

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.
AMENDMENT TO ITS ENVIRONMENTAL	)	2010-00083
COMPLIANCE PLAN AND ENVIRONMENTAL	)	
SURCHARGE	)	

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

Pursuant to 807 KAR 5:001, East Kentucky Power Cooperative, Inc. ("EKPC") is to file with the Commission the original and seven copies of the following information, with a copy to all parties of record. The information requested herein is due on or before May 14, 2010. 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, EKPC 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 applicable, the requested information shall be separately provided for total company operations and jurisdictional operations.

1. Refer to Exhibit 1, Ann F. Wood Testimony (“Wood Testimony”), page 5, and Exhibit 2, Craig A. Johnson Testimony (“Johnson Testimony”), pages 3 and 5.

a. Explain whether it is EKPC’s position that, absent the switchyard upgrades in Projects 7 and 8, the scrubbers at Spurlock Units 2 and 1, respectively, would be unable to operate.

b. With regard to the switchyard upgrades, can the described general transformers and auxiliary transformers be used to provide electrical service to any other equipment associated with the units’ power production? If yes, provide a general description of that equipment.

c. Provide a general description of the timing and reasons for other switchyard upgrades for the calendar years ending December 31, 2008 and December 31, 2009.

2. Refer to Wood Exhibit AFW-1, page 1 of 2.

a. Explain why nothing is shown in the “Environmental Regulation” column for the switchyard improvements in Projects 7 and 8.

b. In the absence of an applicable environmental regulation, explain why the costs of the switchyard improvements in Projects 7 and 8 should be eligible for recovery pursuant to KRS 278.183, “Surcharge to recover costs of compliance with environmental requirements for coal combustion wastes and by-products.”

c. The cost of the Project 7 switchyard upgrades is approximately \$8.4 million, while the cost of the Project 8 switchyard upgrades is approximately \$1.3 million. Explain why the costs are so dissimilar for what appear to be similar projects.

3. Refer to Wood Exhibit AFW-3, page 1 of 3, and Bosta Exhibit 3, page 2 of 7, provided in Case No 2004-00321.<sup>1</sup> Explain why Wood Exhibit AFW-3 does not include columns for “Retirements” and “Depreciation in Base Rates” as were included in Bosta Exhibit 3.

4. Refer to the Wood Testimony, page 3, and Wood Exhibit AFW-3, page 1 of 3. Provide any schematic or cross-section drawing showing the location of the improvements or new project work relative to the other major components of the respective units listed.

5. Refer to Wood Exhibit AFW-4, pages 1 and 2, and the Johnson Testimony, pages 2 through 8.

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<sup>1</sup> Case No. 2004-00321, Application of East Kentucky Power Cooperative, Inc. for Approval of an Environmental Compliance Plan and Authority to Implement an Environmental Surcharge (Ky. PSC Mar. 17, 2005).

a. Provide a detailed listing of the projects and amounts that make up the amount in Column (1) Capital Costs of \$355.4 million. For example, this detail for Project 7 Amended might list each transformer and isolation valve separately.

b. For each project listed in the response to part a. of this request, provide the following information: vendor names; capital costs; and projected annual operating costs (if any).

c. Provide the details supporting the Derivation of Fixed Charge Rates shown for Interest, TIER, Depreciation, Taxes & Insurance, Fixed O&M, and Variable O&M shown on page 2.

6. Refer to the Johnson Testimony, pages 2 through 4.

a. Confirm that the justification for installing the scrubber isolation valves is to permit maintenance on the recycle pumps in a safe manner while simultaneously avoiding unit derates or outages.

b. Provide the minimum number of pumps which must be operating in order for each unit to operate.

7. Refer to the Johnson Testimony, page 6 and 7.

a. Are any quantities of the additional scrubber waste material from Spurlock 4 eligible for by-product sales? If yes, identify the amounts that have been estimated for these by-product sales and explain if they have been considered in Exhibit AFW-4, page 2.

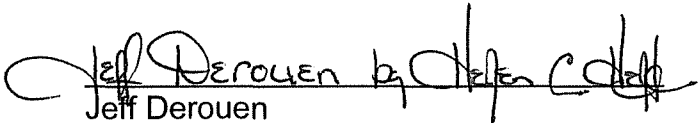
b. Explain in detail how EKPC determined that the sediment pond project does not require a Certificate of Public Convenience and Necessity from the Commission.

8. Regarding Project 12 – Spurlock Landfill Area C Expansion and Sediment Pond Construction, provide a map showing the location of the landfill and sediment pond and their relationship to the generating plant and surrounding area.

9. Refer to Exhibit 3, Testimony of Mary Jane Warner, page 3.

a. Provide the costs of the new transformer and circuit breaker additions to the switchyard equipment being added as part of the Air Quality Control System (“AQCS”) project at the Cooper Generating Station.

b. Provide the detailed components of the \$58.9 million in estimated annual operating costs for the Cooper AQCS.

  
Jeff Derouen  
Executive Director  
Public Service Commission  
P.O. Box 615  
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DATED: APR 29 2010

cc: Parties of Record

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