

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

AN INVESTIGATION INTO EAST KENTUCKY )  
POWER COOPERATIVE, INC.'S CONTINUED ) CASE NO.  
NEED FOR CERTIFICATED GENERATION ) 2006-00564

COMMISSION STAFF'S SUPPLEMENTAL DATA REQUEST 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 8 copies of the following information, with a copy to all parties of record. The information requested herein is due on February 2, 2007. 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 requested herein has been 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 EKPC's January 19, 2007 Response to PSC Request No. 1. Provide a copy of all contracts (either in an electronic or written format) awarded as of the date of your response to this data request for each of the following certificated projects:

- a. Spurlock No. 4 278 MW Circulating Fluidized Bed (“CFB”) Unit.
- b. Smith 278 MW CFB Unit.
- c. Smith Combustion Turbines (“CTs”) 8-9.

2. The September 19, 2005 Order granting the Certificate of Public Convenience and Necessity (“CPCN”) for the Spurlock No. 4 CFB unit stated that “under the terms of the membership agreement, East Kentucky Power is obligated to provide electric service to Warren RECC commencing April 1, 2008, upon the termination of Warren RECC’s current supply contract with TVA. Warren RECC will become East Kentucky Power’s 17<sup>th</sup> distribution cooperative.” Advise whether this remains true in light of Warren Rural Electric Cooperative Corporation’s (“WRECC”) decision to terminate its power supply agreement with EKPC. If the statement is no longer true, succinctly state the need for the Spurlock No. 4 CFB unit on a going-forward basis.

3. The August 29, 2006 Order granting the CPCN for the Smith CFB unit stated that the unit “will provide base load capacity needed to meet the growing demand of EKPC’s 16-member cooperatives.” Advise whether this remains true in light of WRECC’s decision to terminate its power supply agreement with EKPC and based upon the assumption (for purposes of this question only), that the Spurlock No. 4 CFB unit proceeds as planned and certificated. If the statement is no longer true, succinctly state the need for the Smith CFB unit on a going-forward basis.

4. The August 29, 2006 Order granting the CPCN for the Smith CTs 8-9 stated that the proposed CTs “will provide peaking capacity and will partially replace a purchase power contract, which expired in 2005, for peaking capacity of 150 MW in the

winter and 75 MW in the summer. Two of the proposed CTs will provide the future peaking requirements, including reserves, for EKPC's newest distribution cooperative member, [WRECC]." Advise whether this remains true in light of WRECC's decision to terminate its power supply agreement with EKPC. If the statement is no longer true, succinctly state the need for the Smith CFB unit on a going-forward basis.

5. Provide a narrative explanation supporting your position that construction of the Smith CFB unit should not be delayed. Provide with your explanation a copy of all data underlying your position, including an analysis of the potential costs or penalties involved in canceling the Smith contracts.

6. Refer to EKPC's January 19, 2007 Response to PSC Request No. 3. Provide a detailed economic analysis, from a ratepayer's perspective, as to why building the EKPC generation system as currently certificated is less expensive than delaying the service date of the Smith CFB unit (and purchasing power when necessary to meet peak loads) until:

- a. August 2012.
- b. August 2015.
- c. August 2018.

7. Refer to EKPC's January 19, 2007 Response to PSC Request No. 6. Indicate whether a delay in the construction of the Smith 278 MW CFB unit will likewise delay the construction of a 345 kV transmission line from the J.K. Smith site to a new substation in Garrard County.

8. Refer to EKPC's January 19, 2007 Response to PSC Request No. 6, wherein EKPC recites that its analysis is based upon "certain assumptions regarding

load levels, dispatch, transmission system topology and transfer scenarios for EKPC and neighboring utilities.” Provide the referenced assumptions and the underlying data supporting the assumptions. In addition, indicate whether any of the assumptions were evaluated using a sensitivity analysis, provide the results of any sensitivity analyses conducted, and indicate whether these assumptions are conservative.

9. Has EKPC performed a recent economic analysis regarding the capacity and retirement of EKPC’s older units? If so, please provide a copy; if not, please explain why not.

10. Identify what year the Dale Station is currently anticipated to be retired or refurbished.

11. Concerning the announcement of the lower level of Lake Cumberland by the U. S. Army Corps of Engineers:

a. Explain the impact, if any, the decision to lower the level of Lake Cumberland will have on any of EKPC's generating units, including the Cooper unit.

b. Identify what steps have been taken to mitigate any adverse impact the lowering of the level of Lake Cumberland may have.

c. Explain the impact, if any, the decision to lower the level of Lake Cumberland will have on EKPC’s access to electric power from the Southeastern Power Administration.

d. If the Cooper unit could not generate electricity while Lake Cumberland is at a lower level, describe the potential impacts to EKPC’s transmission system.

12. Identify any existing utility systems which EKPC or any of its member distribution cooperatives anticipate adding to EKPC's load factor, including but not limited to the city of Monticello, whether through acquisition or via power supply agreements, within the next two years. For each such system, identify the anticipated load of that system.

13. Provide all data underlying EKPC's anticipated load growth.

14. Provide the following supporting information:

a. The studies, analyses, calculations, and workpapers used to develop the "EKPC Winter Peak Load Requirements & Resources (Without Warren)" chart in the response to PSC Request No. 2, page 4 of 4.

b. The studies, analyses, calculations, and workpapers used to develop the "EKPC Winter Peak Load Requirements & Resources: Updated Plan (Without Warren)" chart in the response to PSC Request No. 3, page 2 of 3.

15. Provide power flow analysis results for winter and summer under normal and peak demand load conditions without WRECC's load addition indicating the need for a 345 kV transmission line from a 278 MW CFB generation unit at the J.K. Smith site to a new substation in Garrard County.

16. Provide the percent of EKPC's load growth (actual versus projected load) from 1992-2006 and projected load growth from 2007-2020.

17. Supplement EKPC's responses to the Commission's first set of data requests if any additional information has become available since the date of your responses.



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

DATED: January 26, 2007

cc: Parties of Record

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