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AUG 16 2006

PUBLIC SERVICE
COMMISSION

August 16, 2006

HAND DELIVERED

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

Re: PSC Case No. 2006-00236

Dear Ms. O'Donnell:

Please find enclosed for filing with the Commission in the above-referenced case an original and seven copies of the responses of East Kentucky Power Cooperative, Inc., to the Staff Data Requests in this case dated July 27, 2006.

Very truly yours,



Charles A. Lile
Senior Corporate Counsel

Enclosures

RECEIVED

AUG 16 2006

**PUBLIC SERVICE
COMMISSION**

**COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION**

In the Matter of:

**APPLICATION OF EAST KENTUCKY)
POWER COOPERATIVE, INC. FOR APPROVAL) CASE NO.
OF A DEPRECIATION STUDY) 2006-00236**

**RESPONSES TO COMMISSION STAFF'S INITIAL DATA REQUEST
TO EAST KENTUCKY POWER COOPERATIVE, INC.
DATED JULY 27, 2006**

EAST KENTUCKY POWER COOPERATIVE, INC.

PSC CASE NO. 2006-00236

DEPRECIATION STUDY

RESPONSE TO INITIAL DATA REQUEST

COMMISSION STAFF'S INITIAL DATA REQUEST DATED 7/27/06

REQUEST 1

RESPONSIBLE PARTY: Ann F. Wood

REQUEST 1. Refer to the Direct Testimony of Ann F. Wood (“Wood Testimony”), page 2.

REQUEST 1a. Provide a copy of the request for proposals (“RFP”) as issued for the depreciation study.

RESPONSE 1a. Copies of the Request for Proposals (“RFP”) as issued for the depreciation study are attached.

REQUEST 1b. Identify the four firms sent the RFP and the two firms that responded.

RESPONSE 1b. EKPC sent RFP’s to Gannett Fleming, Inc. (“Gannett”), Deloitte & Touche LLP, R.W. Beck, Inc., and Depreciation Valuation Services International, Inc. Gannett and Deloitte & Touche LLP submitted proposals for the depreciation study.

REQUEST 1c. Provide the total cost to EKPC of the Gannett Fleming, Inc. (“Gannett”) depreciation study.

RESPONSE 1c. The total cost to EKPC of the Gannett depreciation study was \$39,994.74. This cost excludes the cost for Gannett’s time incurred in preparing a response to the Commission Staff data request.

May 24, 2005

Mr. John Spanos
Gannett Fleming
Valuation and Rate Division
P.O. Box 67100
Harrisburg, Pennsylvania 17106-7100

Re: Request for Proposal—Depreciation Study (“RFP”)

Dear Mr. Spanos:

Invitation to Propose

Management of East Kentucky Power Cooperative, Inc. (“EKPC”) requests that your firm submit a proposal for a depreciation study on all of EKPC’s assets.

General Background Information

EKPC is a generation and transmission cooperative (“G&T”) with headquarters near Winchester, Kentucky. EKPC owns and operates three coal-fired generation plants and seven combustion turbines, with total capacity of 1,655 megawatts and 842 megawatts (winter capacity), respectively. EKPC also owns and operates three landfill gas plants.

As of December 31, 2004, EKPC’s transmission system consisted of 2,638 miles of transmission line and 304 transmission and distribution substations located in central and eastern Kentucky. EKPC has four transmission service center outposts. EKPC provides wholesale power service to 16 member distribution cooperatives that supply energy to meters serving nearly 489,000 Kentucky homes, farms, businesses, and industries across 89 counties.

All financial and accounting records are maintained at the corporate headquarters.

Scope of Work

Bidders may submit proposals which include any tasks which the bidder considers necessary for an adequate depreciation study, but the scope of the study should include the following items.

Mr. John Spanos
Page 2
May 24, 2005

- Reviewing the adequacy of EKPC's depreciation rates and procedures
- Reviewing the adequacy of EKPC's depreciation reserves
- Reviewing EKPC's retirement records and history
- Analyzing current operating and maintenance programs
- Analyzing the external or environmental factors that may impact the depreciation rates
- Determining what changes, if any, should be made to EKPC's depreciation accounting methods and procedures

EKPC will seek approval from the Kentucky Public Service Commission ("KPSC") of the rates contained in the depreciation study. EKPC will also seek approval from the Rural Utilities Service ("RUS").

Contents of Proposal

As part of the preparation of your proposal, please respond in as much detail and as completely as possible to the following areas. Also, provide other information that would assist us in our consideration of your firm.

- A brief description of the organization of your firm, giving particular emphasis to that portion of the firm that would serve EKPC
- Experience and qualifications of the personnel conducting this study, emphasizing experience with generation and transmission cooperatives and experience in performing depreciation studies
- A representative listing of utility consulting services, including a representative listing of references
- Any potential conflicts of interest
- A thorough description of your work plan, including an estimate of the number of hours required for completing the project
- Availability to support results of study in meetings with or formal hearings before the KPSC, or in meetings with the RUS.
- A fee schedule, including a detailed breakdown of personnel, rates, support services, and expenses
- Any proposals which contain information that the bidder desires to keep confidential must have such information clearly identified, and a confidentiality agreement with EKPC will be required.

Mr. John Spanos
Page 3
May 24, 2005

Form of Contract

Attached is an EKPC Services Agreement, which has been modified for use as the contract document for the depreciation study. Bidders must specify any exceptions to the Services Agreement form that is a part of the proposal. A separate confidentiality agreement applicable to proprietary EKPC information will also be required.

Evaluation Process and Timing of Work

No public opening of proposals will be held by EKPC. EKPC reserves the right to accept or reject any or all proposals, to waive any formality, technicality, requirement or irregularity in the proposals received, and to request further information about any proposal. A committee of EKPC management will review and evaluate all accepted proposals, based on the criteria outlined in the Scope of Work and Contents of Proposal sections of this RFP, and any other relevant terms of the proposals received. A presentation to management and the Audit Committee may be required, and EKPC reserves the right to negotiate with bidders prior to any final evaluation of proposals. EKPC expects to select a proposal for the study on or before September 13, 2005, but bidders submitting proposals do so without recourse against EKPC for the rejection of any proposal or EKPC's failure to enter an agreement for the study for any reason. Bidders shall be solely responsible for their own costs of submitting a proposal and any participation in EKPC's evaluation process.

Please submit your proposal by U.S. Mail or courier delivery to the address indicated below on or before 12:00 PM (EST) August 1, 2005.

Mr. David G. Eames
Vice President, Finance and Planning
East Kentucky Power Cooperative, Inc.
P.O. Box 707
Winchester, Kentucky 40392-0707

The project would begin no later than November 1, 2005, with the final report due by June 30, 2006. Provide one bound and five unbound copies of your proposal.

Mr. John Spanos
Page 4
May 24, 2005

We have included a copy of our 2004 audited financial statements as contained in our annual report, December 31, 2004 RUS Form 12, and December 31, 2004 FERC Form 1 for your information.

If you have any questions or comments prior to submission, please contact me at (859) 745-9345.

Sincerely,



David G. Eames
Vice President of Finance and Planning

Enclosures

c: Bill Bosta
Graham Johns
Frank Oliva
Ann Wood
Steve Jennings, Crowe Chizek and Company LLC

May 24, 2005

Mr. Joel Rosenblatt
Depreciation Valuation Services International, Inc.
1444 Windsor Road
Teaneck, New Jersey 07666

Re: Request for Proposal—Depreciation Study (“RFP”)

Dear Mr. Rosenblatt:

Invitation to Propose

Management of East Kentucky Power Cooperative, Inc. (“EKPC”) requests that your firm submit a proposal for a depreciation study on all of EKPC’s assets.

General Background Information

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Mr. Joel Rosenblatt
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Mr. Joel Rosenblatt
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Mr. David G. Eames
Vice President, Finance and Planning
East Kentucky Power Cooperative, Inc.
P.O. Box 707
Winchester, Kentucky 40392-0707

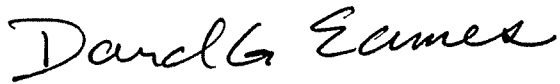
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Page 4
May 24, 2005

We have included a copy of our 2004 audited financial statements as contained in our annual report, December 31, 2004 RUS Form 12, and December 31, 2004 FERC Form 1 for your information.

If you have any questions or comments prior to submission, please contact me at (859) 745-9345.

Sincerely,



David G. Eames
Vice President of Finance and Planning

Enclosures

c: Bill Bosta
Graham Johns
Frank Oliva
Ann Wood
Steve Jennings, Crowe Chizek and Company LLC

May 24, 2005

Ms. Nancy Hughes
Senior Director
R. W. Beck, Inc.
1001 Fourth Avenue, Suite 2500
Seattle, Washington 98154-1004

Re: Request for Proposal—Depreciation Study (“RFP”)

Dear Ms. Hughes:

Invitation to Propose

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Ms. Nancy Hughes

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David G. Eames
Vice President of Finance and Planning

Enclosures

c: Bill Bosta
Graham Johns
Frank Oliva
Ann Wood
Steve Jennings, Crowe Chizek and Company LLC

May 24, 2005

Mr. Donald Roff
Director
Deloitte & Touche LLP
JP Morgan Chase Tower
2200 Ross Avenue, Suite 1600
Dallas, Texas 75204-6778

Re: Request for Proposal—Depreciation Study (“RFP”)

Dear Mr. Roff:

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Mr. Donald Roff

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Vice President, Finance and Planning
East Kentucky Power Cooperative, Inc.
P.O. Box 707
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If you have any questions or comments prior to submission, please contact me at (859) 745-9345.

Sincerely,



David G. Eames
Vice President of Finance and Planning

Enclosures

c: Bill Bosta
Graham Johns
Frank Oliva
Ann Wood
Steve Jennings, Crowe Chizek and Company LLC

EAST KENTUCKY POWER COOPERATIVE, INC.

PSC CASE NO. 2006-00236

DEPRECIATION STUDY

RESPONSE TO INITIAL DATA REQUEST

COMMISSION STAFF'S INITIAL DATA REQUEST DATED 7/27/06

REQUEST 2

RESPONSIBLE PARTY: Ann F. Wood

REQUEST 2. Refer to the Wood Testimony, page 3.

REQUEST 2a. Has EKPC submitted a request to the Rural Utilities Service ("RUS") seeking approval of the new depreciation rates?

RESPONSE 2a. EKPC has submitted a request to the Rural Utilities Service ("RUS") seeking approval of the new depreciation rates.

REQUEST 2b. If yes to part (a), provide a copy of the request and indicate the status of EKPC's request with the RUS. If RUS has approved the depreciation rates, include a copy of the RUS approval letter.

RESPONSE 2b. Copies of the request to RUS are attached. No decision has been rendered by RUS as of yet.

REQUEST 2c. If no to part (a), indicate when EKPC intends to submit a request for approval to RUS.

RESPONSE 2c. The letters attached to response 2b serve as EKPC's request for approval to RUS.



July 12, 2006

Mr. Victor Vu
Rural Utilities Service
1400 Independence Avenue, SW
Stop 1568, Room No. 0270
Washington DC 20250-1568

Dear Mr. Vu:

The East Kentucky Power Cooperative, Inc. (EKPC) Board of Directors (Board) met on July 11, 2006. Enclosed is a copy of the EKPC Board resolution that accepts the findings contained in the Gannett Fleming depreciation study and ratifies EKPC's submission of the depreciation study for Rural Utilities Service and Kentucky Public Service Commission approval.

If you need additional information relating to the depreciation study, please call me at (859) 745-9345. Thank you.

Very truly yours,

A handwritten signature in cursive script that reads 'David G. Eames'.

David G. Eames
Vice President, Finance

aw
Enclosure

C: Mr. Steve Jennings
Crowe, Chizek and Company LLP
144 North Broadway, Suite 300
Lexington, Kentucky 40507

bc: Ann Wood
Frank Oliva

**FROM THE MINUTE BOOK OF PROCEEDINGS
OF THE BOARD OF DIRECTORS OF
EAST KENTUCKY POWER COOPERATIVE, INC.**

At a regular meeting of the Board of Directors of East Kentucky Power Cooperative, Inc. held at the Headquarters Building, 4775 Lexington Road, located in Winchester, Kentucky, on Tuesday, July 11, 2006, at 12:25 p. m., EDT, the following business was transacted:

Depreciation Study

After review of the applicable information, a motion was made by Bill Shearer and, there being no further discussion, passed to approve the following:

Whereas, As part of the Settlement Agreement contained in the Kentucky Public Service Commission ("Commission") Order implementing the Environmental Surcharge, East Kentucky Power Cooperative, Inc. ("EKPC") agreed to have a depreciation study performed on all its assets within two years from the date of the Order;

Whereas, EKPC also agreed to file an application seeking approval of the Commission for the rates contained in the depreciation study for accounting and ratemaking purposes, and to seek Rural Utilities Service ("RUS") approval;

Whereas, EKPC selected Gannett Fleming, Inc. ("Gannett Fleming") to perform the depreciation study and has received the final report;

Whereas, EKPC agrees with the findings contained in the Gannett Fleming depreciation study and needs approval from the Commission and RUS to implement the asset life extensions contained in this study;

Whereas, EKPC has submitted the depreciation study to the Commission and RUS for approval, and RUS has requested that the study be accepted by the EKPC Board of Directors (the "Board"); and

Whereas, The Audit Committee has considered the results of this study, and recommends that the Board accept the findings contained in the Gannett Fleming depreciation study and ratify EKPC's submission of the depreciation study for RUS and Commission approval; now, therefore, be it

Resolved, That the EKPC Board hereby accepts the findings contained in the Gannett Fleming depreciation study and ratifies EKPC's submission of the depreciation study for RUS and Commission approval.

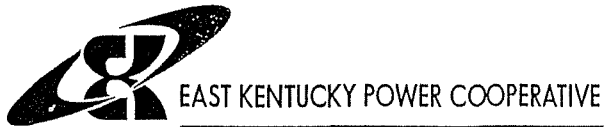
The foregoing is a true and exact copy of a resolution passed at a meeting called pursuant to proper notice at which a quorum was present and which now appears in the Minute Book of Proceedings of the Board of Directors of the Cooperative, and said resolution has not been rescinded or modified.

Witness my hand and seal this 11th day of July 2006.



A. L. Rosenberger, Secretary

Corporate Seal



May 30, 2006

Mr. Victor Vu
Rural Utilities Service
1400 Independence Avenue, SW
Stop 1568, Room No. 0270
Washington, DC 20250-1568

Dear Mr. Vu:

In accordance with the Kentucky Public Service Commission ("PSC") Order in Case No. 2004-00321, East Kentucky Power Cooperative, Inc. ("EKPC") engaged Gannett Fleming, Inc. ("Gannett Fleming") to perform a depreciation study for all assets. This study included all EKPC assets in service at December 31, 2005. Enclosed is a copy of the Gannett Fleming report.

Based upon the results of Gannett Fleming's report, EKPC requests expedited approval to adopt the remaining lives (depreciate to the "probable retire date") as outlined in the report. Upon approval from both the RUS and PSC, EKPC plans to retroactively apply the life extensions contained in the study to January 1, 2006.

Thank you for your prompt attention to this request. If you have comments or require additional information, please call me at (859) 745-9345.

Very truly yours,



David G. Eames
Vice President, Finance

dge/aw
Enclosure

C: Mr. Steve Jennings w/Enclosure
Crowe, Chizek and Company LLP
144 North Broadway, Suite 300
Lexington, Kentucky 40507

EAST KENTUCKY POWER COOPERATIVE, INC.

PSC CASE NO. 2006-00236

DEPRECIATION STUDY

RESPONSE TO INITIAL DATA REQUEST

COMMISSION STAFF'S INITIAL DATA REQUEST DATED 7/27/06

REQUEST 3

RESPONSIBLE PARTY: Ann F. Wood

REQUEST 3. Refer to the Wood Testimony, page 4. Ms. Wood states that upon approval by the Commission, EKPC plans to make a “catch up” adjustment to the depreciation expense recovered through the environmental surcharge, reflecting the change in depreciation expense from January 2006 forward.

REQUEST 3a. Explain in detail why EKPC believes it should be permitted to retroactively apply the new depreciation rates in its environmental surcharge.

RESPONSE 3a. EKPC’s proposal to apply the new depreciation rates to the environmental surcharge effective January 1, 2006, and to implement a “catch-up” adjustment, was designed to make the new, lower, depreciation rates effective for all purposes on that date to simplify the administration of depreciation expenses, since the study calculated the new rates as of December 31, 2005, and to share the resulting reduction in the environmental surcharge expenses with EKPC’s member systems at the earliest possible time. EKPC had understood that such a change in depreciation rates could be applied retroactively for ratemaking purposes, once the new rates are approved by the Commission, and assumed that such an adjustment for a reduction in expenses could be made to the environmental surcharge prior to final action by the Commission in

a two-year review. EKPC was not aware of the Commission's decisions in the cited Kentucky Utilities and Louisville Gas & Electric cases, but notes that the prospective application of those new depreciation rates was the result of a settlement in those cases, that the new depreciation rates involved had not received prior Commission approval, and that the new rates were applied retroactively for all other ratemaking purposes. EKPC's plans for the environmental surcharge adjustment were not intended to challenge any precedent established by the Commission, but EKPC believes that the proposed application date for the new depreciation rates and the catch-up adjustment are beneficial to EKPC's member systems and their member consumers, and should be approved.

REQUEST 3b. Was EKPC aware that in Case Nos. 2001-00140¹ and 2001-00141,² Kentucky Utilities Company and Louisville Gas and Electric Company were permitted to use the newly approved depreciation rates for accounting and rate-making purposes for all of calendar year 2001, but the new depreciation rates were only applied prospectively in the environmental surcharge calculations?

RESPONSE 3b. No. As discussed above, EKPC was not familiar with the Commission's decisions in those cases.

REQUEST 3c. Describe in detail any circumstances or conditions that exist at EKPC that would support the retroactive, rather than prospective, application of the new depreciation rates in the environmental surcharge.

RESPONSE 3c. See response to Request 3a.

EAST KENTUCKY POWER COOPERATIVE, INC.

