



EAST KENTUCKY POWER COOPERATIVE

RECEIVED

JUN 10 2005

PUBLIC SERVICE
COMMISSION

June 10, 2005

HAND DELIVERED

Ms. Elizabeth O'Donnell
Executive Director
Public Service Commission
211 Sower Boulevard
Frankfort, KY 40602

Re: PSC Case No. 2004-00423

Dear Ms. O'Donnell:

Please find enclosed for filing with the Commission in the above-referenced case, an original and five copies of the Responses of East Kentucky Power Cooperative, Inc. to the Commission Staff's Supplemental Data Requests dated June 8, 2005.

Very truly yours,

A handwritten signature in cursive script that reads "Charles A. Lile".

Charles A. Lile
Senior Corporate Counsel

Enclosures

Cc: Service List.

EAST KENTUCKY POWER COOPERATIVE, INC.

CASE NO. 2004-00423

INFORMATION REQUEST RESPONSE

STAFF SUPPLEMENTAL DATA REQUEST DATED JUNE 8, 2005

RESPONDING PERSON: David Eames

Request 1 : Provide the name and job description of each employee of Warren Rural Electric Cooperative Corporation (“Warren RECC”) that engaged in any conversation or discussion with either East Kentucky Power or its consultant, EnerVision, regarding the following:

a. The process utilized by East Kentucky Power for soliciting power supply bids;

Response 1 (a): No Warren RECC employees engaged in any substantive discussions with EKPC or EnerVision regarding the EKPC process for soliciting power supply bids.

Request 1 (b): The process utilized for evaluating power supply bids;

Response 1 (b): No Warren RECC employees engaged in any substantive discussions with EKPC or EnerVision regarding the EKPC process for evaluating power supply bids.

Request 1 (c): or, The results of the evaluation of the power supply bids.

Response 1 (c): No Warren RECC employees engaged in any substantive discussions with EKPC or EnerVision regarding the results of EKPC’s evaluation of the power supply bids prior to the announcement of the selection of the Spurlock Unit 4 project in September, 2004. After EKPC’s September 14, 2004 Board Meeting, where the selection of the Spurlock 4 project was approved, Mr. Gerald Hayes, President and Chief Executive Officer of Warren RECC, was briefed on summary information concerning the results of the evaluation of projects which were considered in EKPC’s Request for Proposals to provide power supply for Warren RECC’s load. Mr. Hayes’ job description is attached.

**WARREN RURAL ELECTRIC COOPERATIVE CORPORATION
PRESIDENT'S OFFICE**

PRESIDENT/CHIEF EXECUTIVE OFFICER

OBJECTIVES

- To ensure that all members of the Cooperative have reliable, high-quality, competitively-priced electric service.
- To provide related energy services needed by our members through cost-efficient and economically-feasible Affiliated Services.
- To effectively conduct the business of the Cooperative and all Affiliated Services in a manner consistent with the objectives and policies of the Board of Directors.
- To provide leadership and administration of a well-planned and smoothly-operating organization while keeping the Board informed of activities and outcomes relative to the overall operation of the corporation.
- To maintain good community and public relations while actively promoting the Cooperative and the services we provide.

REPORTING RELATIONSHIPS

Reports to: Board of Directors

Directs: Vice Presidents, Corporate Secretary, and Assistant to the President

ESSENTIAL FUNCTIONS

- Establishes the corporate culture, strategic plans, philosophy, goals, and objectives to insure that Warren is a progressive and leading cooperative, not only in our area, but the nation as well.
- Continuously promotes performance improvement throughout the organization. Motivates employees and supports improvement of services, processes, outcomes, and member satisfaction.
- Maintains accessibility to all employees to bring about effective communication of the vision, mission, and goals; to develop alignment with the overall strategic plan; and to stay abreast of issues and concerns that are important to employees.

- Develops and recommends new or updated policies governing the operation of the Cooperative to the Board. These include, but are not limited to operations, power supply, finance, purchasing, collections, human resources, and compensation.
- Stays informed of national and industrial trends, interprets them in terms of desirable developments, expansion, or competitive needs of the Cooperative and makes recommendations to the Board on matters requiring their approval.
- Works with the Management Team to determine the construction, operating, and financial requirements of the Cooperative. Makes recommendations to the Board regarding appropriations of funds, loan requirements, or changes in rates.
- Oversees development of policies and work practices to create and maintain a safe work environment for employees where they are encouraged to be productive and creative.
- Designs and implements the organizational structure best suited to carrying out the objectives of the Cooperative. Selects and appoints members of the Management Team. Delegates responsibility and authority as appropriate.
- Counsels, guides, and develops the Management Team to make certain each one understands and accepts the responsibilities and authorities of their positions and is equipped to carry out assigned duties. Sees that each member of the Management Team is thoroughly trained in accordance with the qualifications and requirements of the position. Appraises performance of the Management Team.
- Actively participates in national, regional, state, and area organizations to support and promote the objectives of rural electrification, sound utility practices, and the cooperative philosophy.
- The President/CEO will create various channels of communication to stay abreast of member reactions and satisfaction with the Cooperative's services. Actively works to keep members informed about the objectives, policies, and activities of the Cooperative. Is easily accessible to members to discuss problems or concerns and handles these issues in a manner that is fair and consistent to them as well as the Cooperative.
- Regularly reviews, analyzes, and initiates actions to insure financial integrity of the company. Reviews performance with regard to actual versus budgeted expense and discusses significant deviations with the Management Team.
- Assures corporate financial operations are carried out in a manner that supports the mission, vision, long-term goals, and strategies of the Cooperative. Establishes appropriate control mechanisms and management systems for

personnel, facilities, supplies, equipment, inventory, etc. Provides leadership in development and management of budgeting, allocation of funds, internal controls, and regular reporting to the Board of Directors. Ensures that all legal and regulatory requirements are met.

