

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF EAST KENTUCKY POWER)	
COOPERATIVE, INC. FOR AN ORDER APPROVING)	
A PILOT REAL-TIME PRICING PROGRAM FOR)	CASE NO.
LARGE COMMERCIAL AND INDUSTRIAL)	2007-00165
CUSTOMERS)	

FIRST 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 five copies of the following information, with a copy to all parties of record. The information requested herein is due on June 5, 2007. Each copy of the data requested should be placed in a bound volume with each item tabbed. Responses to requests for information shall be appropriately indexed, for example, Item 1(a), Sheet 2 of 6, and shall include the name of the witness responsible for responding to the questions related to the information provided.

Each response shall be under oath or, for representatives of a public or private corporation, a partnership, an 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 upon the basis of which it knows 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 to furnish all or part of the requested information, EKPC shall provide a written explanation of the specific grounds for its failure to furnish.

Careful attention shall be given to copied material to ensure its legibility. 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.

1. Refer to page 3 of the April 20, 2007 testimony of William A. Bosta which states that EKPC and Big Rivers had discussions about the pilot program but each ultimately elected to establish separate approaches and pilot programs.

a. Explain why Big Rivers and EKPC ultimately opted for separate approaches and pilot programs.

b. Explain why EKPC decided to make the proposed RTP pilot available to all of its Member Systems. Given the proposal, how many customers could participate in the RTP pilot?

2. Refer to page 4 of Mr. Bosta's testimony where he states that eligibility in the RTP program is limited to customers with peak demands of 1,000 kW or more and must have in place, or be willing to pay for a MV-90 metering system "or be willing to pay for the incremental costs of installing and maintaining such a system."

a. Given the above restrictions, how many customers in the EKPC system would currently be eligible for the RTP program? State whether EKPC anticipates that all its member systems will participate in the pilot program.

b. Provide the approximate number of customers that currently have the MV-90 metering system in place.

c. Provide the approximate installed cost of a MV-90 meter. Include a breakdown of equipment cost and labor cost.

d. Provide the incremental costs of installing and maintaining this system.

e. Mr. Bosta also states that, [i]f the real-time pricing (“RTP”) customer causes a local distribution system upgrade, the customer will be responsible for the cost of the upgrade.”

(1) Provide an example of when an upgrade would be necessary.

(2) Will the RTP service provider and the customer agree upon the necessity and cost of the upgrade prior to the customer’s participation in the RTP pilot program?

3. Refer to pages 4 through 6 of Mr. Bosta’s testimony relating to the use of the historical Customer Baseline Load (“CBL”).

a. EKPC proposes to charge or credit RTP participants for differences between the actual load and the CBL. Did EKPC consider basing the charge or credit on the difference between actual load and a CBL ratio (the difference in the load pattern) rather than the historical CBL?

b. Mr. Bosta states that the RTP participant will be billed under the standard tariff using the historical CBL and will also be credited or charged for the

difference between the actual load and CBL for each hour multiplied by the real-time price at each hour.

(1) Provide a sample CBL for one customer for one month and a sample actual usage for the same month.

(2) Provide the total amount that would be billed to this customer showing the calculation of each part of the bill separately. Provide all information used to perform the calculations including sample hourly prices obtained on a real-time basis and the power factor adjustment.

4. Refer to page 6, lines 5 through 12 of Mr. Bosta's testimony relating to the administrative costs of the RTP. Provide the calculation for the proposed administrative fee of \$150 per month.

5. Refer to page 7 of Mr. Bosta's testimony.

a. Lines 1 through 3 briefly discuss access to an RTP Website. Will customers be required to physically connect to the Website to get the real-time pricing information? Is there any means through which the customers can get or be provided the real-time pricing information other than through the Website?

b. In lines 6 through 8, Mr. Bosta's testimony states that the RTP amounts would not be subject to the Fuel Adjustment Clause or the Environmental Surcharge and that "[t]he RTP price contains marginal cost effects of these embedded cost riders." Explain this statement.

c. Why is EKPC requesting 4 months to implement the RTP? Provide a detailed discussion of the activities EKPC will perform in the 4 months from the Commission's Order approving the tariff to implementation.

6. Refer to Exhibit MTO-2. Item No. 5 refers to a Risk Adder. Subpart c. appears to provide for a contribution for administrative and general costs. Explain why these administrative and general costs would not already be included in the \$150 Administrative Fee.

7. In their Application, Kentucky Utilities Company and Louisville Gas and Electric Company state that their program was designed to be bill neutral with respect to a customer's historical usage. Will EKPC's RTP pilot be bill neutral to customers that do not change consumption patterns? Explain.

8. Explain how the real-time pricing program will be communicated and explained by EKPC's member cooperatives to those customers that are potentially eligible.



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

Dated: May 21, 2007

cc: Parties of Record