PSC CASE NO. 2006-00236

DEPRECIATION STUDY

RESPONSE TO INITIAL DATA REQUEST

COMMISSION STAFF'S INITIAL DATA REQUEST DATED 7/27/06

REQUEST 4

RESPONSIBLE PARTY: Donald J. Clayton

REQUEST 4. Refer to the Wood Testimony, Wood Exhibit 1, page II-14. Provide the workpapers, calculations, analyses, and other documentation that support the net salvage percentages shown for the five accounts listed on page II-14.

RESPONSE 4. A spreadsheet which supports the estimates shown on Wood Exhibit 1, page II-14 is attached. The estimates on page II-14 were based on judgment and an allocation of experienced net salvage for the period 1992 to 2004 to those accounts expected to experience either positive or negative net salvage. As most accounts were expected to have zero net salvage, no experienced functional level net salvage was allocated to those accounts.

**EKPC
Net Salvage Analysis**

Year	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
Functional Net Salvage													
Steam	16,002	850	(104,415)	182,056	408,439	119,702	49,683	245,265	9,079	(25,686)	204,199	(1,084,857)	105,092
other	0	0	0	0	0	0	0	0	(83,798)	0	0	0	0
tran	116,714	119,969	174,415	90,336	72,462	286,386	(500)	(29,465)	372,572	(139,216)	(390,602)	16,938	(865,435)
distr*	386,756	600,450	1,148,073	684,924	947,242	1,394,677	681,675	759,363	1,679,662	956,200	1,061,982	1,785,376	3,049,266
genl	90,921	73,248	84,032	69,212	120,399	108,088	156,826	(10,029)	309,197	100,967	17,277	72,377	54,983

* Net Salvage is primarily reuse due to location accounting

Retirements by Account - FROM 1

	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
302	221,657							0	0	0	0	0	0
303								0	0	0	0	0	0
310								0	0	0	0	0	0
311								0	0	252,074	0	2,941,910	0
312	4,987,767		4,475,022	376,903	3,572,799	1,241,195		368,105	5,723	2,096,892	0	14,465,470	320,786
314					2,261,187	1,257,088	1,211,524	0	0	0	0	16,351	0
315								0	7,901	0	243,056	0	0
316	92,769	136,180	13,094	88,179	72,772	88,282	85,522	0	0	37,040	0	488,634	62,019
340								0	0	0	0	0	0
341								0	0	0	0	0	0
342								0	0	0	0	0	0
343								0	0	0	0	0	0
344								0	0	0	0	0	0
345								0	0	0	0	0	0
346								0	0	0	0	0	0
347								0	0	0	0	0	0
350								0	0	0	0	0	0
353	71,318	471,735	-286,812	194,371	280,309	99,155		0	452,857	167,737	248,193	293,746	350,873
354								0	0	0	0	0	0
355	18,646	3,620	11,282				545	0	2,429	48,449	178,348	3,576	2,276,760
356								0	23,743	110,725	227,674	14,583	17,526
360								0	0	0	500	0	0
362	889,856	876,009	1,593,216	712,622	1,586,700	1,870,081	1,091,529	851,584	2,590,726	1,412,390	1,672,155	2,693,875	4,449,567
368		1,804						0	3,890	0	0	0	0
389								0	0	0	0	0	0
390	33,220	1,075						0	133,320	0	0	0	0
391	302,005	43,190	313,831	81,597	323,113	74,879	97,418	0	647,271	212,743	0	0	0
392	286,156	326,430	377,716	193,542	467,501	461,542	433,403	537,134	353,014	582,928	183,511	781,418	651,522
393	1,827	18,344						0	0	0	0	8,409	1,275
394	5,017	13,411	8,858	2,855	3,695	6,684	88,864	2,100	0	0	0	0	0
395	5,810				1,642			0	0	0	0	0	0
396	161,763	133,069	20,711	101,208	388,487	81,966	349,874	73,544	342,107	142,978	141,122	47,452	213,040
397	16,611	95,052						0	0	0	69,328	0	0
398	15,042	9,702	2,055	3,149	12,405	2,410	24,199	0	2,415	6,635	0	0	0
399	0					157,033		0	53,696	0	0	0	0
Total	7,109,464	2,129,621	6,528,973	1,754,426	8,970,610	5,340,315	3,382,878	1,832,467	4,619,092	5,070,591	2,963,887	21,755,424	8,343,368

Calculated Net Salvage

EAST KENTUCKY POWER COOPERATIVE, INC.

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COMMISSION STAFF'S INITIAL DATA REQUEST DATED 7/27/06

REQUEST 5

RESPONSIBLE PARTY: Donald J. Clayton

REQUEST 5. Refer to the Wood Testimony, Wood Exhibit 1, page II-17.

Provide the workpapers, calculations, analyses, and other documentation that support the amortization periods shown for the six accounts listed on page II-17.

RESPONSE 5. A spreadsheet which shows the range of amortization periods typically used by other companies for accounts 391, 393, 394, 395, 397 and 398 is attached. The amortization periods for EKPC consider the contents of each account and the typical range of amortization periods used by other companies for these accounts. For accounts 391, 393, 394 and 395 the estimates are the most common estimates made for other electric utility companies (i.e. the mode). For accounts 397 and 398 the accounts contents suggested periods at the lower end of the typical range. Account 397 contains mobile radios, telephones, fiber optic equipment and other microwave and electronic equipment. Account 398 contains appliances, camera equipment, audiovisual equipment and other miscellaneous equipment.

East Kentucky Power Cooperative, Inc.

Support for General Plant Amortization Periods

<u>Description</u>	<u>Amortization Period</u>	<u>Range</u>	<u>Mode</u>	<u>EKPC Est.</u>
391 Office Furniture and Equipment		10 - 20	15	15
(Most recent estimates for 8 companies with a combined furniture and equipment account)	15-SQ			
	10-SQ			
	15-SQ			
	15-SQ			
	20-SQ			
	15-SQ			
	10-SQ			
	10-SQ			
393 Stores Equipment		20 - 30	20	20
(most recent estimates for 16 companies)	20-SQ			
	25-SQ			
	25-SQ			
	30-SQ			
	15-SQ			
	25-SQ			
	25-SQ			
	20-SQ			
	30-SQ			
	20-SQ			
	20-SQ			
	20-SQ			
	20-SQ			
	25-SQ			
	25-SQ			
	20-SQ			
394 Tools, Shop and Garage Equipment		10 - 25	25	20
(Most recent estimates for 16 companies)	20-SQ			
	25-SQ			
	25-SQ			
	25-SQ			
	20-SQ			
	20-SQ			
	25-SQ			
	25-SQ			
	20-SQ			
	25-SQ			
	25-SQ			
	25-SQ			
	20-SQ			
	25-SQ			
	10-SQ			
	20-SQ			

East Kentucky Power Cooperative, Inc.

Support for General Plant Amortization Periods

<u>Description</u>	<u>Amortization Period</u>	<u>Range</u>	<u>Mode</u>	<u>EKPC Est.</u>
395 Laboratory Equipment (Most recent estimates for 16 companies)	15-SQ 15-SQ 25-SQ 15-SQ 20-SQ 20-SQ 20-SQ 15-SQ 20-SQ 20-SQ 20-SQ 20-SQ 15-SQ 10-SQ 20-SQ	10 - 20	20	20
397 Communication Equipment (Most recent estimates for 11 companies)	10-SQ 15-SQ 15-SQ 15-SQ 15-SQ 10-SQ 15-SQ 15-SQ 15-SQ 10-SQ 10-SQ	10 - 15	15	10
398 Miscellaneous Equipment (Most recent estimates for 18 companies)	15-SQ 10-SQ 25-SQ 15-SQ 10-SQ 20-SQ 20-SQ 15-SQ 20-SQ 20-SQ 20-SQ 20-SQ 20-SQ 15-SQ 15-SQ 15-SQ 10-SQ 10-SQ	10 - 25	20	15

EAST KENTUCKY POWER COOPERATIVE, INC.

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REQUEST 6

RESPONSIBLE PARTY: Donald J. Clayton

REQUEST 6. Refer to the Wood Testimony, Wood Exhibit 1, pages III-4 through III-7.

REQUEST 6a. For each Iowa Survivor Curve listed in column 3, provide graphs depicting the estimated smooth survivor curve and original survivor curve(s), when applicable, related to each specific utility plant account group. If the original survivor curve is plotted, provide the corresponding original life table for that utility plant account group. If this type of analysis was not performed by Gannett, explain in detail why not.

RESPONSE 6a. The requested smooth survivor curve charts (except for square curves), are attached. The Gannett Fleming computer programs do not produce charts when a square curve is estimated as the chart would simply show a straight line extending from 100% surviving to 0% surviving at the average service life estimated for the account or group. No original life tables are attached as the Company did not have enough aged retirement data to perform actuarial studies. As explained in the Depreciation Study Report (Wood Exhibit 1) on pages II-10 and II-11 the simulated plant record method of life analysis was used in the EKPC study. The charts and tables which show the results

of the simulated plant record analyses by account are shown on pages III-9 to III-30 of the report (Wood Exhibit 1).

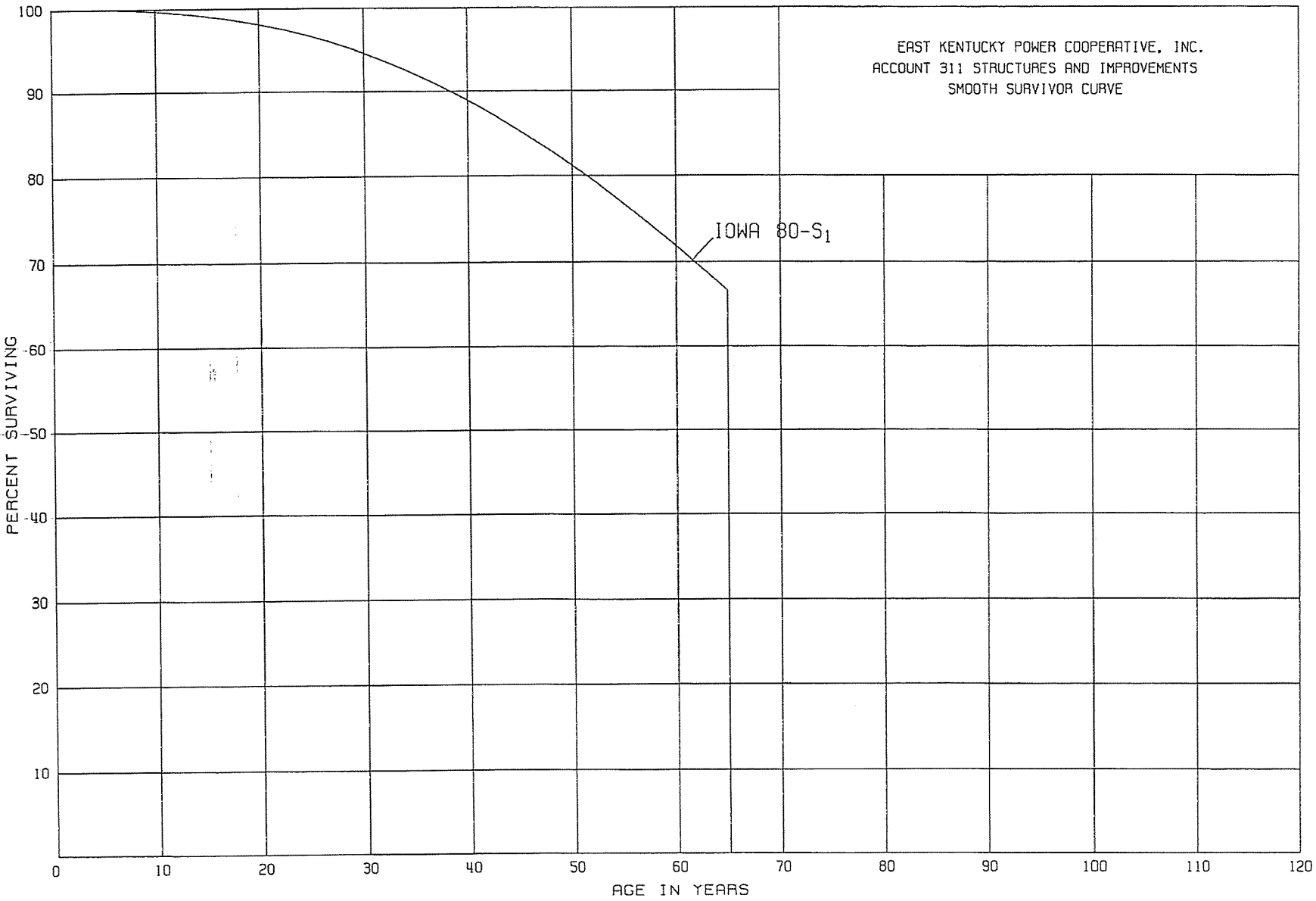
REQUEST 6b. Explain in detail why the majority of the utility plant accounts have a “Net Salvage Percent” of zero, as shown in column 4.

RESPONSE 6b. The accounts with zero net salvage are not expected to experience either positive or negative net salvage. That is, zero percent net salvage is the net salvage estimate for these accounts. Zero percent is within the range of estimates typically experienced in other companies for these accounts and given the functional net salvage level for EKPC zero percent is a reasonable expectation for these accounts.

Also, see response to Initial Data Request of Commission Staff number 4.

REQUEST 6c. Provide a “Summary of Book Salvage” analysis for each utility plant account shown on pages III-4 through III-7. If this analysis was not performed by Gannett, explain in detail why not.

RESPONSE 6c. EKPC only maintains net salvage data at the functional level. As such, a “Summary of Book Salvage” analysis by account was not possible. The method and supporting data for the net salvage estimates made in the depreciation study have been included in the response to Initial Data Request of Commission Staff number 4. Also, a brief explanation of the net salvage consideration is provided on page II-13 of Wood Exhibit 1.

