

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF EAST KENTUCKY POWER	)	
COOPERATIVE, INC. FOR A CERTIFICATE OF PUBLIC	)	CASE NO.
CONVENIENCE AND NECESSITY FOR THE	)	2005-00417
CONSTRUCTION OF A FLUE GAS DESULFURIZATION	)	
SYSTEM ON SPURLOCK POWER STATION UNIT 2	)	

SECOND DATA REQUEST OF COMMISSION STAFF  
TO EAST KENTUCKY POWER COOPERATIVE, INC.

East Kentucky Power Cooperative, Inc. ("EKPC") is requested, pursuant to 807 KAR 5:001, to file with the Commission the original and eight copies of the following information, with a copy to all parties of record. The information requested herein is due no later than 10 days from the date of this request. Each copy of the data requested should be placed in a bound volume with each item tabbed. When a number of sheets are required for an item, each sheet should be appropriately indexed, for example, Item 1(a), Sheet 2 of 6. Include with each response the name of the person who will be responsible for responding to questions relating to the information provided. Careful attention should be given to copied material to ensure that it is legible. Where information herein has been previously provided, in the format requested herein, reference may be made to the specific location of said information in responding to this information request.

1. Refer to the response to the First Data Request of Commission Staff ("Staff's First Request") Item 2.

a. Explain how EKPC determined that the market price for gypsum in 2009 would be \$0.00 per ton.

b. When will EKPC finalize the decision of whether to equip the proposed scrubber with the capability of producing wallboard quality gypsum? Explain the response.

c. If EKPC does not equip the proposed scrubber with the capability of producing wallboard quality gypsum, explain how EKPC plans to dispose of this scrubber by-product. Include the estimated capital and operating expenditures associated with disposal option.

2. Refer to the response to the Staff's First Request, Item 3. Provide the document submitted to the banks showing the proposed scrubber was to be funded by the credit facility.

3. Refer to the response to the Staff's First Request, Item 6(c). Does the projected consumption of sulfur dioxide emission allowances ("SO<sub>2</sub> allowances") reflect that beginning in 2010 EKPC will have to surrender two SO<sub>2</sub> allowances for every ton of SO<sub>2</sub> emitted and beginning in 2015 the surrender rate will be three SO<sub>2</sub> allowances for every ton of SO<sub>2</sub> emitted? Explain the response.

4. Provide a schedule of EKPC SO<sub>2</sub> allowances activities for the period 1995 through 2010. The schedule should show activity for the Dale, Cooper, and Spurlock generating stations separately. Each schedule should contain the following information for each year:

a. The beginning balance for SO<sub>2</sub> allowances.

- b. The allocation of SO<sub>2</sub> allowances from the Environmental Protection Agency.
- c. The purchase of SO<sub>2</sub> allowances.
- d. The consumption of SO<sub>2</sub> allowances. For the period 1995 through and including 2005, show the actual utilization. For the period 2006 through 2010, use the projected consumption.
- e. Any other adjustments to SO<sub>2</sub> allowances. Provide an explanation of the reason for the adjustment.
- f. The ending balance of SO<sub>2</sub> allowances.



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Beth O'Donnell  
Executive Director  
Public Service Commission  
P. O. Box 615  
Frankfort, KY 40602

DATED February 1, 2006

cc: Parties of Record