

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF EAST KENTUCKY POWER)	
COOPERATIVE, INC. FOR APPROVAL OF AN)	CASE NO.
INDUSTRIAL POWER AGREEMENT WITH)	2016-00316
ECONOMIC DEVELOPMENT RIDER)	

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 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.

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, it 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. State whether the Kroger Limited Partnership I ("Kroger") facility has been constructed and is currently receiving electric service from South Kentucky Rural Electric Cooperative Corporation ("South Kentucky"). If so, state when the service to Kroger began. If not, state when construction of the facility is estimated to be completed and service is expected to begin.

2. Refer to EKPC's application, Section I., page 2, paragraph 2.

a. Clarify whether referring to Kroger's decision to construct a **new** superstore in the Somerset area is meant to indicate that there is an existing Kroger superstore in the Somerset area. (Emphasis added)

b. If there is no existing Kroger superstore in the Somerset area, explain whether there is an existing Kroger grocery in the Somerset area.

c. There is also a reference to the Economic Development Rate's ("EDR") availability having encouraged Kroger to locate the new superstore in South

Kentucky's service territory. Explain whether Kroger's decision to locate in South Kentucky's service territory was dependent on its obtaining the EDR.

3. Refer to EKPC's application, Section III.B., pages 4–5, paragraph 12, most specifically, the sentence referring to the EDR contract, which reads: "Consequently, the discount period will not begin until the effective date and Kroger will not be billed at the reduced demand charges until that time."

a. Explain whether the sentence in question means the superstore will be billed South Kentucky's tariffed demand charge, with no discount, for some period of time prior to the effective date of the EDR contract.

b. If South Kentucky is currently serving a Kroger store located in its service territory, clarify whether the existing store and the superstore will be considered, and billed, as two distinct customers.

4. Refer to EKPC's application, Section IV., pages 6–7, paragraph 17, which refers to EKPC's capacity requirement as being close to a 3 percent reserve margin on its projected summer peak and which refers to the expected required reserve margin as being based on the estimation in EKPC's 2015 Integrated Resource Plan ("IRP").

a. While the table in the IRP shows the 3 percent reserve required to meet the PJM Interconnection LLC summer reserve requirement, it also shows that, beginning in 2017, EKPC has winter capacity needs of 300 MW or greater each year through 2029. Reconcile such a capacity need with the statement starting at the bottom of page 6 and continuing to the top of page 7 which reads: "Based on current conditions, EKPC does not believe it will be necessary to make a specific market purchase to cover the new Kroger demand during the ten-year contract term."

b. Describe and discuss EKPC's current plan for addressing its winter capacity needs for the ten-year term of the proposed EDR contract.

5. Refer to EKPC's application, Section VI., page 10, Item 5. Explain the significance of the January 31, 2017 date and why it was chosen as the date by which EKPC requests a Commission decision in this proceeding.

6. Refer to the application, Exhibit 2, the Industrial Power Agreement With Economic Development Rider ("Agreement").

a. Refer to page 6. Section 4.c. states, "If the total load requirement for EKPC in any year is not increased with the inclusion of the Customer's load, there will be no purchase or arrangement for additional capacity and consequently no additional capacity charges for that year." Provide an example of how this provision will be applied and state whether it will be done prospectively based on projected load requirements or retrospectively based on actual load requirements.

b. Refer to page 15. State whether Rural Utilities Service approval of the Agreement is required. If so, state when approval is expected to be received.



Talina R. Mathews
Executive Director
Public Service Commission
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DATED SEP 30 2016

cc: Parties of Record

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