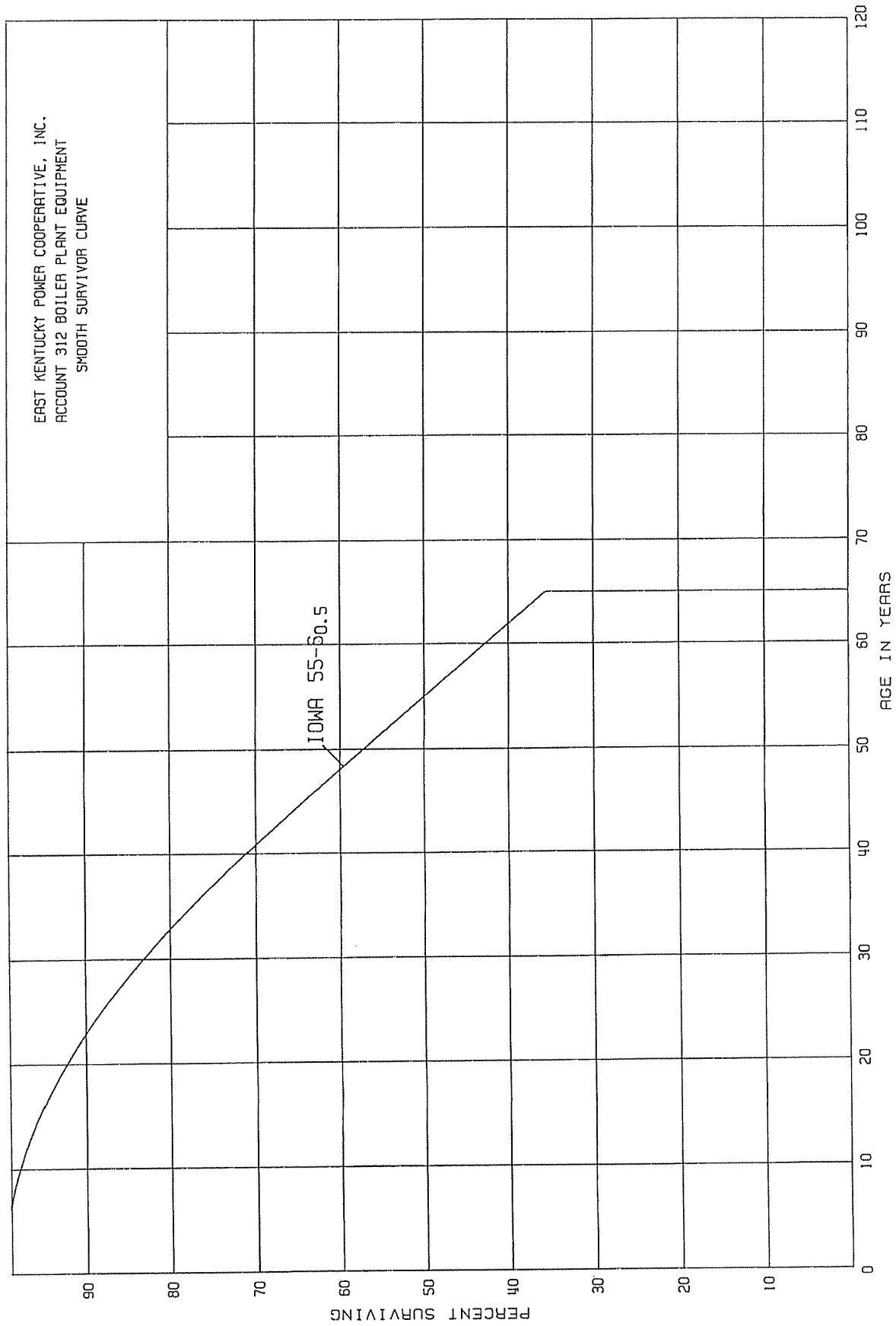


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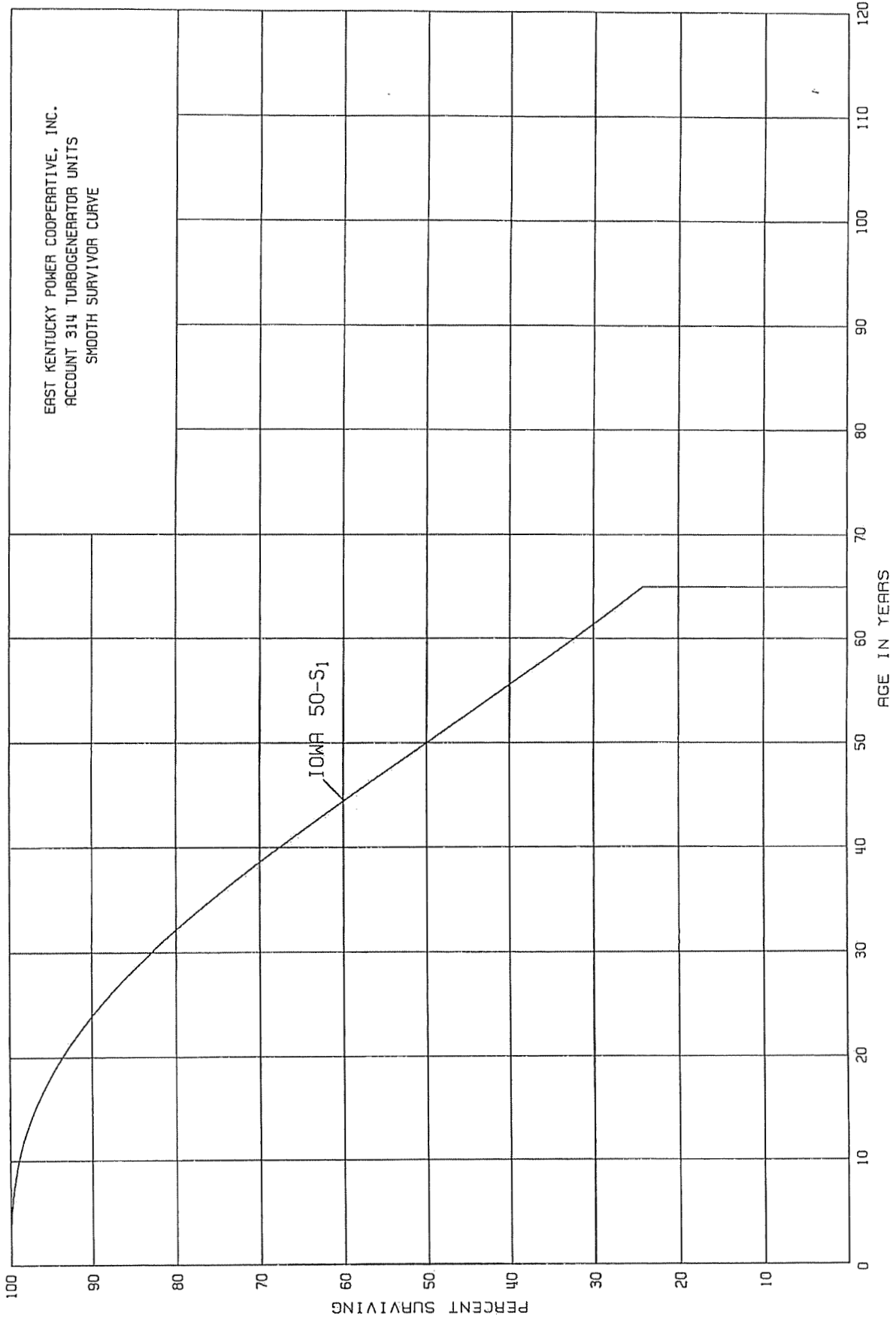
Attachment
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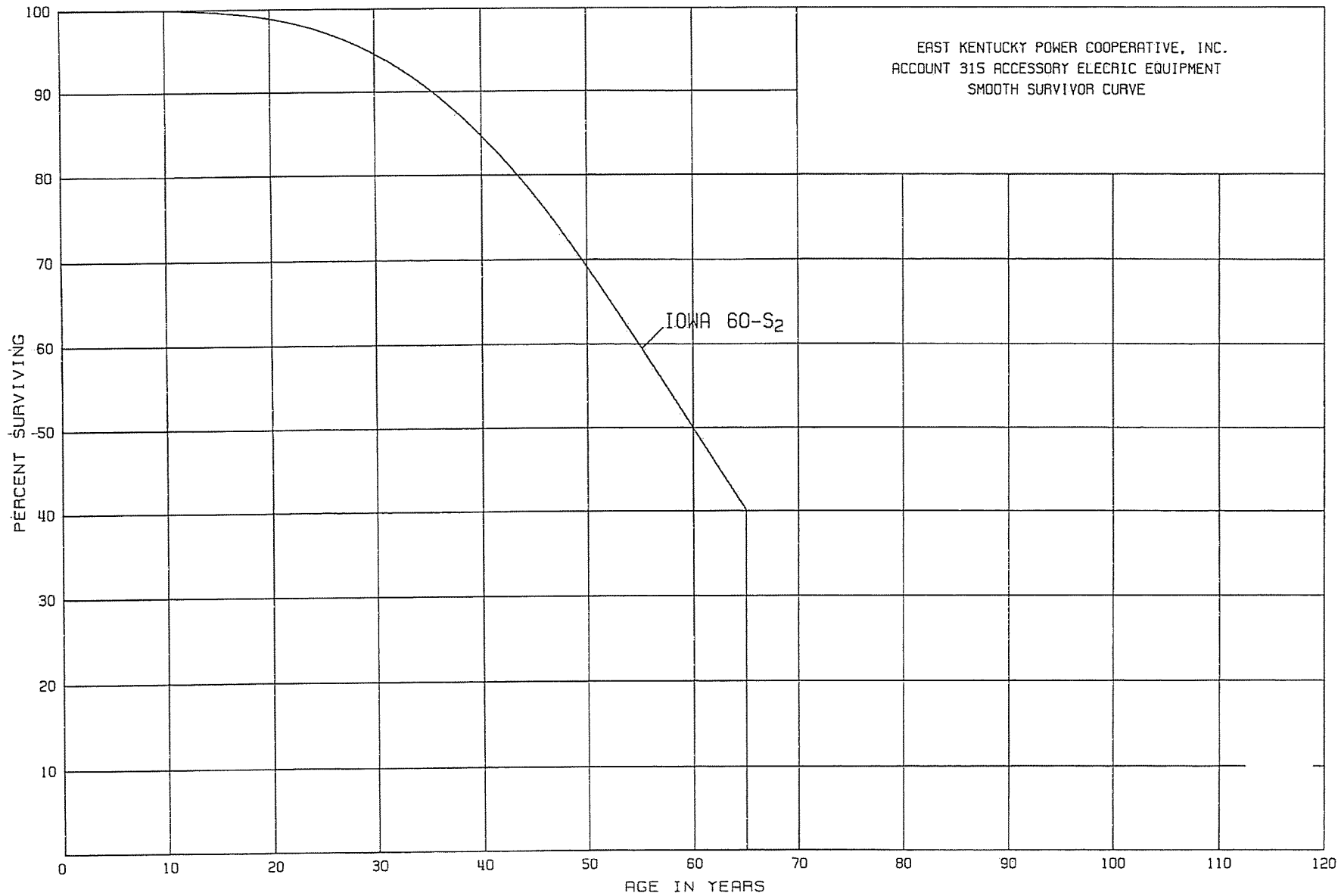
PSC Request 6a

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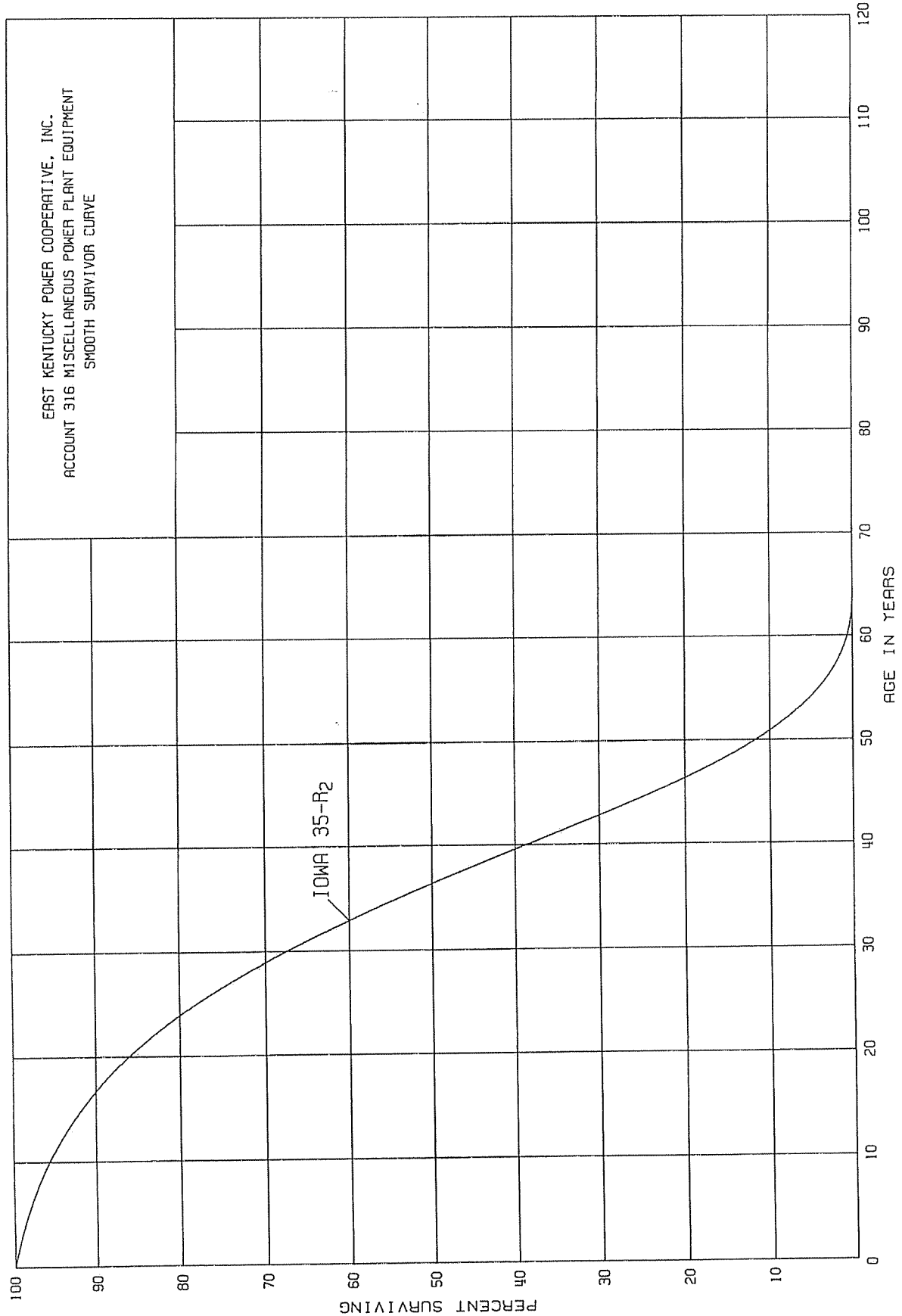


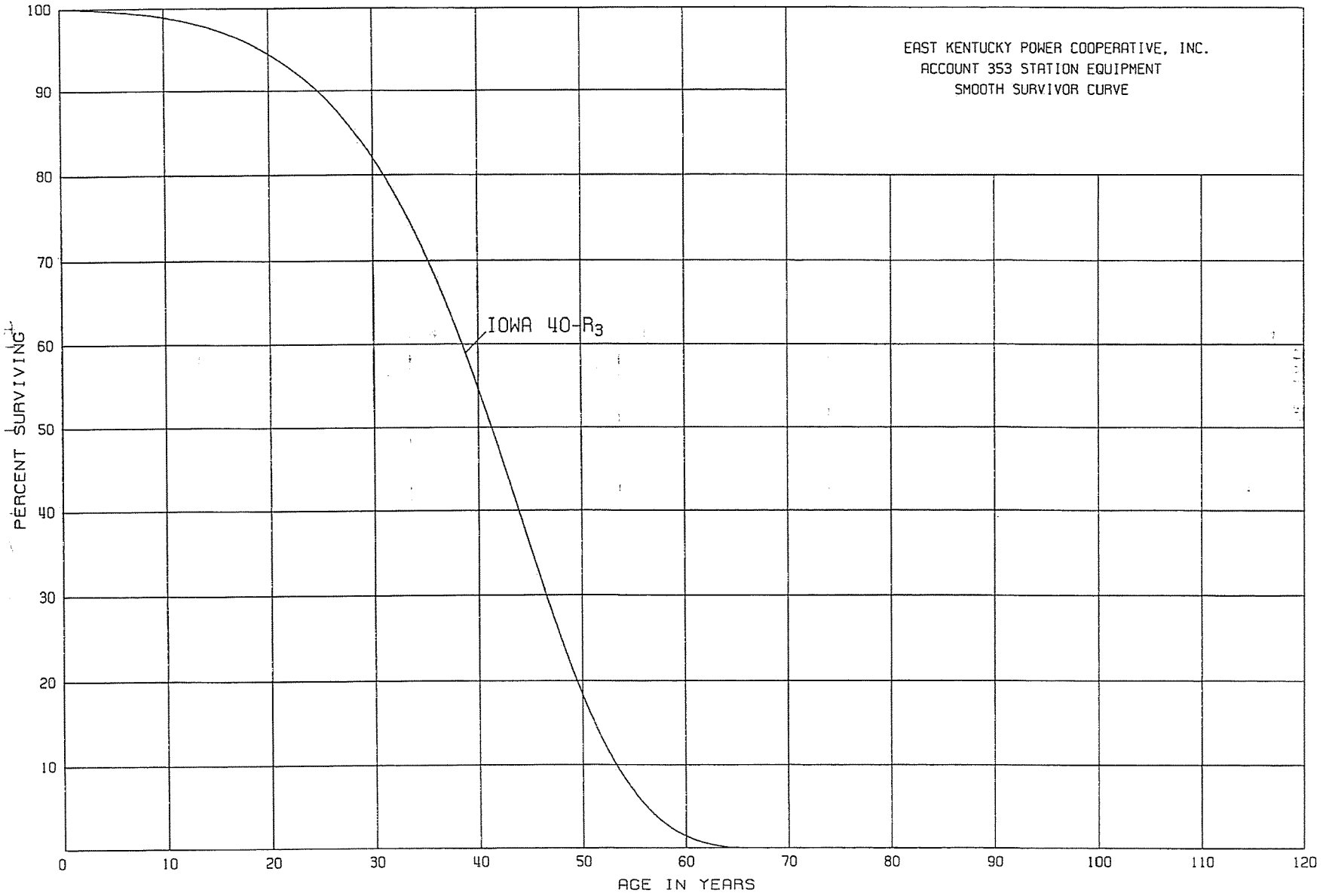
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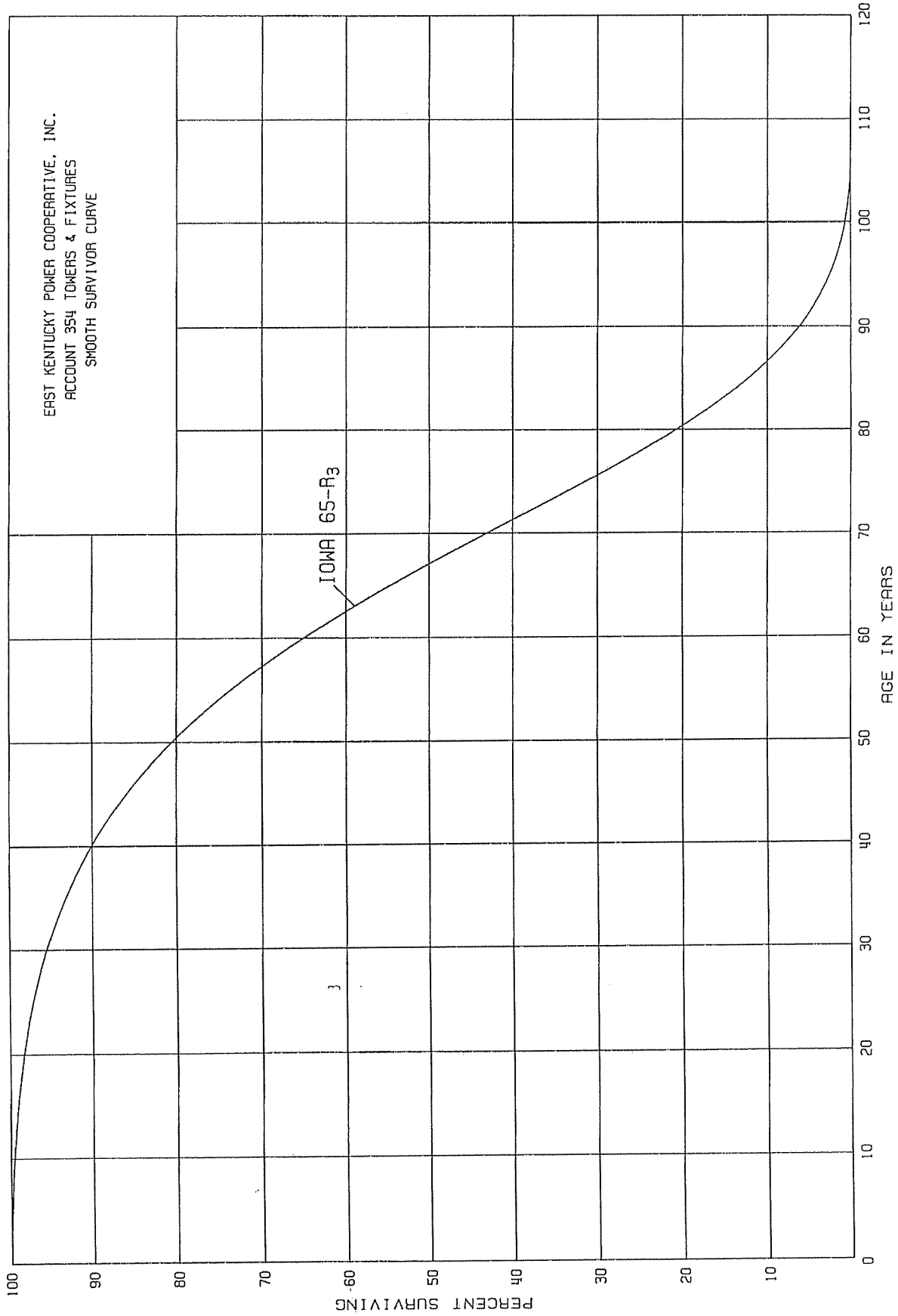


