

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF FLEMING-MASON ENERGY)
COOPERATIVE FOR PASS-THROUGH OF EAST) CASE NO. 2010-00173
KENTUCKY POWER COOPERATIVE, INC.)
WHOLESALE RATE ADJUSTMENT)

COMMISSION STAFF'S SECOND INFORMATION REQUEST
TO FLEMING-MASON ENERGY COOPERATIVE

Pursuant to 807 KAR 5:001, Fleming-Mason Energy Cooperative ("Fleming-Mason") is to file with the Commission the original and 10 copies of the following information, with a copy to all parties of record. The information requested herein is due on or before August 26, 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.

Fleming-Mason 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

Fleming-Mason fails or refuses to furnish all or part of the requested information, Fleming-Mason 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 3 of the application and East Kentucky Power Cooperative Corporation, Inc. ("EKPC") Case No. 2010-00167,¹ Volume 5 of the application, Tab 58.

a. Refer to page 5 of 7 of Exhibit 3 and page 10 of 13 at Tab 58 of the EKPC filing. The difference between the current rates for Inland Electric shown in Exhibit 3 and the current Rate G shown in the EKPC case appears to be the energy mark-up charged by Fleming-Mason to Inland Electric. Explain why, in calculating the proposed rates, Fleming-Mason increased the current rates by 4.98 percent rather than using the EKPC proposed rates and adding the mark-up.

b. Refer to page 6 of 7 of Exhibit 3 and page 13 of 13 at Tab 58 of the EKPC filing. Explain why, in calculating the proposed rates for Inland Steam, Fleming-Mason increased the current rates by 4.99 percent rather than using the EKPC proposed rates.

¹ Case No. 2010-00167, Application of East Kentucky Power Cooperative, Inc. for General Adjustment of Electric Rates (filed June 8, 2010).

2. Refer to Exhibit 3 of the application and Fleming-Mason's response to Item 1 of Commission Staff's First Information Request.

a. Item 1, page 3 of 20, shows the proposed increases to be \$720,785 for Inland Electric and \$752,513 for Inland Steam. Exhibit 3, pages 5 and 6 of 7, show the increases to be \$672,640 for Inland Electric and \$671,873 for Inland Steam. State the correct amount of the increases for Inland Electric and Steam.

b. Refer to Exhibit 3, page 1 of 7. This page shows the increases to each of Fleming-Mason's rate classes, including the increases of \$672,640 for Inland Electric and \$671,873 for Inland Steam. If Inland Electric and Steam is actually to receive increases of \$720,785 and \$752,513, respectively, explain why the increases to the other classes should not be reduced so as not to exceed the \$3,867,341 wholesale increase that EKPC is allocating to Fleming-Mason.



Jeff Derouen
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DATED: AUG 12 2010

cc: Parties of Record

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