- Organizes and allocates corporate resources for attainment of goals and objectives consistent with the Cooperative's mission, vision, and strategic plans.
- Assures that the Cooperative's programs and operations are carried out in a cost-effective and fiscally-responsible manner.
- Is actively involved with community and political leaders within the Warren RECC service area in the promotion of issues of concern to the communities and the Cooperative. Maintains visibility in the communities while positively promoting the mission and vision of the Cooperative.
- Oversees the operations of all affiliated services and subsidiaries of the Cooperative. Ensures that all legal and regulatory requirements are met.

JOB SPECIFICATIONS

POSITION: President & Chief Executive Officer

EDUCATION

- High school graduate required. Four year degree in associated field desired.
- Additional courses in business administration, accounting, human resources, communications, line work, electrical engineering, and computer systems desired.

EXPERIENCE

- Minimum ten years supervisory experience in utility operations.
- Experience in meeting and dealing with the public required.

KNOWLEDGE

- Must have first-hand knowledge of principles and practices of utility system operation and construction.
- Must have knowledge of management techniques.
- Should be familiar with Cooperative rates, billing and collection regulations, and other policies and procedures.
- Must have basic knowledge of State and Federal regulations governing electric utilities.
- Must have extensive knowledge of computer systems and related software programs including the Microsoft Office Suite.
- Should be willing to attend courses related to work.

ABILITIES & SKILLS

- Must have the ability to supervise a large group of employees effectively.
- Must have the ability to handle a wide variety of tasks and be organized to meet deadlines.
- Must be able to maintain a pleasant demeanor and be able to handle problems in dealing with members and the public.
- Must adjust quickly to widely differing personalities and job assignments.

WORKING CONDITIONS

- Position requires extensive travel in and out the service area. Travel to various meetings and seminars required. Overtime may be required to meet the demands of the job.

OTHER

- Must have a valid driver's license.

EAST KENTUCKY POWER COOPERATIVE, INC.

CASE NO. 2004-00423

INFORMATION REQUEST RESPONSE

STAFF SUPPLEMENTAL DATA REQUEST DATED JUNE 8, 2005

RESPONDING PERSON: David Eames

Request No. 2: Provide the name and job description of each employee of Warren RECC that reviewed either the East Kentucky Power self-construct bid, or the EnviroPower, LLC (“EnviroPower”) bid, submitted on or about May 7, 2004 in response to East Kentucky Power’s request for power supply bids.

Response No. 2: No Warren RECC employees have been given access to the EKPC bid, the EnviroPower bid, or any other proposal submitted in response to EKPC’s RFP.

EAST KENTUCKY POWER COOPERATIVE, INC.

CASE NO. 2004-00423

INFORMATION REQUEST RESPONSE

STAFF SUPPLEMENTAL DATA REQUEST DATED JUNE 8, 2005

RESPONDING PERSON: Gerald Hayes- President and CEO-Warren RECC

Request No. 3: Provide the name and job description of each employee of Warren RECC that has had any discussion subsequent to May 7, 2004 with an employee or representative of EnviroPower regarding East Kentucky Power's bid solicitation or evaluation process, or the results of the evaluation of power supply bids.

Response No. 3: There was only one such contact with EnviroPower employees or representatives by a Warren RECC employee concerning EKPC's bid solicitation, evaluation, or the results of the evaluation. Mr. Gerald Hayes, President and Chief Executive Officer of Warren RECC, met with Mr. Akhtar Ali Khan, President and CEO of Khanjee Holdings, Inc., an affiliate of EnviroPower, in the fall of 2004, after EKPC's selection of the Spurlock 4 project to meet the baseload power supply needs of Warren RECC. Mr. Khan requested the meeting and attempted to persuade Mr. Hayes that the EnviroPower proposal submitted in EKPC's RFP was superior to the Spurlock 4 project, which had been selected by EKPC. Mr. Hayes told Mr. Khan that he understood that EKPC's evaluation of the proposals showed that the EnviroPower proposal had the lowest first year costs of any evaluated bid, but that escalation rates and other factors made the EnviroPower project higher in cost than the Spurlock 4 proposal, which was the lowest cost bid overall.

EAST KENTUCKY POWER COOPERATIVE, INC.

CASE NO. 2004-00423

INFORMATION REQUEST RESPONSE

STAFF SUPPLEMENTAL DATA REQUEST DATED JUNE 8, 2005

RESPONDING PERSON: Gerald Hayes- President and CEO-Warren RECC

Request No. 4: For each of the employees of Warren RECC named in response to Item Nos. 1-3 above, state whether the employee will be available at the June 13, 2005 hearing to provide testimony, if requested, relating to the responses to this request for information.

Response No. 4: Mr. Gerald Hayes will be available for testimony and responses to questions at the hearing on June 13, 2005.