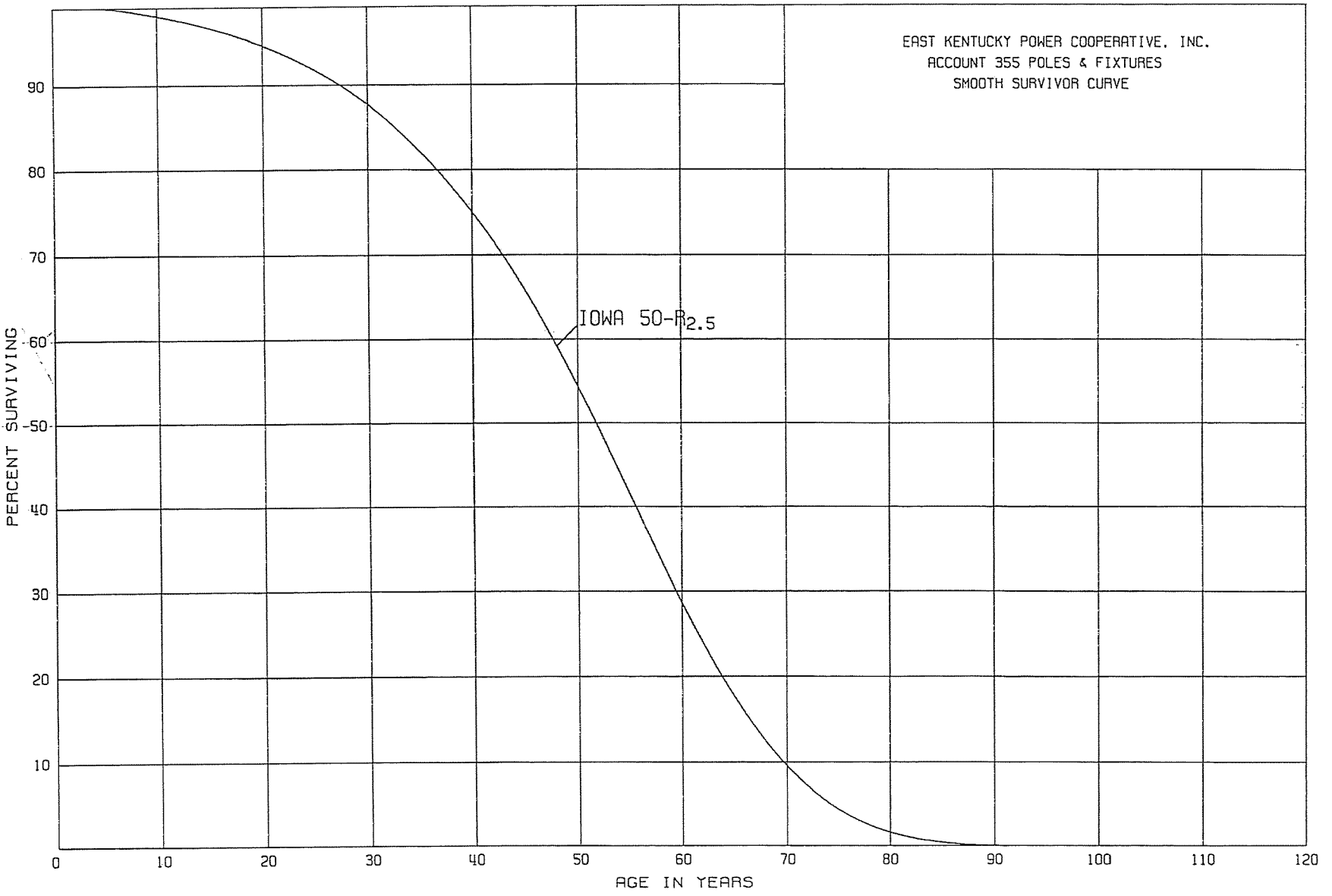
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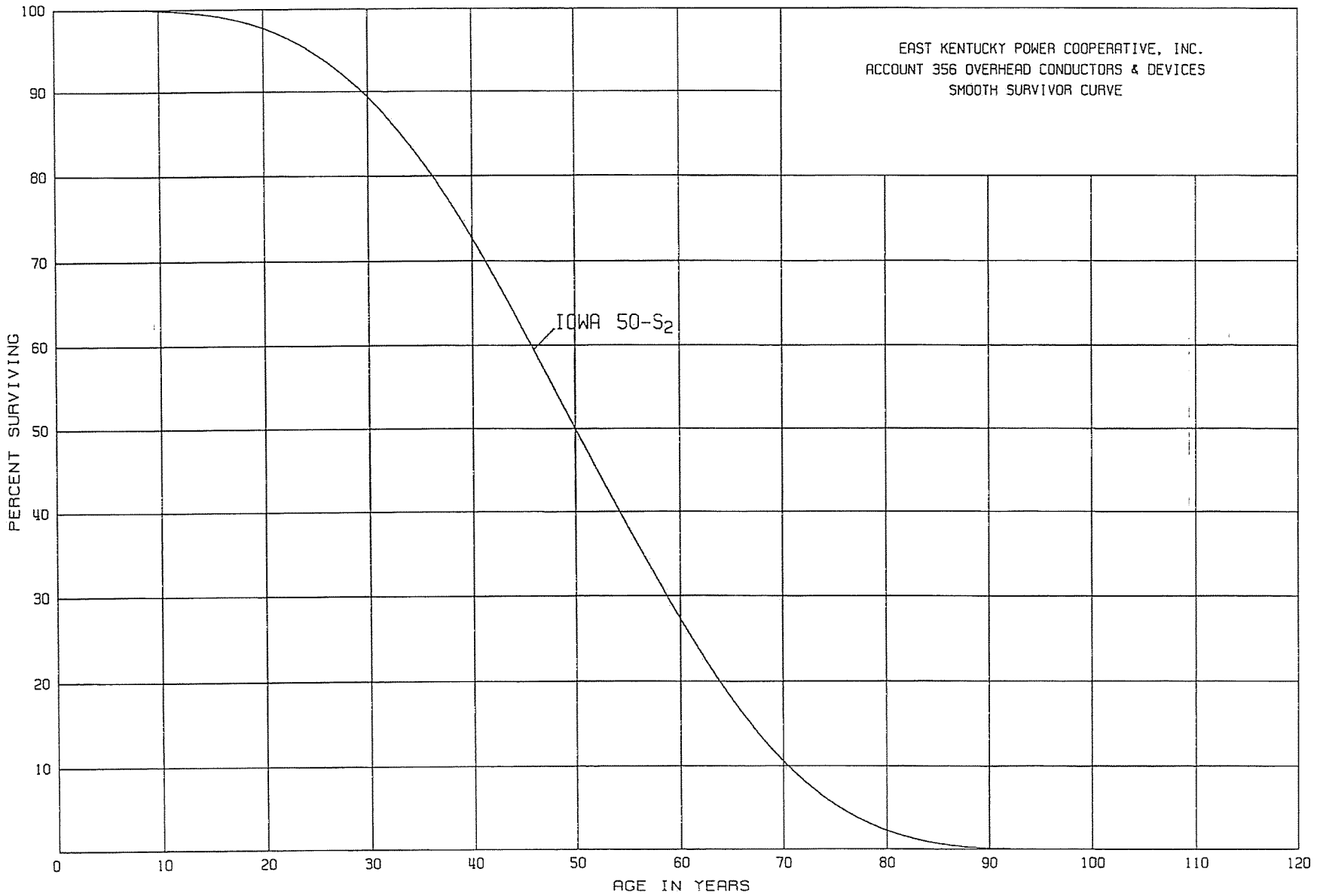
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PSC Request 6a

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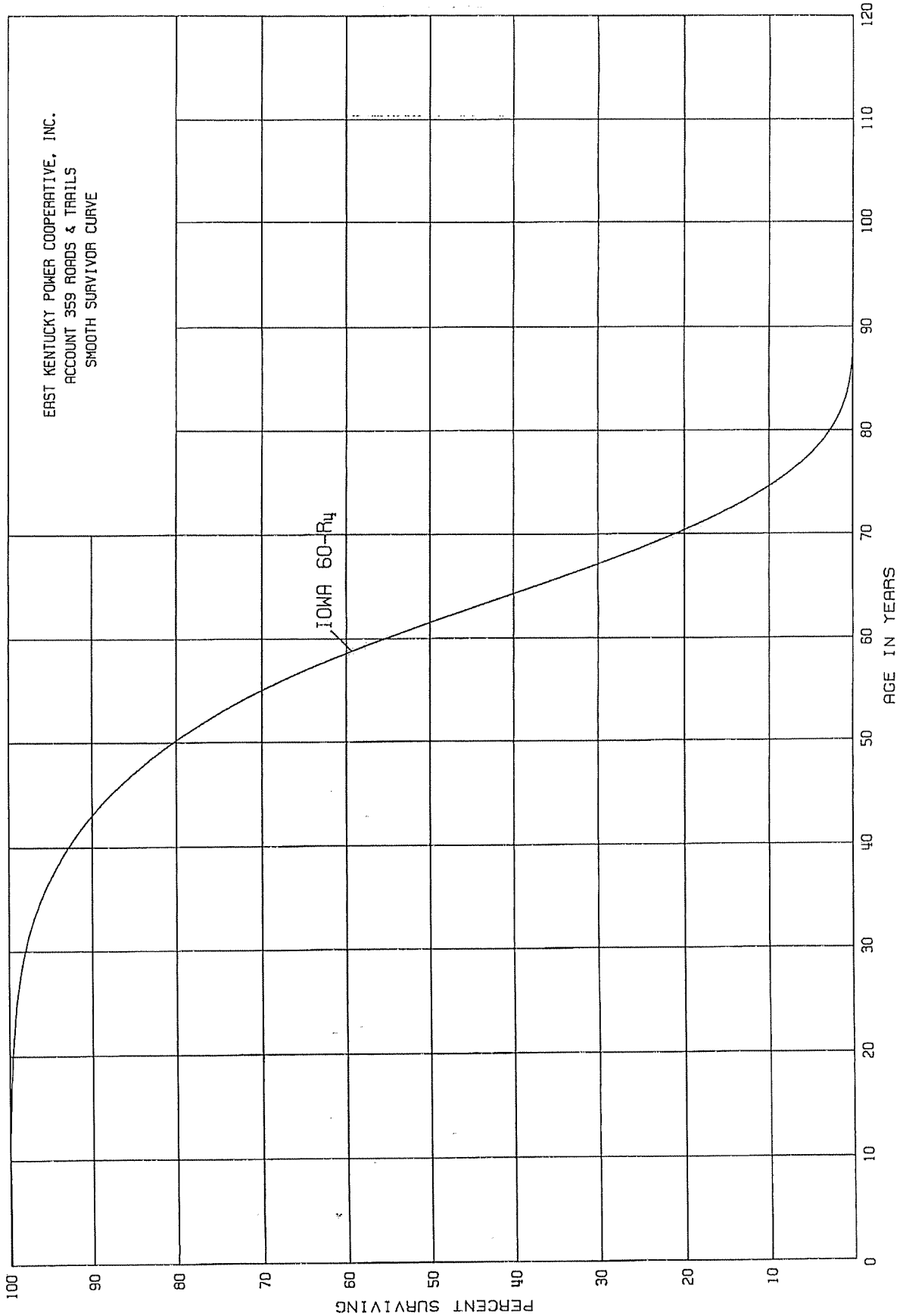




