

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF EAST KENTUCKY POWER)	
COOPERATIVE, INC. FOR APPROVAL OF AN)	
UNSECURED REVOLVING CREDIT AGREEMENT)	CASE NO.
FOR A TERM OF UP TO FIVE YEARS AND IN AN)	2011-00204
AMOUNT UP TO \$500,000,000)	

COMMISSION STAFF'S FIRST INFORMATION REQUEST TO
EAST KENTUCKY POWER COOPERATIVE, INC.

East Kentucky Power Cooperative, Inc. ("EKPC"), pursuant to 807 KAR 5:001, is 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 July 13, 2011. 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 the 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, it shall provide a written explanation of the specific grounds for its failure to completely and precisely respond.

Careful attention shall 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.

1. Refer to Exhibit 2, page 2, of EKPC's June 13, 2011 application.

a. The last sentence in the paragraph preceding the heading Key Terms and Conditions, states "EKPC is expecting a financial closing date in July 2011." Based on that expectation, explain whether EKPC has a target date for receiving Commission approval of its financing proposal in this case.

b. Interest rates for the proposed credit facility are described in the fourth bullet under the heading Key Terms and Conditions. The three options available to EKPC--the LIBOR Margin, the Alternate Base Rate, and the ABR Applicable Margin--are the same options identified for EKPC's current credit facility in its application in Case No. 2010-00166.¹ For the current credit facility, identify which interest option has been most favorable to EKPC over the time that the facility has been in effect.

2. Refer to Exhibit 2, page 3, of EKPC's application. The top portion of the page consists of a section entitled Pricing Grid, a section that was not in EKPC's application in Case No. 2010-00166. This section establishes parameters for how the

¹ Case No. 2010-00166, Application of East Kentucky Power Cooperative, Inc. for Approval of a Three-Year Senior Unsecured Revolving and Term Credit Facility in an Amount up to \$500,000,000 (Ky. PSC Jul. 8, 2010).

Facility Fee, LIBOR Margin, and ABR Margin will be determined in the event EKPC obtains credit ratings. Explain why this application includes such a section when the previous application did not. Describe the circumstances which were not applicable at the time of Case No. 2010-00166 but which are currently applicable and under which EKPC may now seek to obtain credit ratings.

3. Refer to Exhibit 2, page 5, of EKPC's application. The last paragraph refers to EKPC's proposal to write-off \$3.9 million in 2011 in deferred financing fees from its 2010 credit facility. The last sentence states that EKPC has discussed the accounting treatment with its external auditor. Explain whether EKPC received any guidance or advice from its external auditor concerning this proposal.



Jeff DeRouen
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Public Service Commission
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DATED JUL 01 2011

cc: Parties of Record

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