for eastern Kentucky) and District No. 9 (for western Kentucky) when identifying Kentucky coal districts in its FAC backup filings.

b. State whether the state and coal district numbers are those utilized by the Mine Safety and Health Administration. If not, state the entity that designates the coal district numbers utilized by East Kentucky in its FAC backup filings.

c. For the entity identified in part b. above, provide a map showing the current coal districts.

d. Provide the date of the last change made by the entity identified in part b. above to the coal district numbering. If East Kentucky did not begin using the new coal district numbering when the change was made, explain why.

e. Explain the input and review process for the state and coal district numbers provided in the monthly analysis of coal purchase schedule and how East Kentucky ensures that the information is accurate.

2. Refer to East Kentucky's response to the Commission's February 5, 2016 Request for Information, Item 25. The question should have asked whether all fuel contracts related to commodity and/or transportation had been filed with the Commission instead of specifying long-term contracts. State whether all contracts have been filed.

3. Refer to East Kentucky's response to Commission Staff's Second Request for Information, Item 2.

a. Explain how East Kentucky decided on the methodology used for calculating its highest-cost unit.

b. For each month of the review period, provide the \$/MWh that was calculated as the highest-cost unit.

c. For each month of the review period, provide the natural gas price used in the calculation of the highest-cost unit.

d. State the origin of the natural gas price provided in part c. above.

e. Provide the MW capacity of Smith Unit 1 and the minimum level at which the unit can operate.

f. Provide the MW capacity of Smith Unit 2 and the minimum level at which the unit can operate.

g. Provide the MW capacity of Smith Unit 3 and the minimum level at which the unit can operate.

h. Confirm that East Kentucky uses the minimum level of operation in the highest-cost unit calculation regardless of the level of operation of the Smith units during the month.

i. State whether there are occasions wherein PJM Interconnection, LLC ("PJM") dispatches the Smith units to operate at minimum load. If yes, provide the frequency of the requests and the reasons PJM makes the requests.

j. State whether one or more of the Smith units were available to be dispatched during all months of the review period.

4. For each month of the review period, using the highest generation cost (\$/MWh) actually incurred for the highest-cost Smith unit (using the actual price paid for the natural gas), provide the amount of power purchases that would have been excluded compared to the amount that was excluded using East Kentucky's methodology. Include the heat rate for each month in the response. For any month in which the Smith units did not operate but one or more units were available to operate, assume a maximum level of operation.

5. For each month of the review period, recalculate the generation cost of the highest-cost unit using the maximum level at which the highest-cost Smith unit can operate and provide the amounts of power purchases that would have been excluded

using this calculation compared to the amount that was excluded. Include the heat rate for each month in the response.

James W. Gardner

James W. Gardner
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Public Service Commission
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DATED MAR 18 2016

cc: Parties of Record

Case No. 2016-00002

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