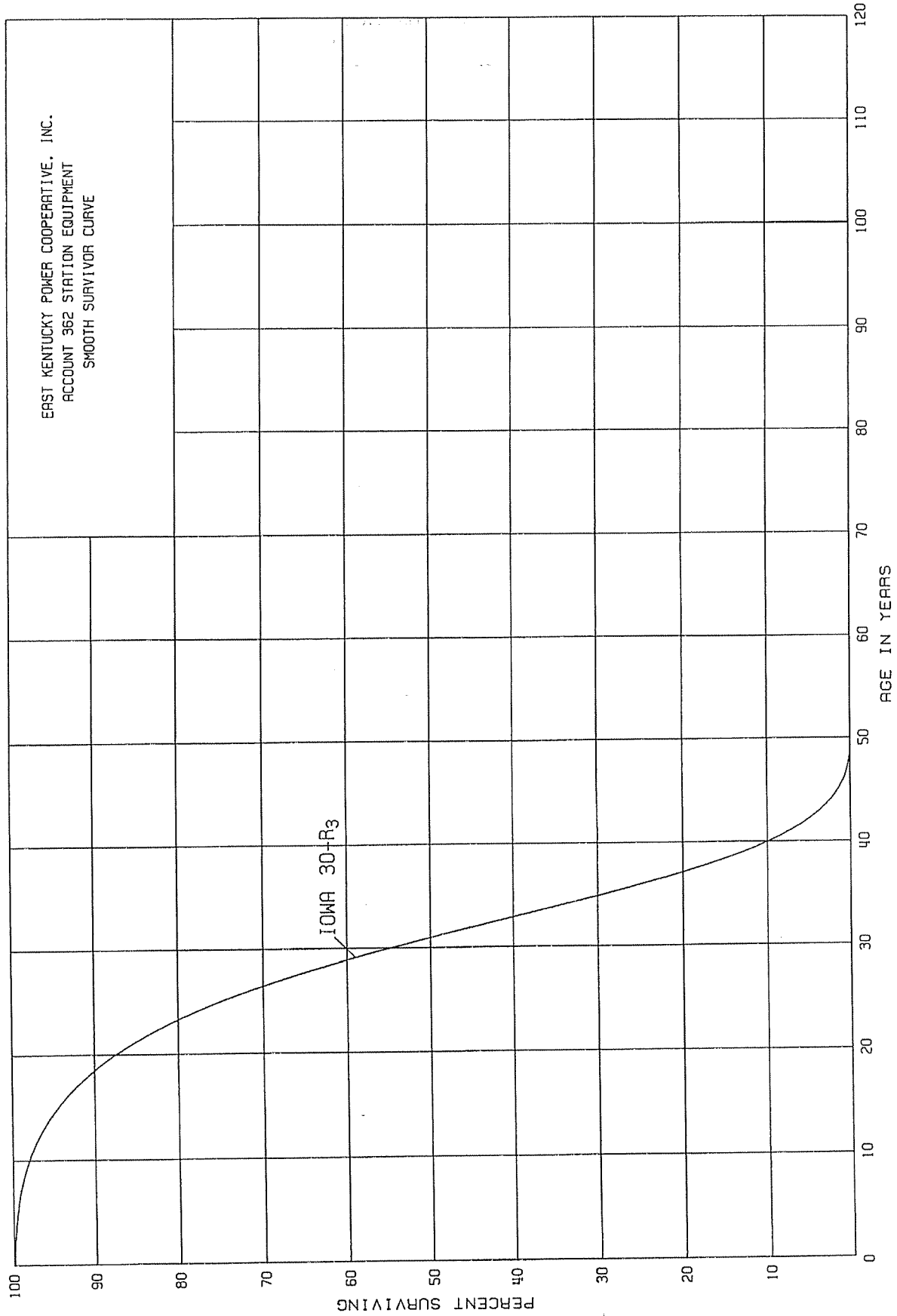


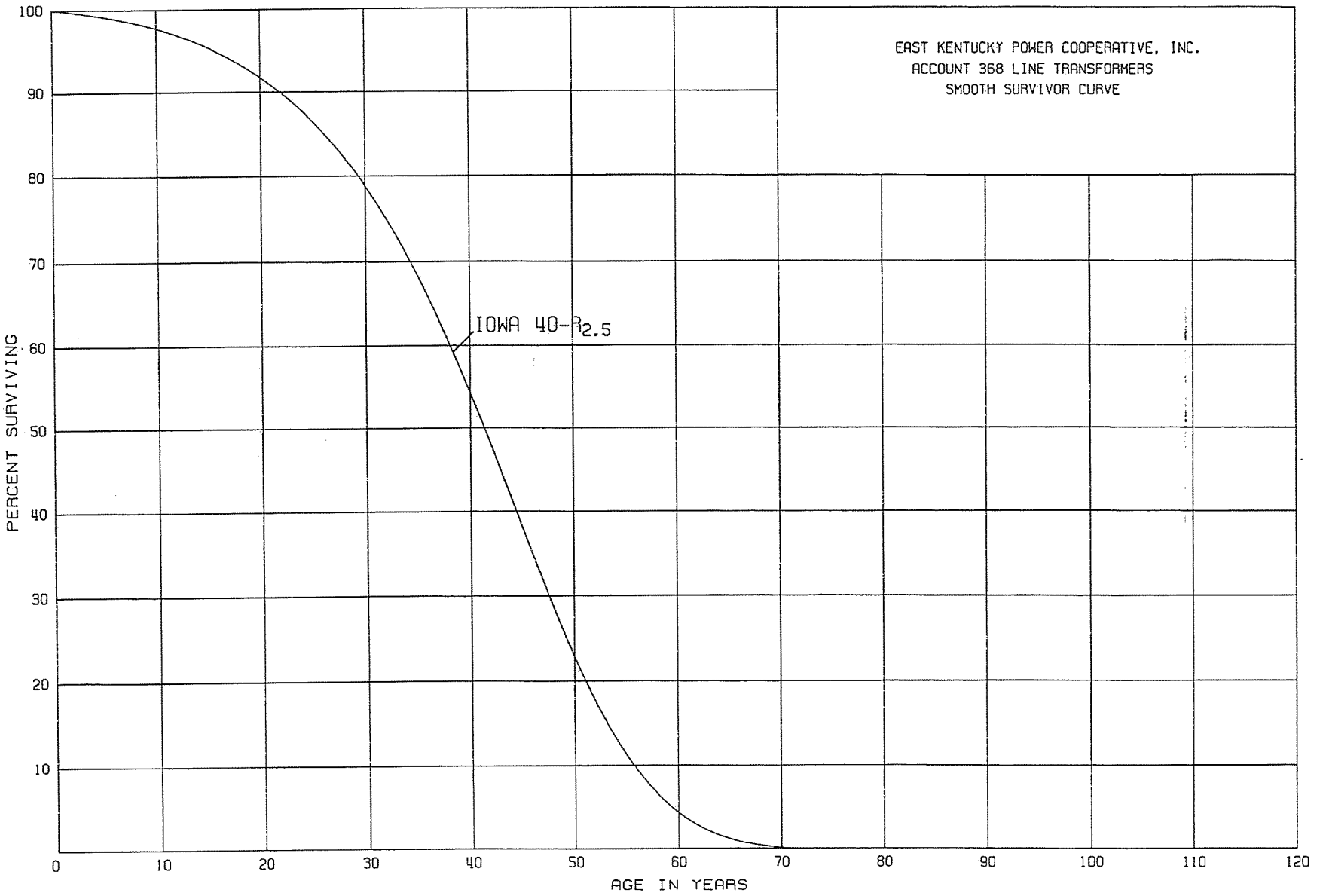
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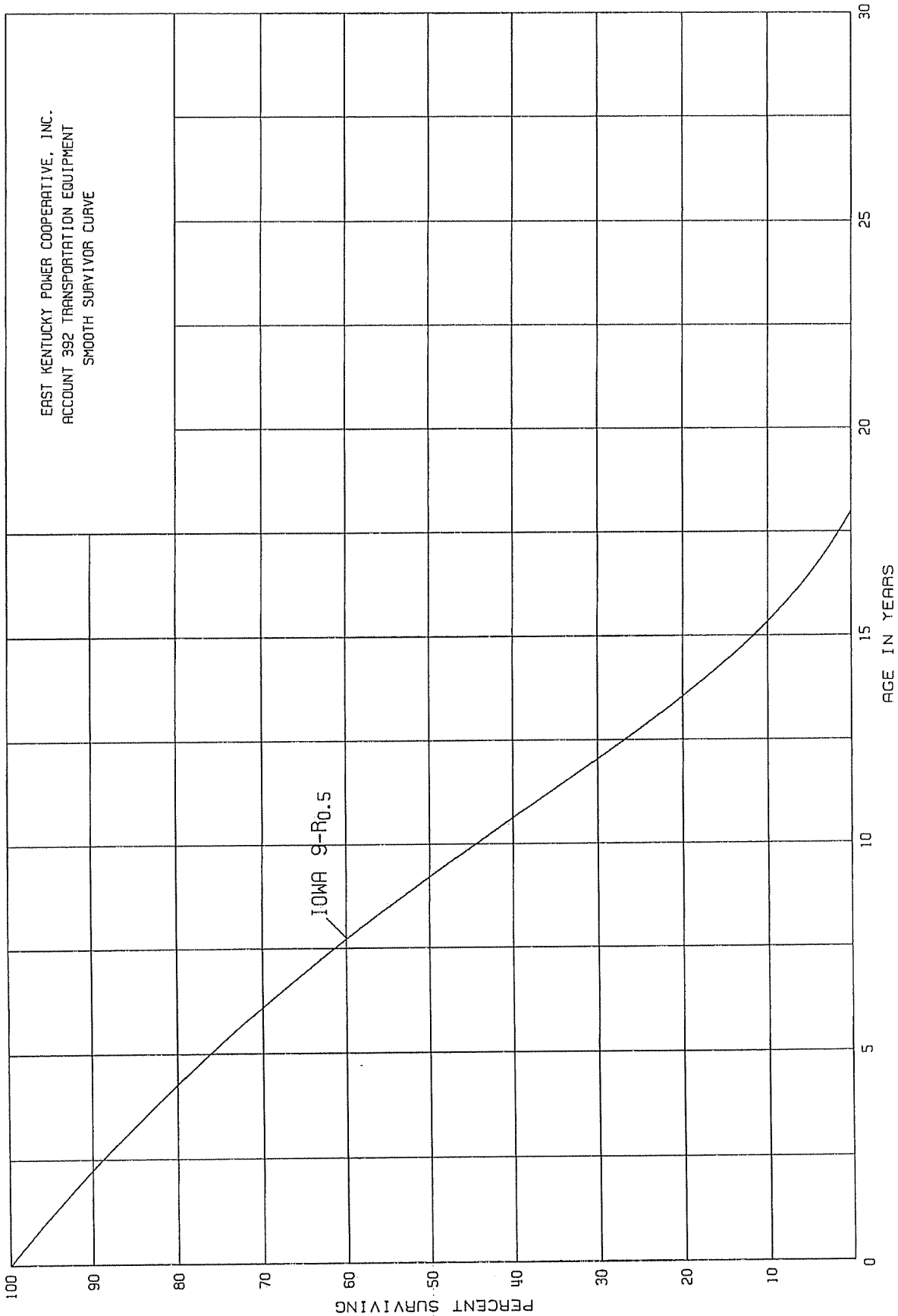


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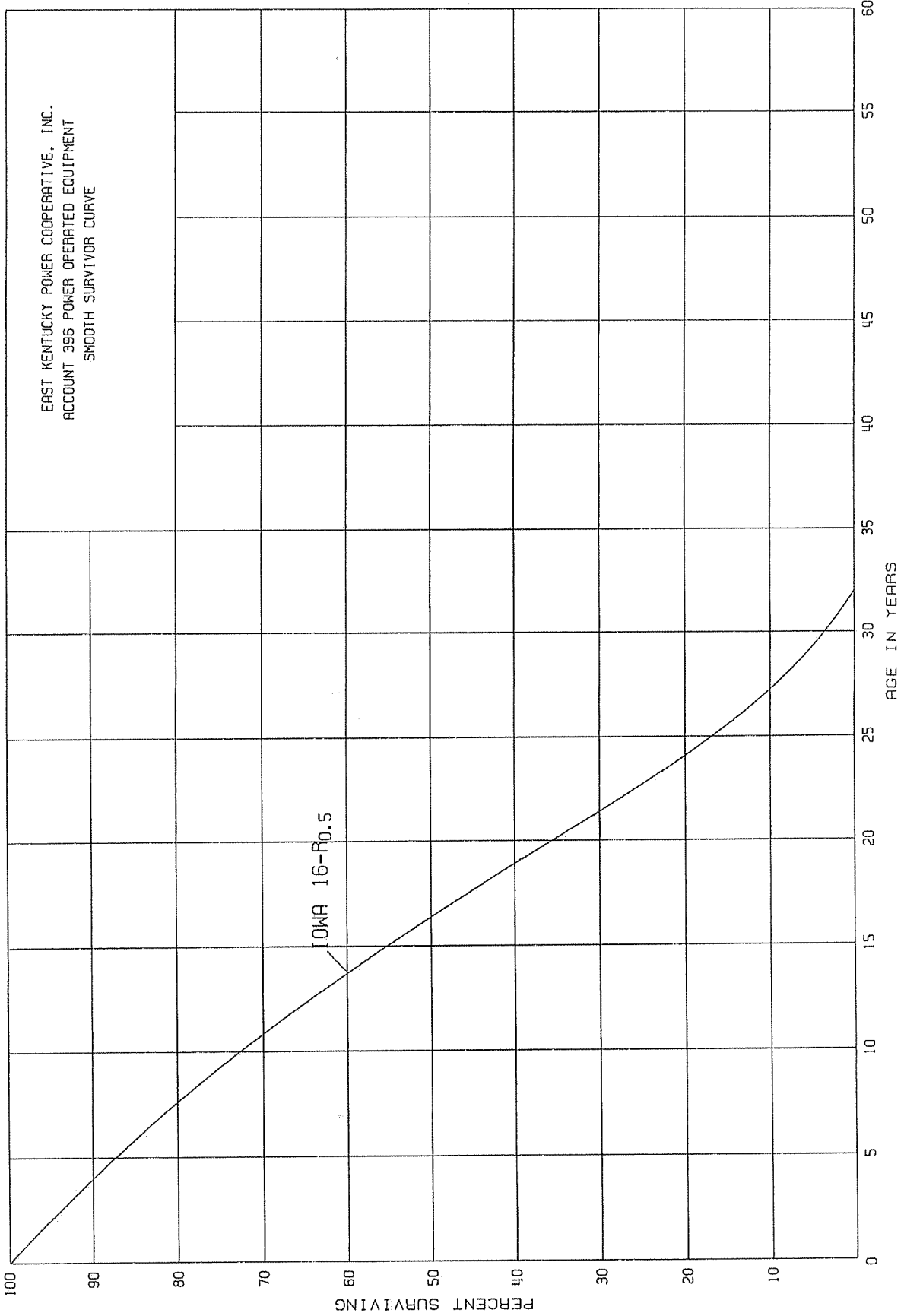




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REQUEST 7

RESPONSIBLE PARTY: Donald J. Clayton

REQUEST 7. Provide a schedule comparing the data shown in columns 8 through 10 on pages III-4 through III-7 with the actual financial information as of December 31, 2005, the current depreciation rates, and the current estimated composite remaining life for the accounts listed.

RESPONSE 7. The requested schedule is attached.

EAST KENTUCKY POWER COOPERATIVE, INC.
SUMMARY OF ESTIMATED SURVIVOR CURVES, NET SALVAGE, ORIGINAL COST, BOOK RESERVE AND CALCULATED
ANNUAL DEPRECIATION RATES AS OF DECEMBER 31, 2005

ACCOUNT (1)	PROBABLE RETIRE DATE (2)	SURVIVOR CURVE (3)	NET SALVAGE PERCENT (4)	ORIGINAL COST (5)	CALCULATED ANNUAL ACCRUAL (8) (9)=(8)/(5)		COMPOSITE REMAINING LIFE (10)=(7)/(8)	2005	2005	2005		
					Annual Depr	Current Depr Rates		Estimated Remain Life				
PRODUCTION PLANT												
311.00	STRUCTURES AND IMPROVEMENTS											
	Central Lab	2030	80-S1	*	0	619,445.56	5,937	0.96	24.2	22,523	3.64	6.4
	Dale	2019	80-S1	*	0	5,410,643.00	0	7.69 **	13.0	-	100.00	-
	Cooper	2030	80-S1	*	0	8,162,595.23	4,656	0.06	24.7	6,769	0.08	17.0
	Spurlock Common	2045	80-S1	*	0	2,797,266.67	46,351	1.66	37.7	79,730	2.85	22.0
	Spurlock 1	2040	80-S1	*	0	24,430,683.94	158,580	0.65	31.7	228,447	0.94	22.0
	Spurlock 2	2042	80-S1	*	0	45,364,295.28	412,526	0.91	33.3	628,355	1.39	22.0
	Spurlock 3	2045	80-S1	*	0	20,048,759.31	504,434	2.52	38.7	522,103	2.60	31.2
	TOTAL STRUCTURES AND IMPROVEMENTS					106,833,688.99	1,132,484	1.06	35.6	1,487,927	1.39	27.1
312.00	BOILER PLANT EQUIPMENT											
	Dale	2019	55-S0.5	*	0	41,463,658.68	0	7.81 **	12.8	0	100.00	-
	Cooper	2030	55-S0.5	*	0	60,908,915.68	224,928	0.37	23.7	313,953	0.52	17.0
	Spurlock Common	2045	55-S0.5	*	0	9,120,890.52	194,966	2.14	34.8	291,987	3.20	22.0
	Spurlock 1	2040	55-S0.5	*	0	175,237,443.46	3,872,191	2.21	31.5	6,199,129	3.54	22.0
	Spurlock 2	2042	55-S0.5	*	0	311,398,141.93	4,344,378	1.40	30.6	6,840,242	2.20	22.0
	Spurlock 3	2045	55-S0.5	*	0	328,728,183.81	8,908,390	2.71	35.9	8,560,630	2.60	31.2
	TOTAL BOILER PLANT EQUIPMENT					926,857,234.08	17,544,853	1.89	33.5	22,205,940	2.40	26.4
314.00	TURBOGENERATOR UNITS											
	Dale	2019	50-S1	*	0	37,485,923.46	0	7.75 **	12.9	0	100.00	-
	Cooper	2030	50-S1	*	0	16,860,888.12	119,076	0.71	23.9	167,571	0.99	17.0
	Spurlock 1	2040	50-S1	*	0	33,056,653.92	394,232	1.19	28.3	506,395	1.53	22.0
	Spurlock 2	2042	50-S1	*	0	52,399,963.21	706,738	1.35	28.5	917,521	1.75	22.0
	Spurlock 3	2045	50-S1	*	0	40,669,592.15	1,100,291	2.71	36.0	1,059,104	2.60	31.2
	TOTAL TURBOGENERATOR UNITS					180,473,020.86	2,320,337	1.29	31.8	2,650,592	1.47	27.8
315.00	ACCESSORY ELECTRIC EQUIPMENT											
	Dale	2019	60-S2	*	0	2,032,835.61	0	7.69 **	13.0	(108,821)	100.00	-
	Cooper	2030	60-S2	*	0	3,305,081.09	30,994	0.94	24.8	45,257	1.37	17.0
	Spurlock 1	2040	60-S2	*	0	10,737,641.84	143,191	1.33	32.3	210,326	1.96	22.0
	Spurlock 2	2042	60-S2	*	0	27,864,727.97	287,966	1.03	30.9	405,490	1.46	22.0
	Spurlock 3	2045	60-S2	*	0	8,025,732.74	202,296	2.52	38.6	209,003	2.60	31.2
	TOTAL ACCESSORY ELECTRIC EQUIPMENT					51,966,019.25	664,447	1.28	33.3	761,256	1.46	29.1
316.00	MISCELLANEOUS POWER PLANT EQUIPMENT											
	Central Lab	2030	35-R2	*	0	1,006,870.37	19,161	1.90	21.5	61,962	6.15	6.6
	Dale	2019	35-R2	*	0	717,177.43	2,607	7.94 **	12.6	11,539	100.00	-
	Cooper	2030	35-R2	*	0	1,404,053.56	2,812	0.20	22.9	2,507	0.18	25.7
	Spurlock Common	2045	35-R2	*	0	3,295,005.63	38,693	1.17	29.7	45,265	1.37	25.4
	TOTAL MISCELLANEOUS POWER PLANT EQUIPMENT					6,423,106.99	63,273	0.99	26.2	121,272	1.89	13.7

EAST KENTUCKY POWER COOPERATIVE, INC.
SUMMARY OF ESTIMATED SURVIVOR CURVES, NET SALVAGE, ORIGINAL COST, BOOK RESERVE AND CALCULATED
ANNUAL DEPRECIATION RATES AS OF DECEMBER 31, 2005

ACCOUNT (1)	PROBABLE RETIRE DATE (2)	SURVIVOR CURVE (3)	NET SALVAGE PERCENT (4)	ORIGINAL COST (5)	CALCULATED ANNUAL ACCRUAL		COMPOSITE REMAINING LIFE (10)=(7)/(8)	2005	2005	2005
					AMOUNT (8)	RATE (9)=(8)/(5)		Annual Depr	Current Depr Rates	Estimated Remain Life
341.00	STRUCTURES AND IMPROVEMENTS									
CT Common	2045	SQUARE	* 0	14,672,511.86	272,888	1.86	40.0	591,837	4.03	18.4
CT Unit 1	2035	SQUARE	* 0	2,666,719.81	68,928	2.58	30.0	114,638	4.30	18.0
CT Unit 2	2035	SQUARE	* 0	2,666,719.81	68,776	2.58	30.0	115,049	4.31	17.9
CT Unit 3	2035	SQUARE	* 0	2,666,719.81	69,080	2.59	30.0	114,222	4.28	18.1
CT Unit 4	2041	SQUARE	* 0	1,928,481.48	45,563	2.36	36.0	77,139	4.00	21.3
CT Unit 5	2041	SQUARE	* 0	1,589,859.50	37,714	2.37	36.0	63,594	4.00	21.3
CT Unit 6	2045	SQUARE	* 0	294,248.85	7,062	2.40	40.0	11,770	4.00	24.0
CT Unit 7	2045	SQUARE	* 0	294,248.85	7,062	2.40	40.0	11,770	4.00	24.0
Green Valley LF	2038	SQUARE	* 0	1,119,860.80	28,656	2.56	33.0	74,657	6.67	12.7
Laurel Ridge LF	2038	SQUARE	* 0	1,200,486.53	30,720	2.56	33.0	80,032	6.67	12.7
Bavarian LF	2038	SQUARE	* 0	1,135,966.24	29,068	2.56	33.0	75,731	6.67	12.7
TOTAL STRUCTURES AND IMPROVEMENTS				30,235,823.54	665,517	2.20	35.5	1,330,439	4.40	17.7
342.00	FUEL HOLDERS, PRODUCERS AND ACCESSORIES									
CT Common	2045	SQUARE	* 0	13,766,120.51	297,621	2.16	40.0	555,680	4.04	21.4
CT Unit 6	2045	SQUARE	* 0	70,051.65	1,681	2.40	40.0	2,802	4.00	24.0
CT Unit 7	2045	SQUARE	* 0	70,051.65	1,681	2.40	40.0	2,802	4.00	24.0
Laurel Ridge LF	2038	SQUARE	* 0	106,294.19	2,717	2.56	33.0	7,126	6.70	12.6
Bavarian LF	2038	SQUARE	* 0	357,670.24	9,152	2.56	33.0	23,845	6.67	12.7
TOTAL FUEL HOLDERS, PRODUCERS AND ACCESSORIES				14,370,188.24	312,852	2.18	39.7	592,255	4.12	21.0
343.00	PRIME MOVERS									
CT Common	2045	SQUARE	* 0	16,545,588.01	326,365	1.97	40.0	688,499	4.16	19.0
CT Unit 1	2035	SQUARE	* 0	17,936,474.77	429,493	2.39	30.0	738,822	4.12	17.4
CT Unit 2	2035	SQUARE	* 0	16,982,148.05	404,179	2.38	30.0	701,803	4.13	17.3
CT Unit 3	2035	SQUARE	* 0	17,912,658.41	431,533	2.41	30.0	735,213	4.10	17.6
CT Unit 4	2041	SQUARE	* 0	25,583,847.44	596,872	2.33	36.0	1,031,395	4.03	20.8
CT Unit 5	2041	SQUARE	* 0	21,221,722.26	491,243	2.31	36.0	848,869	4.00	20.8
CT Unit 6	2045	SQUARE	* 0	16,645,496.35	399,492	2.40	40.0	665,820	4.00	24.0
CT Unit 7	2045	SQUARE	* 0	16,430,713.84	394,337	2.40	40.0	657,229	4.00	24.0
Green Valley LF	2038	SQUARE	* 0	293,827.07	7,511	2.56	33.0	19,698	6.70	12.6
Laurel Ridge LF	2038	SQUARE	* 0	300,785.97	7,697	2.56	33.0	20,052	6.67	12.7
Bavarian LF	2038	SQUARE	* 0	298,911.42	7,649	2.56	33.0	19,927	6.67	12.7
TOTAL PRIME MOVERS				150,152,173.59	3,496,371	2.33	35.1	6,127,327	4.08	20.0
344.00	GENERATORS									
CT Common	2045	SQUARE	* 0	2,037,847.16	39,901	1.96	40.0	87,458	4.29	18.2
CT Unit 1	2035	SQUARE	* 0	4,848,327.86	116,087	2.39	30.0	199,848	4.12	17.4
CT Unit 2	2035	SQUARE	* 0	4,848,327.87	115,379	2.38	30.0	200,527	4.14	17.3
CT Unit 3	2035	SQUARE	* 0	4,848,327.87	116,799	2.41	30.0	199,121	4.11	17.6
CT Unit 4	2041	SQUARE	* 0	7,338,334.95	169,968	2.32	36.0	293,533	4.00	20.8
CT Unit 5	2041	SQUARE	* 0	7,327,273.73	169,697	2.32	36.0	293,091	4.00	20.8
CT Unit 6	2045	SQUARE	* 0	5,131,719.09	123,161	2.40	40.0	205,269	4.00	24.0
CT Unit 7	2045	SQUARE	* 0	5,138,931.73	123,334	2.40	40.0	205,557	4.00	24.0
Green Valley LF	2038	SQUARE	* 0	1,098,205.33	28,073	2.56	33.0	73,623	6.70	12.6
Laurel Ridge LF	2038	SQUARE	* 0	1,477,051.25	37,797	2.56	33.0	98,470	6.67	12.7
Bavarian LF	2038	SQUARE	* 0	1,453,451.26	37,193	2.56	33.0	96,897	6.67	12.7
TOTAL GENERATORS				45,547,798.10	1,077,389	2.37	34.8	1,953,394	4.29	19.2

EAST KENTUCKY POWER COOPERATIVE, INC.
SUMMARY OF ESTIMATED SURVIVOR CURVES, NET SALVAGE, ORIGINAL COST, BOOK RESERVE AND CALCULATED
ANNUAL DEPRECIATION RATES AS OF DECEMBER 31, 2005

ACCOUNT (1)	PROBABLE RETIRE DATE (2)	SURVIVOR CURVE (3)	NET SALVAGE PERCENT (4)	ORIGINAL COST (5)	CALCULATED ANNUAL ACCRUAL		COMPOSITE REMAINING LIFE (10)=(7)/(8)	2005	2005	2005	
					AMOUNT (8)	RATE (9)=(8)/(5)		Annual Depr	Current Depr Rates	Estimated Remain Life	
345.00	ACCESSORY ELECTRIC EQUIPMENT										
	CT Common	2045	SQUARE * 0	9,247,178.54	189,858	2.05	40.0	375,344	4.06	20.2	
	CT Unit 1	2035	SQUARE * 0	1,039,394.43	24,886	2.39	30.0	42,844	4.12	17.4	
	CT Unit 2	2035	SQUARE * 0	1,039,395.53	24,736	2.38	30.0	42,989	4.14	17.3	
	CT Unit 3	2035	SQUARE * 0	1,039,395.53	25,035	2.41	30.0	42,688	4.11	17.6	
	CT Unit 4	2041	SQUARE * 0	993,996.86	23,009	2.31	36.0	39,760	4.00	20.8	
	CT Unit 5	2041	SQUARE * 0	993,996.86	23,009	2.31	36.0	39,760	4.00	20.8	
	CT Unit 6	2045	SQUARE * 0	1,251,472.92	30,035	2.40	40.0	50,059	4.00	24.0	
	CT Unit 7	2045	SQUARE * 0	1,220,275.59	29,287	2.40	40.0	48,811	4.00	24.0	
	Green Valley LF	2038	SQUARE * 0	344,891.29	8,825	2.56	33.0	22,993	6.67	12.7	
	Laurel Ridge LF	2038	SQUARE * 0	386,164.65	9,882	2.56	33.0	25,744	6.67	12.7	
	Bavarian LF	2038	SQUARE * 0	357,452.26	9,147	2.56	33.0	23,830	6.67	12.7	
	TOTAL ACCESSORY ELECTRIC EQUIPMENT			17,913,614.46	397,709	2.22	37.2	754,823	4.21	19.6	
346.00	MISCELLANEOUS POWER PLANT EQUIPMENT										
	CT Common	2045	SQUARE * 0	1,336,390.17	20,040	1.50	40.0	105,590	7.90	7.6	
	Green Valley LF	2038	SQUARE * 0	65,409.45	1,674	2.56	33.0	4,361	6.67	12.7	
	Laurel Ridge LF	2038	SQUARE * 0	17,076.56	437	2.56	33.0	1,138	6.67	12.7	
	Bavarian LF	2038	SQUARE * 0	64,922.98	1,661	2.56	33.0	4,328	6.67	12.7	
	TOTAL MISCELLANEOUS POWER PLANT EQUIPMENT			1,483,799.16	23,812	1.60	38.9	115,417	7.78	8.0	
	TOTAL PRODUCTION PLANT			1,532,256,467.26	27,699,044	1.81	33.8	38,100,642	2.49	24.6	
	TRANSMISSION PLANT										
353.00	STATION EQUIPMENT		40-R3	0	118,156,914.09	2,113,699	1.79	30.4	3,058,684	2.59	21.0
354.00	TOWERS AND FIXTURES		65-R3	(5)	3,905,020.05	27,871	0.71	41.5	97,346	2.49	11.9
355.00	POLES AND FIXTURES		50-R2.5	(5)	80,594,736.43	1,257,462	1.56	41.7	1,914,524	2.38	27.4
356.00	OVERHEAD CONDUCTORS AND DEVICES		50-S2	(5)	69,700,342.33	1,038,551	1.49	37.9	1,837,217	2.64	21.4
359.00	ROADS AND TRAILS		60-R4	0	23,287.65	0	-	-	150	0.64	-
	TOTAL TRANSMISSION PLANT			272,380,300.55	4,437,583	1.63	35.4	6,907,921	2.54	22.8	
	DISTRIBUTION PLANT										
362.00	STATION EQUIPMENT		30-R3	0	111,071,891.70	3,800,268	3.42	21.5	3,113,414	2.80	26.2
368.00	LINE TRANSFORMERS		40-R2.5	0	1,313,761.67	23,694	1.80	27.4	37,619	2.86	17.3
	TOTAL DISTRIBUTION PLANT			112,385,653.37	3,823,962	3.40	21.5	3,151,032	2.80	26.1	
	GENERAL PLANT										
390.00	STRUCTURES AND IMPROVEMENTS										
	Large	VARIOUS	SQUARE * 0	12,207,417.51	222,119	1.82	23.6	486,368	3.98	10.8	
	Small		40-SQ	0	2,293,454.85	30,861	1.35	29.4	94,894	4.14	9.6
	TOTAL STRUCTURES AND IMPROVEMENTS			14,500,872.36	252,980	1.74	24.3	581,262	4.01	10.6	

EAST KENTUCKY POWER COOPERATIVE, INC.
SUMMARY OF ESTIMATED SURVIVOR CURVES, NET SALVAGE, ORIGINAL COST, BOOK RESERVE AND CALCULATED
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ACCOUNT (1)	PROBABLE RETIRE DATE (2)	SURVIVOR CURVE (3)	NET SALVAGE PERCENT (4)	ORIGINAL COST (5)	CALCULATED ANNUAL ACCRUAL		COMPOSITE REMAINING LIFE (10)=(7)/(8)	2005	2005	2005
					AMOUNT (8)	RATE (9)=(8)/(5)		Annual Depr	Current Depr Rates	Estimated Remain Life
391.00		15-SQ	0	7,717,381.91	28,444	0.37	13.3	154,249	2.00	2.4
392.00		9-R0.5	15	6,975,293.75	141,766	2.03	8.6	648,469	9.30	1.9
393.00		20-SQ	0	176,860.27	2,448	1.38	15.9	12,420	7.02	3.1
394.00		20-SQ	0	1,573,063.10	31,431	2.00	18.0	97,059	6.17	5.8
395.00		20-SQ	0	1,892,230.28	31,324	1.66	17.9	100,613	5.32	5.6
396.00		16-R0.5	15	6,719,559.55	23,042	0.34	15.5	304,963	4.54	1.2
397.00		10-SQ	0	28,496,303.30	2,020,525	7.09	8.9	1,869,738	6.56	9.6
398.00		15-SQ	0	883,511.75	27,562	3.12	11.6	64,084	7.25	5.0
TOTAL GENERAL PLANT				68,935,076.27	2,559,522	3.71	10.8	3,832,856	5.56	7.2
TOTAL DEPRECIABLE PLANT				1,985,957,497.45	38,520,111			51,992,450		
NONDEPRECIABLE PLANT AND PLANT NOT STUDIED										
301.00				5,040.43						
303.00				1,815,946.24	45,118			45,118		
310.00				5,656,221.20						
340.00				4,759,582.83						
350.00				34,844,110.06						
360.00				5,737,223.49						
360.10				870,935.53						
TOTAL NONDEPRECIABLE PLANT AND PLANT NOT STUDIED				53,689,059.78	45,118			45,118		
TOTAL COMMON AND GAS PLANT				2,039,646,557.23	38,565,229			52,037,568		

* Curve shown is interim survivor curve. Each facility in the account is assigned an individual probable retirement year.

** Accrual rate applicable to additions subsequent to 12-31-2005.

EAST KENTUCKY POWER COOPERATIVE, INC.

PSC CASE NO. 2006-00236

DEPRECIATION STUDY

RESPONSE TO INITIAL DATA REQUEST

COMMISSION STAFF'S INITIAL DATA REQUEST DATED 7/27/06

REQUEST 8

RESPONSIBLE PARTY: Donald J. Clayton

REQUEST 8. Refer to the Wood Testimony, Wood Exhibit 1, page III-4.

REQUEST 8a. Explain in detail why any additions to the Dale Generating Station after December 31, 2005 should be depreciated at rates in excess of 7.0 percent.

RESPONSE 8a. The composite remaining life of the Dale Generating Station is estimated at slightly less than 13 years. As such new additions at Dale, subject to the qualifications on page III-2 of Wood Exhibit 1, would be depreciated at a rate of approximately 1 / 13 or a rate in excess of 7.0 percent.

REQUEST 8b. If EKPC installs production plant assets at the Dale Generating Station, Account Nos. 311.00 through 316.00, would this tend to extend the life of the Dale Generating Station beyond 2019? Explain the response.

RESPONSE 8b. The qualifications for the use of a rate in excess of 7.0 percent (see Wood Exhibit 1, page III-2) for new additions at Dale are that the additions would be made within the next three to five years and would not be of a major nature. The

company expects that some amount of capital will be required at all of its stations each year. Only significant upgrades would be expected to extend the life of a station. Dale is already more than 50 years old and will be approximately 65 years old in 2019. It is unreasonable to expect that the Dale station will live beyond 2019 without significant investment. If the Company decides to make substantial investments at Dale, the life span and depreciation rates should be reviewed at that time.

EAST KENTUCKY POWER COOPERATIVE, INC.

PSC CASE NO. 2006-00236

DEPRECIATION STUDY

RESPONSE TO INITIAL DATA REQUEST

COMMISSION STAFF'S INITIAL DATA REQUEST DATED 7/27/06

REQUEST 9

RESPONSIBLE PARTY: Donald J. Clayton

REQUEST 9. Refer to the Wood Testimony, Wood Exhibit 1, pages III-5 and III-6. Describe the Survivor Curve identified as "Square" in column 3.

RESPONSE 9. A square survivor curve is a survivor curve that has no retirement dispersion. Stated another way all retirements will occur at the estimated average service life of the account or depreciable group. The square curve is estimated when amortization accounting is used and when little or no retirement dispersion is expected for the account or group.

EAST KENTUCKY POWER COOPERATIVE, INC.

PSC CASE NO. 2006-00236

DEPRECIATION STUDY

RESPONSE TO INITIAL DATA REQUEST

COMMISSION STAFF'S INITIAL DATA REQUEST DATED 7/27/06

REQUEST 10

RESPONSIBLE PARTY: Donald J. Clayton

REQUEST 10. Refer to the Wood Testimony, Wood Exhibit 1, page III-6. Explain why amounts for columns 9 and 10 were not shown for the line titled "Total Miscellaneous Power Plant Equipment."

RESPONSE 10. The composite annual accrual rate and composite remaining life should have been shown in columns 9 and 10 on page 6 of Wood Exhibit 1 and are 1.60 and 38.9, respectively. A revised summary table which shows the amounts in columns 9 and 10 for Total Miscellaneous Power Plant Equipment is attached.

EAST KENTUCKY POWER COOPERATIVE, INC.
SUMMARY OF ESTIMATED SURVIVOR CURVES, NET SALVAGE, ORIGINAL COST, BOOK RESERVE AND CALCULATED
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ACCOUNT (1)	PROBABLE RETIRE DATE (2)	SURVIVOR CURVE (3)	NET SALVAGE PERCENT (4)	ORIGINAL COST (5)	BOOK RESERVE (6)	FUTURE ACCRUALS (7)	CALCULATED ANNUAL ACCRUAL AMOUNT (8)	RATE (9)=(8)/(5)	COMPOSITE REMAINING LIFE (10)=(7)/(8)
PRODUCTION PLANT									
311.00	STRUCTURES AND IMPROVEMENTS								
Central Lab	2030	80-S1	* 0	619,445.56	475,516	143,929	5,937	0.96	24.2
Dale	2019	80-S1	* 0	5,410,643.00	5,410,643	0	0	7.69 **	13.0
Cooper	2030	80-S1	* 0	8,162,595.23	8,047,524	115,069	4,656	0.06	24.7
Spurlock Common	2045	80-S1	* 0	2,797,266.67	1,049,936	1,747,332	46,351	1.66	37.7
Spurlock 1	2040	80-S1	* 0	24,430,683.94	19,404,858	5,025,826	158,580	0.65	31.7
Spurlock 2	2042	80-S1	* 0	45,364,295.28	31,610,601	13,753,693	412,526	0.91	33.3
Spurlock 3	2045	80-S1	* 0	20,048,759.31	522,103	19,526,656	504,434	2.52	38.7
TOTAL STRUCTURES AND IMPROVEMENTS				106,833,688.99	66,521,181	40,312,505	1,132,484	1.06	35.6
312.00	BOILER PLANT EQUIPMENT								
Dale	2019	55-S0.5	* 0	41,463,658.68	41,463,659	0	0	7.81 **	12.8
Cooper	2030	55-S0.5	* 0	60,908,915.68	55,571,714	5,337,203	224,928	0.37	23.7
Spurlock Common	2045	55-S0.5	* 0	9,120,890.52	2,343,349	6,777,543	194,966	2.14	34.8
Spurlock 1	2040	55-S0.5	* 0	175,237,443.46	53,391,063	121,846,380	3,872,191	2.21	31.5
Spurlock 2	2042	55-S0.5	* 0	311,398,141.93	178,348,848	133,049,294	4,344,378	1.40	30.6
Spurlock 3	2045	55-S0.5	* 0	328,728,183.81	8,560,630	320,167,554	8,908,390	2.71	35.9
TOTAL BOILER PLANT EQUIPMENT				926,857,234.08	339,679,263	587,177,974	17,544,853	1.89	33.5
314.00	TURBOGENERATOR UNITS								
Dale	2019	50-S1	* 0	37,485,923.46	37,485,923	0	0	7.75 **	12.9
Cooper	2030	50-S1	* 0	16,860,888.12	14,012,176	2,848,710	119,076	0.71	23.9
Spurlock 1	2040	50-S1	* 0	33,056,653.92	21,915,062	11,141,592	394,232	1.19	28.3
Spurlock 2	2042	50-S1	* 0	52,399,963.21	32,236,450	20,163,514	706,738	1.35	26.5
Spurlock 3	2045	50-S1	* 0	40,669,592.15	1,059,104	39,610,488	1,100,291	2.71	36.0
TOTAL TURBOGENERATOR UNITS				180,473,020.86	106,708,715	73,764,304	2,320,337	1.29	31.8
315.00	ACCESSORY ELECTRIC EQUIPMENT								
Dale	2019	60-S2	* 0	2,032,835.61	2,032,836	0	0	7.69 **	13.0
Cooper	2030	60-S2	* 0	3,305,081.09	2,535,709	769,374	30,994	0.94	24.8
Spurlock 1	2040	60-S2	* 0	10,737,641.84	6,110,474	4,627,168	143,191	1.33	32.3
Spurlock 2	2042	60-S2	* 0	27,864,727.97	18,956,455	8,908,273	287,966	1.03	30.9
Spurlock 3	2045	60-S2	* 0	8,025,732.74	209,003	7,816,730	202,296	2.52	38.6
TOTAL ACCESSORY ELECTRIC EQUIPMENT				51,966,019.25	29,844,477	22,121,545	664,447	1.28	33.3
316.00	MISCELLANEOUS POWER PLANT EQUIPMENT								
Central Lab	2030	35-R2	* 0	1,006,870.37	595,757	411,113	19,161	1.90	21.5
Dale	2019	35-R2	* 0	717,177.43	681,805	35,373	2,607	7.94 **	12.6
Cooper	2030	35-R2	* 0	1,404,053.56	1,339,522	64,530	2,812	0.20	22.9
Spurlock Common	2045	35-R2	* 0	3,295,005.63	2,147,067	1,147,940	38,693	1.17	29.7
TOTAL MISCELLANEOUS POWER PLANT EQUIPMENT				6,423,106.99	4,764,151	1,658,956	63,273	0.99	26.2

EAST KENTUCKY POWER COOPERATIVE, INC.
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ACCOUNT (1)	PROBABLE RETIRE DATE (2)	SURVIVOR CURVE (3)	NET SALVAGE PERCENT (4)	ORIGINAL COST (5)	BOOK RESERVE (6)	FUTURE ACCRUALS (7)	CALCULATED ANNUAL ACCRUAL AMOUNT (8)	RATE (9)=(8)/(5)	COMPOSITE REMAINING LIFE (10)=(7)/(8)
341.00	STRUCTURES AND IMPROVEMENTS								
CT Common	2045	SQUARE	* 0	14,672,511.86	3,757,040	10,915,472	272,888	1.86	40.0
CT Unit 1	2035	SQUARE	* 0	2,666,719.81	598,885	2,067,835	68,928	2.58	30.0
CT Unit 2	2035	SQUARE	* 0	2,666,719.81	603,442	2,063,278	68,776	2.58	30.0
CT Unit 3	2035	SQUARE	* 0	2,666,719.81	594,342	2,072,378	69,080	2.59	30.0
CT Unit 4	2041	SQUARE	* 0	1,928,481.48	288,214	1,640,267	45,563	2.36	36.0
CT Unit 5	2041	SQUARE	* 0	1,589,859.50	232,161	1,357,699	37,714	2.37	36.0
CT Unit 6	2045	SQUARE	* 0	294,248.85	11,770	282,479	7,062	2.40	40.0
CT Unit 7	2045	SQUARE	* 0	294,248.85	11,770	282,479	7,062	2.40	40.0
Green Valley LF	2038	SQUARE	* 0	1,119,860.80	174,201	945,660	28,656	2.56	33.0
Laurel Ridge LF	2038	SQUARE	* 0	1,200,486.53	186,742	1,013,745	30,720	2.56	33.0
Bavarian LF	2038	SQUARE	* 0	1,135,966.24	176,706	959,260	29,068	2.56	33.0
TOTAL STRUCTURES AND IMPROVEMENTS				30,235,823.54	6,635,273	23,600,552	665,517	2.20	35.5
342.00	FUEL HOLDERS, PRODUCERS AND ACCESSORIES								
CT Common	2045	SQUARE	* 0	13,766,120.51	1,861,316	11,904,805	297,621	2.16	40.0
CT Unit 6	2045	SQUARE	* 0	70,051.65	2,802	67,250	1,681	2.40	40.0
CT Unit 7	2045	SQUARE	* 0	70,051.65	2,802	67,250	1,681	2.40	40.0
Laurel Ridge LF	2038	SQUARE	* 0	106,294.19	16,627	89,667	2,717	2.56	33.0
Bavarian LF	2038	SQUARE	* 0	357,670.24	55,638	302,032	9,152	2.56	33.0
TOTAL FUEL HOLDERS, PRODUCERS AND ACCESSORIES				14,370,188.24	1,939,185	12,431,004	312,852	2.18	39.7
343.00	PRIME MOVERS								
CT Common	2045	SQUARE	* 0	16,545,588.01	3,490,975	13,054,613	326,365	1.97	40.0
CT Unit 1	2035	SQUARE	* 0	17,936,474.77	5,051,685	12,884,790	429,493	2.39	30.0
CT Unit 2	2035	SQUARE	* 0	16,982,148.05	4,856,792	12,125,356	404,179	2.38	30.0
CT Unit 3	2035	SQUARE	* 0	17,912,658.41	4,966,676	12,945,982	431,533	2.41	30.0
CT Unit 4	2041	SQUARE	* 0	25,583,847.44	4,096,457	21,487,390	596,872	2.33	36.0
CT Unit 5	2041	SQUARE	* 0	21,221,722.26	3,536,960	17,684,762	491,243	2.31	36.0
CT Unit 6	2045	SQUARE	* 0	16,645,496.35	665,820	15,979,676	399,492	2.40	40.0
CT Unit 7	2045	SQUARE	* 0	16,430,713.84	657,229	15,773,485	394,337	2.40	40.0
Green Valley LF	2038	SQUARE	* 0	293,827.07	45,962	247,865	7,511	2.56	33.0
Laurel Ridge LF	2038	SQUARE	* 0	300,785.97	46,789	253,997	7,697	2.56	33.0
Bavarian LF	2038	SQUARE	* 0	298,911.42	46,497	252,414	7,649	2.56	33.0
TOTAL PRIME MOVERS				150,152,173.59	27,461,842	122,690,330	3,496,371	2.33	35.1
344.00	GENERATORS								
CT Common	2045	SQUARE	* 0	2,037,847.16	441,820	1,596,027	39,901	1.96	40.0
CT Unit 1	2035	SQUARE	* 0	4,848,327.86	1,365,712	3,482,616	116,087	2.39	30.0
CT Unit 2	2035	SQUARE	* 0	4,848,327.87	1,386,950	3,461,378	115,379	2.38	30.0
CT Unit 3	2035	SQUARE	* 0	4,848,327.87	1,344,361	3,503,967	116,799	2.41	30.0
CT Unit 4	2041	SQUARE	* 0	7,338,334.95	1,219,475	6,118,860	169,968	2.32	36.0
CT Unit 5	2041	SQUARE	* 0	7,327,273.73	1,218,184	6,109,090	169,697	2.32	36.0
CT Unit 6	2045	SQUARE	* 0	5,131,719.09	205,269	4,926,450	123,161	2.40	40.0
CT Unit 7	2045	SQUARE	* 0	5,138,931.73	205,557	4,933,375	123,334	2.40	40.0
Green Valley LF	2038	SQUARE	* 0	1,098,205.33	171,786	926,419	28,073	2.56	33.0
Laurel Ridge LF	2038	SQUARE	* 0	1,477,051.25	229,764	1,247,287	37,797	2.56	33.0
Bavarian LF	2038	SQUARE	* 0	1,453,451.26	226,092	1,227,359	37,193	2.56	33.0
TOTAL GENERATORS				45,547,798.10	8,014,970	37,532,828	1,077,389	2.37	34.8

EAST KENTUCKY POWER COOPERATIVE, INC.
SUMMARY OF ESTIMATED SURVIVOR CURVES, NET SALVAGE, ORIGINAL COST, BOOK RESERVE AND CALCULATED
ANNUAL DEPRECIATION RATES AS OF DECEMBER 31, 2005

ACCOUNT (1)	PROBABLE RETIRE DATE (2)	SURVIVOR CURVE (3)	NET SALVAGE PERCENT (4)	ORIGINAL COST (5)	BOOK RESERVE (6)	FUTURE ACCRUALS (7)	CALCULATED ANNUAL ACCRUAL AMOUNT (8)	ANNUAL ACCRUAL RATE (9)=(8)/(5)	COMPOSITE REMAINING LIFE (10)=(7)/(8)	
345.00	ACCESSORY ELECTRIC EQUIPMENT									
CT Common	2045	SQUARE	* 0	9,247,178.54	1,652,833	7,594,345	189,858	2.05	40.0	
CT Unit 1	2035	SQUARE	* 0	1,039,394.43	292,829	746,565	24,886	2.39	30.0	
CT Unit 2	2035	SQUARE	* 0	1,039,395.53	297,322	742,074	24,736	2.38	30.0	
CT Unit 3	2035	SQUARE	* 0	1,039,395.53	288,349	751,047	25,035	2.41	30.0	
CT Unit 4	2041	SQUARE	* 0	993,996.86	165,666	828,331	23,009	2.31	36.0	
CT Unit 5	2041	SQUARE	* 0	993,996.86	165,666	828,331	23,009	2.31	36.0	
CT Unit 6	2045	SQUARE	* 0	1,251,472.92	50,059	1,201,414	30,035	2.40	40.0	
CT Unit 7	2045	SQUARE	* 0	1,220,275.59	48,811	1,171,465	29,287	2.40	40.0	
Green Valley LF	2038	SQUARE	* 0	344,891.29	53,650	291,241	8,825	2.56	33.0	
Laurel Ridge LF	2038	SQUARE	* 0	386,164.65	60,070	326,095	9,882	2.56	33.0	
Bavarian LF	2038	SQUARE	* 0	357,452.26	55,604	301,848	9,147	2.56	33.0	
TOTAL ACCESSORY ELECTRIC EQUIPMENT				17,913,614.46	3,130,859	14,782,756	397,709	2.22	37.2	
346.00	MISCELLANEOUS POWER PLANT EQUIPMENT									
CT Common	2045	SQUARE	* 0	1,336,390.17	534,835	801,555	20,040	1.50	40.0	
Green Valley LF	2038	SQUARE	* 0	65,409.45	10,175	55,234	1,674	2.56	33.0	
Laurel Ridge LF	2038	SQUARE	* 0	17,076.56	2,656	14,421	437	2.56	33.0	
Bavarian LF	2038	SQUARE	* 0	64,922.98	10,099	54,824	1,661	2.56	33.0	
TOTAL MISCELLANEOUS POWER PLANT EQUIPMENT				1,483,799.16	557,765	926,034	23,812	1.60	38.9	
TOTAL PRODUCTION PLANT				1,532,256,467.26	595,257,681	936,998,788	27,699,044	1.81	33.8	
TRANSMISSION PLANT										
353.00	STATION EQUIPMENT		40-R3	0	118,156,914.09	53,921,208	64,235,704	2,113,699	1.79	30.4
354.00	TOWERS AND FIXTURES		65-R3	(5)	3,905,020.05	2,943,693	1,156,577	27,871	0.71	41.5
355.00	POLES AND FIXTURES		50-R2.5	(5)	80,594,736.43	32,250,716	52,373,758	1,257,462	1.56	41.7
356.00	OVERHEAD CONDUCTORS AND DEVICES		50-S2	(5)	69,700,342.33	33,793,136	39,392,226	1,038,551	1.49	37.9
359.00	ROADS AND TRAILS		60-R4	0	23,287.65	23,288	0	0	-	-
TOTAL TRANSMISSION PLANT				272,380,300.55	122,932,041	157,158,265	4,437,583	1.63	35.4	
DISTRIBUTION PLANT										
362.00	STATION EQUIPMENT		30-R3	0	111,071,891.70	29,350,619	81,721,271	3,800,268	3.42	21.5
368.00	LINE TRANSFORMERS		40-R2.5	0	1,313,761.67	663,831	649,932	23,694	1.80	27.4
TOTAL DISTRIBUTION PLANT				112,385,653.37	30,014,450	82,371,203	3,823,962	3.40	21.5	
GENERAL PLANT										
390.00	STRUCTURES AND IMPROVEMENTS									
Large	VARIOUS	SQUARE	* 0	12,207,417.51	6,973,560	5,233,856	222,119	1.82	23.6	
Small		40-SQ	0	2,293,454.85	1,385,820	907,638	30,861	1.35	29.4	
TOTAL STRUCTURES AND IMPROVEMENTS				14,500,872.36	8,359,380	6,141,494	252,980	1.74	24.3	

EAST KENTUCKY POWER COOPERATIVE, INC.
SUMMARY OF ESTIMATED SURVIVOR CURVES, NET SALVAGE, ORIGINAL COST, BOOK RESERVE AND CALCULATED
ANNUAL DEPRECIATION RATES AS OF DECEMBER 31, 2005

ACCOUNT (1)	PROBABLE RETIRE DATE (2)	SURVIVOR CURVE (3)	NET SALVAGE PERCENT (4)	ORIGINAL COST (5)	BOOK RESERVE (6)	FUTURE ACCRUALS (7)	CALCULATED ANNUAL ACCRUAL AMOUNT (8)	RATE (9)=(8)/(5)	COMPOSITE REMAINING LIFE (10)=(7)/(8)
391.00		15-SQ	0	7,717,381.91	7,340,327	377,055	28,444	0.37	13.3
392.00		9-R0.5	15	6,975,293.75	4,714,230	1,214,770	141,766	2.03	8.6
393.00		20-SQ	0	176,860.27	138,017	38,844	2,448	1.38	15.9
394.00		20-SQ	0	1,573,063.10	1,007,369	565,695	31,431	2.00	18.0
395.00		20-SQ	0	1,892,230.28	1,331,974	560,260	31,324	1.66	17.9
396.00		16-R0.5	15	6,719,559.55	5,354,249	357,376	23,042	0.34	15.5
397.00		10-SQ	0	28,496,303.30	10,548,596	17,947,709	2,020,525	7.09	8.9
398.00		15-SQ	0	883,511.75	562,730	320,781	27,562	3.12	11.6
TOTAL GENERAL PLANT				68,935,076.27	39,356,872	27,523,984	2,559,522	3.71	10.8
TOTAL DEPRECIABLE PLANT				1,985,957,497.45	787,561,044	1,204,052,240	38,520,111		
NONDEPRECIABLE PLANT AND PLANT NOT STUDIED									
301.00				5,040.43					
303.00				1,815,946.24	380,632	1,435,314	45,118		
310.00				5,656,221.20					
340.00				4,759,582.83					
350.00				34,844,110.06					
360.00				5,737,223.49					
360.10				870,935.53					
TOTAL NONDEPRECIABLE PLANT AND PLANT NOT STUDIED				53,689,059.78	380,632	1,435,314	45,118		
TOTAL COMMON AND GAS PLANT				2,039,646,557.23	787,941,676	1,205,487,554	38,565,229		

* Curve shown is interim survivor curve. Each facility in the account is assigned an individual probable retirement year.

** Accrual rate applicable to additions subsequent to 12-31-2005.

EAST KENTUCKY POWER COOPERATIVE, INC.

PSC CASE NO. 2006-00236

DEPRECIATION STUDY

RESPONSE TO INITIAL DATA REQUEST

COMMISSION STAFF'S INITIAL DATA REQUEST DATED 7/27/06

REQUEST 11

RESPONSIBLE PARTY: Donald J. Clayton

REQUEST 11. Refer to the Wood Testimony, Wood Exhibit 1, pages III-32 through III-49.

REQUEST 11a. Explain in detail why the analysis titled "Calculated Remaining Life Depreciation Accrual Related to Original Cost as of December 31, 2005" shown on these pages incorporated a net salvage percentage of negative 5.0 percent while the corresponding plant accounts shown on page III-4 show a net salvage percentage of zero.

RESPONSE 11a. The detailed calculations pages are in error and should reflect zero percent net salvage.

REQUEST 11b. Resubmit the analysis contained on pages III-32 through III-49 reflecting a net salvage percentage of zero.

RESPONSE 11b. The revised pages are attached.

EAST KENTUCKY POWER COOPERATIVE, INC.

ACCOUNT 311 STRUCTURES AND IMPROVEMENTS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2005

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
Central Lab						
INTERIM SURVIVOR CURVE.. IOWA 80-S1						
PROBABLE RETIREMENT YEAR.. 6-2030						
NET SALVAGE PERCENT.. 0						
1978	198,141.46	104,321	198,141			
1980	4,012.00	2,035	4,012			
1984	1,076.54	499	1,023	54	23.58	2
1987	80,111.38	34,055	69,791	10,320	23.79	434
1988	10,063.49	4,136	8,476	1,587	23.86	67
1993	5,331.79	1,755	3,597	1,735	24.18	72
1995	314,884.87	91,380	187,271	127,614	24.29	5,254
1996	5,824.03	1,564	3,205	2,619	24.35	108
	619,445.56	239,745	475,516	143,929		5,937

Dale

INTERIM SURVIVOR CURVE.. IOWA 80-S1
PROBABLE RETIREMENT YEAR.. 6-2019
NET SALVAGE PERCENT.. 0

1954	2,376,612.32	1,853,995	2,376,612			
1955	298.42	232	298			
1956	736.88	570	737			
1957	3,404.92	2,623	3,405			
1958	810,646.31	621,847	810,646			
1961	701,846.46	530,526	701,846			
1962	3,440.17	2,587	3,440			
1963	2,484.53	1,858	2,485			
1966	14,552.10	10,687	14,552			
1970	2,019.43	1,442	2,019			
1974	5,763.31	3,971	5,763			
1975	55,205.32	37,667	55,205			
1976	97,433.10	65,767	97,433			
1977	2,552.79	1,704	2,553			
1979	93,887.88	61,121	93,888			
1980	62,424.81	40,095	62,425			
1981	17,511.76	11,085	17,512			
1982	4,715.77	2,937	4,716			
1984	8,743.33	5,261	8,743			
1985	2,170.00	1,280	2,170			

EAST KENTUCKY POWER COOPERATIVE, INC.

ACCOUNT 311 STRUCTURES AND IMPROVEMENTS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2005

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
Dale						
INTERIM SURVIVOR CURVE.. IOWA 80-S1						
PROBABLE RETIREMENT YEAR.. 6-2019						
NET SALVAGE PERCENT.. 0						
1987	128,771.16	72,640	128,771			
1988	15,106.68	8,309	15,107			
1992	14,258.38	6,891	14,258			
1993	126,492.54	58,604	126,493			
1994	216,478.05	95,618	216,478			
1995	106,781.67	44,645	106,782			
2000	196,879.32	51,956	196,879			
2001	15,311.10	3,416	15,311			
2002	24,674.20	4,355	24,674			
2004	299,440.29	20,003	299,442			
	5,410,643.00	3,623,692	5,410,643			

Cooper

INTERIM SURVIVOR CURVE.. IOWA 80-S1
PROBABLE RETIREMENT YEAR.. 6-2030
NET SALVAGE PERCENT.. 0

1966	3,357,009.21	2,066,575	3,357,009			
1967	2,147.35	1,309	2,147			
1970	2,885,840.39	1,703,223	2,885,840			
1973	315.00	179	315			
1975	2,613.26	1,444	2,613			
1976	57,782.42	31,445	57,782			
1979	85,525.55	44,234	85,526			
1980	13,175.25	6,682	13,175			
1981	4,896.33	2,434	4,896			
1982	8,132.18	3,954	8,132			
1983	18,925.52	8,992	18,926			
1984	42,304.53	19,608	42,305			
1985	148,502.82	67,019	148,503			
1986	204,908.37	89,832	204,908			
1987	179,371.99	76,251	179,372			
1988	44,928.39	18,466	44,928			
1990	32,719.26	12,456	32,719			
1992	158,592.93	55,111	158,593			

EAST KENTUCKY POWER COOPERATIVE, INC.

ACCOUNT 311 STRUCTURES AND IMPROVEMENTS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2005

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
Cooper						
INTERIM SURVIVOR CURVE.. IOWA 80-S1						
PROBABLE RETIREMENT YEAR.. 6-2030						
NET SALVAGE PERCENT.. 0						
1993	153,013.23	50,357	153,013			
1996	234,596.49	62,989	234,596			
1999	244,644.00	47,975	244,644			
2000	98,385.28	16,617	94,586	3,799	24.56	155
2001	56,220.76	7,843	44,643	11,578	24.61	470
2004	128,044.72	4,981	28,353	99,692	24.73	4,031
	8,162,595.23	4,399,976	8,047,524	115,069		4,656

Spurlock Common
INTERIM SURVIVOR CURVE.. IOWA 80-S1
PROBABLE RETIREMENT YEAR.. 6-2045
NET SALVAGE PERCENT.. 0

1986	719.59	243	502	218	35.89	6
1987	53,939.04	17,563	36,300	17,639	36.06	489
1989	134,049.81	40,175	83,036	51,014	36.40	1,401
1990	162,289.28	46,399	95,901	66,388	36.57	1,815
1992	43,827.82	11,259	23,271	20,557	36.90	557
1993	993,093.83	240,031	496,112	496,982	37.06	13,410
1997	181,931.72	31,620	65,354	116,578	37.69	3,093
1999	22,220.10	3,017	6,236	15,984	37.98	421
2000	829,157.78	95,768	197,939	631,219	38.12	16,559
2002	234,590.17	17,008	35,153	199,437	38.38	5,196
2003	55,265.61	2,730	5,643	49,623	38.51	1,289
2004	86,181.92	2,172	4,489	81,693	38.63	2,115
	2,797,266.67	507,985	1,049,936	1,747,332		46,351

Spurlock 1
INTERIM SURVIVOR CURVE.. IOWA 80-S1
PROBABLE RETIREMENT YEAR.. 6-2040
NET SALVAGE PERCENT.. 0

1979	7,965.99	3,516	6,722	1,244	31.08	40
1980	22,436,580.86	9,681,385	18,510,207	3,926,374	31.23	125,724

EAST KENTUCKY POWER COOPERATIVE, INC.

ACCOUNT 311 STRUCTURES AND IMPROVEMENTS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2005

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
Spurlock 1						
INTERIM SURVIVOR CURVE.. IOWA 80-S1						
PROBABLE RETIREMENT YEAR.. 6-2040						
NET SALVAGE PERCENT.. 0						
1981	72,197.84	30,417	58,155	14,043	31.37	448
1982	447,989.49	183,989	351,776	96,213	31.51	3,053
1984	156,008.87	60,594	115,852	40,157	31.79	1,263
1985	260,476.09	98,121	187,601	72,875	31.92	2,283
1986	22,391.68	8,160	15,601	6,791	32.06	212
1993	126,557.09	33,424	63,905	62,652	32.96	1,901
2003	900,516.03	49,708	95,039	805,477	34.05	23,656
	24,430,683.94	10,149,314	19,404,858	5,025,826		158,580

Spurlock 2
INTERIM SURVIVOR CURVE.. IOWA 80-S1
PROBABLE RETIREMENT YEAR.. 6-2042
NET SALVAGE PERCENT.. 0

1982	31,716,026.96	12,657,866	23,032,227	8,683,800	33.01	263,066
1983	10,777,324.07	4,184,835	7,614,717	3,162,607	33.16	95,374
1984	48,405.14	18,249	33,206	15,199	33.31	456
1985	51,640.43	18,864	34,325	17,315	33.47	517
1987	1,029,387.85	350,610	637,969	391,419	33.77	11,591
1989	25,002.35	7,853	14,289	10,713	34.06	315
1993	6,576.33	1,674	3,046	3,530	34.63	102
2002	1,709,932.15	132,349	240,822	1,469,110	35.74	41,105
	45,364,295.28	17,372,300	31,610,601	13,753,693		412,526

Spurlock 3
INTERIM SURVIVOR CURVE.. IOWA 80-S1
PROBABLE RETIREMENT YEAR.. 6-2045
NET SALVAGE PERCENT.. 0

2005	20,048,759.31	128,312	522,103	19,526,656	38.71	504,434
	106,833,688.99	36,421,324	66,521,181	40,312,505		1,132,484

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PCT.. 35.6 1.06

EAST KENTUCKY POWER COOPERATIVE, INC.

ACCOUNT 312 BOILER PLANT EQUIPMENT

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2005

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
Dale						
INTERIM SURVIVOR CURVE.. IOWA 55-S0.5						
PROBABLE RETIREMENT YEAR.. 6-2019						
NET SALVAGE PERCENT.. 0						
1954	2,448,391.50	1,880,854	2,448,392			
1955	2,983.73	2,283	2,984			
1956	1,158.88	883	1,159			
1957	2,384.07	1,809	2,384			
1958	3,184,374.24	2,405,795	3,184,374			
1959	4,946.91	3,721	4,947			
1960	645.19	483	645			
1961	3,496,615.73	2,604,279	3,496,616			
1962	1,055.78	783	1,056			
1963	3,561.12	2,625	3,561			
1966	9,414.07	6,820	9,414			
1968	3,924.91	2,807	3,925			
1971	22,752.28	15,915	22,752			
1972	70,242.70	48,727	70,243			
1975	2,403,188.16	1,621,671	2,403,188			
1976	119,537.69	79,863	119,538			
1977	254,293.02	168,011	254,293			
1978	664,076.87	433,775	664,077			
1979	361,700.07	233,333	361,700			
1980	3,430,977.33	2,184,503	3,430,977			
1981	1,394,458.21	875,162	1,394,458			
1983	9,128.15	5,550	9,128			
1984	50,806.56	30,352	50,807			
1985	138,793.28	81,361	138,793			
1987	448,839.62	251,979	448,840			
1988	52,441.20	28,706	52,441			
1989	60,727.09	32,349	60,727			
1990	301,670.34	155,994	301,670			
1991	80,114.31	40,073	80,114			
1993	416,427.21	192,473	416,427			
1994	491,018.94	216,539	491,019			
1995	5,069,076.14	2,119,888	5,069,076			
1996	4,674,565.75	1,837,572	4,674,566			
1997	6,154,543.53	2,248,255	6,154,544			
1998	3,849,378.55	1,289,542	3,849,379			
1999	885,863.80	267,088	885,864			

EAST KENTUCKY POWER COOPERATIVE, INC.

ACCOUNT 312 BOILER PLANT EQUIPMENT

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2005

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
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Dale

INTERIM SURVIVOR CURVE.. IOWA 55-S0.5
 PROBABLE RETIREMENT YEAR.. 6-2019
 NET SALVAGE PERCENT.. 0

2000	286,646.73	76,019	286,647			
2001	13,541.50	3,029	13,542			
2003	408,118.02	51,627	408,118			
2004	191,275.50	12,815	191,274			
	41,463,658.68	21,515,313	41,463,659			

Cooper

INTERIM SURVIVOR CURVE.. IOWA 55-S0.5
 PROBABLE RETIREMENT YEAR.. 6-2030
 NET SALVAGE PERCENT.. 0

1966	6,757,813.07	4,143,215	6,757,813			
1967	35,392.35	21,483	35,392			
1968	1,317.04	791	1,317			
1969	33,840.06	20,115	33,840			
1970	11,095,242.20	6,520,674	11,095,242			
1972	15,563.20	8,930	15,563			
1973	2,664,195.57	1,509,267	2,664,196			
1974	94,861.59	53,018	94,862			
1975	32,916.52	18,137	32,917			
1976	156,100.40	84,716	156,100			
1979	566,517.71	292,493	566,518			
1980	7,589.87	3,847	7,590			
1981	49,562.11	24,618	49,562			
1982	194,559.58	94,595	194,560			
1983	111,511.91	53,002	111,512			
1984	48,748.87	22,615	48,749			
1985	45,027.67	20,366	45,028			
1986	632,293.02	277,956	632,293			
1987	819,193.23	349,386	819,193			
1989	1,446,027.30	575,953	1,446,027			
1990	769,853.36	295,008	769,853			
1991	211,474.63	77,611	211,475			
1992	11,723.60	4,104	11,724			
1993	17,247.35	5,730	17,247			

EAST KENTUCKY POWER COOPERATIVE, INC.

ACCOUNT 312 BOILER PLANT EQUIPMENT

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2005

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
Cooper						
INTERIM SURVIVOR CURVE.. IOWA 55-S0.5						
PROBABLE RETIREMENT YEAR.. 6-2030						
NET SALVAGE PERCENT.. 0						
1994	24,492,000.10	7,675,793	24,492,000			
1996	686,604.84	186,757	686,605			
1999	376,863.55	75,109	335,022	41,842	23.30	1,796
2000	1,651,524.38	283,897	1,266,316	385,208	23.41	16,455
2001	1,693,080.79	241,264	1,076,153	616,928	23.53	26,219
2002	546,144.29	60,567	270,158	275,986	23.64	11,675
2003	3,807,014.54	291,617	1,300,750	2,506,265	23.76	105,483
2004	1,837,110.98	73,117	326,137	1,510,974	23.87	63,300
	60,908,915.68	23,365,751	55,571,714	5,337,203		224,928

Spurlock Common
INTERIM SURVIVOR CURVE.. IOWA 55-S0.5
PROBABLE RETIREMENT YEAR.. 6-2045
NET SALVAGE PERCENT.. 0

1982	73,635.57	29,108	63,664	9,972	29.42	339
1987	6,893.04	2,320	5,074	1,819	30.88	59
1989	43,168.31	13,391	29,288	13,880	31.46	441
1990	25,902.38	7,675	16,787	9,115	31.75	287
1994	628,562.02	147,775	323,209	305,353	32.89	9,284
1995	211,951.67	46,248	101,152	110,800	33.18	3,339
1997	1,394,137.15	253,733	554,958	839,179	33.75	24,865
1999	572,392.58	81,795	178,900	393,493	34.31	11,469
2000	2,089,569.63	254,510	556,657	1,532,913	34.60	44,304
2001	1,956,962.72	194,913	426,309	1,530,654	34.88	43,883
2002	66,671.88	5,114	11,185	55,487	35.16	1,578
2004	1,043,487.83	28,174	61,621	981,867	35.72	27,488
2005	1,007,555.74	6,650	14,545	993,011	35.94	27,630
	9,120,890.52	1,071,406	2,343,349	6,777,543		194,966

EAST KENTUCKY POWER COOPERATIVE, INC.

ACCOUNT 312 BOILER PLANT EQUIPMENT

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2005

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
Spurlock 1						
INTERIM SURVIVOR CURVE.. IOWA 55-S0.5						
PROBABLE RETIREMENT YEAR.. 6-2040						
NET SALVAGE PERCENT.. 0						
1960	20,387.21	12,137	20,387			
1979	56,988.07	25,588	48,999	7,989	26.37	303
1980	45,087,541.53	19,797,939	37,911,111	7,176,431	26.61	269,689
1981	294,613.06	126,301	241,854	52,759	26.85	1,965
1982	16,908.30	7,073	13,544	3,364	27.08	124
1983	247,300.42	100,701	192,833	54,467	27.32	1,994
1984	8,193.20	3,245	6,214	1,979	27.55	72
1985	33,499.92	12,867	24,639	8,861	27.79	319
1986	23,472.40	8,729	16,715	6,757	28.02	241
1987	97,938.52	35,189	67,383	30,556	28.25	1,082
1988	148,635.22	51,428	98,480	50,155	28.48	1,761
1989	113,340.96	37,663	72,121	41,220	28.71	1,436
1990	6,634.87	2,111	4,042	2,593	28.94	90
1991	223,462.36	67,754	129,742	93,720	29.17	3,213
1992	197,206.56	56,677	108,531	88,676	29.40	3,016
1993	58,304.70	15,818	30,290	28,015	29.62	946
2000	264,715.70	35,445	67,874	196,842	31.19	6,311
2001	830,097.20	91,228	174,693	655,404	31.41	20,866
2003	127,508,203.26	7,395,476	14,161,611	113,346,592	31.85	3,558,763
	175,237,443.46	27,883,369	53,391,063	121,846,380		3,872,191

Spurlock 2

INTERIM SURVIVOR CURVE.. IOWA 55-S0.5

PROBABLE RETIREMENT YEAR.. 6-2042

NET SALVAGE PERCENT.. 0

1982	147,565,007.77	60,250,793	109,027,918	38,537,090	28.07	1,372,892
1983	74,844,081.95	29,743,038	53,822,055	21,022,027	28.32	742,303
1984	395,620.98	152,710	276,339	119,282	28.58	4,174
1985	153,119.82	57,313	103,712	49,408	28.84	1,713
1987	435,607.02	152,245	275,498	160,109	29.35	5,455
1988	220,702.18	74,266	134,389	86,313	29.60	2,916
1989	115,852.28	37,386	67,653	48,199	29.86	1,614
1991	542,995.97	159,641	288,881	254,115	30.36	8,370
1994	5,243,007.88	1,289,780	2,333,945	2,909,063	31.11	93,509

EAST KENTUCKY POWER COOPERATIVE, INC.

ACCOUNT 312 BOILER PLANT EQUIPMENT

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2005

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
Spurlock 2						
INTERIM SURVIVOR CURVE.. IOWA 55-S0.5						
PROBABLE RETIREMENT YEAR.. 6-2042						
NET SALVAGE PERCENT.. 0						
1996	1,711,608.88	359,951	651,356	1,060,253	31.61	33,542
2000	2,329,466.89	299,569	542,090	1,787,377	32.59	54,844
2002	72,843,598.69	5,929,469	10,729,778	62,113,821	33.08	1,877,685
2003	325,300.31	18,054	32,670	292,630	33.33	8,780
2005	4,672,171.31	34,574	62,564	4,609,607	33.75	136,581
	311,398,141.93	98,558,789	178,348,848	133,049,294		4,344,378
Spurlock 3						
INTERIM SURVIVOR CURVE.. IOWA 55-S0.5						
PROBABLE RETIREMENT YEAR.. 6-2045						
NET SALVAGE PERCENT.. 0						
2005	328,728,183.81	2,169,606	8,560,630	320,167,554	35.94	8,908,390
	926,857,234.08	174,564,234	339,679,263	587,177,974		17,544,853
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PCT..					33.5	1.89

EAST KENTUCKY POWER COOPERATIVE, INC.

ACCOUNT 314 TURBOGENERATOR UNITS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2005

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
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Dale

INTERIM SURVIVOR CURVE.. IOWA 50-S1
PROBABLE RETIREMENT YEAR.. 6-2019
NET SALVAGE PERCENT.. 0

1954	546,978.72	426,972	546,979			
1957	1,135.56	875	1,136			
1958	1,596,979.32	1,224,564	1,596,979			
1960	37,601.33	28,551	37,601			
1961	1,166,951.02	881,631	1,166,951			
1962	3,177.06	2,388	3,177			
1966	13,191.91	9,687	13,192			
1972	5,429.08	3,816	5,429			
1976	17,720.20	11,993	17,720			
1977	22,288.42	14,922	22,288			
1979	61,707.39	40,326	61,707			
1980	22,155.97	14,286	22,156			
1981	67,331.55	42,796	67,332			
1982	8,790.95	5,501	8,791			
1983	20,418.61	12,574	20,419			
1984	66,102.51	39,979	66,103			
1987	46,174.30	26,218	46,174			
1991	77,133.07	38,983	77,133			
1996	9,665,128.75	3,825,458	9,665,129			
1997	10,244,024.97	3,768,777	10,244,025			
1998	13,705,692.71	4,621,560	13,705,693			
2003	89,810.06	11,343	89,809			
	37,485,923.46	15,053,200	37,485,923			

Cooper

INTERIM SURVIVOR CURVE.. IOWA 50-S1
PROBABLE RETIREMENT YEAR.. 6-2030
NET SALVAGE PERCENT.. 0

1966	4,860,178.43	3,104,196	4,860,178			
1967	4,542.33	2,870	4,542			
1968	1,058.71	662	1,059			
1970	7,597,435.35	4,641,273	7,597,435			
1972	6,362.15	3,789	6,362			
1976	8,222.94	4,625	8,223			

EAST KENTUCKY POWER COOPERATIVE, INC.

ACCOUNT 314 TURBOGENERATOR UNITS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2005

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
Cooper						
INTERIM SURVIVOR CURVE.. IOWA 50-S1						
PROBABLE RETIREMENT YEAR.. 6-2030						
NET SALVAGE PERCENT.. 0						
1982	146,098.34	73,444	146,098			
1987	92,313.95	40,563	92,314			
1989	7,635.92	3,129	7,636			
1991	357,895.46	134,891	357,895			
2000	581,325.17	101,151	270,924	310,401	23.55	13,181
2003	3,197,819.37	246,232	659,510	2,538,309	23.97	105,895
	16,860,888.12	8,356,825	14,012,176	2,848,710		119,076
Spurlock 1						
INTERIM SURVIVOR CURVE.. IOWA 50-S1						
PROBABLE RETIREMENT YEAR.. 6-2040						
NET SALVAGE PERCENT.. 0						
1979	90,183.19	43,044	76,919	13,264	24.25	547
1980	21,256,433.33	9,914,001	17,716,095	3,540,338	24.59	143,975
1981	50,427.89	22,950	41,011	9,417	24.93	378
1982	8,334.08	3,695	6,603	1,731	25.27	69
1984	4,038.88	1,692	3,024	1,015	25.94	39
1987	160,132.28	60,674	108,423	51,709	26.95	1,919
1989	88,195.62	30,824	55,082	33,114	27.62	1,199
1991	127,297.64	40,468	72,315	54,983	28.28	1,944
1996	6,725,856.46	1,522,734	2,721,091	4,004,765	29.90	133,939
2000	4,545,754.55	623,678	1,114,499	3,431,256	31.13	110,223
	33,056,653.92	12,263,760	21,915,062	11,141,592		394,232
Spurlock 2						
INTERIM SURVIVOR CURVE.. IOWA 50-S1						
PROBABLE RETIREMENT YEAR.. 6-2042						
NET SALVAGE PERCENT.. 0						
1982	38,290,902.82	16,675,688	27,978,361	10,312,542	26.01	396,484
1984	10,917.52	4,485	7,525	3,393	26.75	127
1990	91,451.87	29,795	49,990	41,462	28.95	1,432
1991	156,182.28	48,370	81,155	75,027	29.31	2,560

EAST KENTUCKY POWER COOPERATIVE, INC.

ACCOUNT 314 TURBOGENERATOR UNITS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2005

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
Spurlock 2						
INTERIM SURVIVOR CURVE.. IOWA 50-S1						
PROBABLE RETIREMENT YEAR.. 6-2042						
NET SALVAGE PERCENT.. 0						
1998	13,718,618.15	2,437,798	4,090,121	9,628,497	31.78	302,973
2000	131,890.57	17,462	29,298	102,593	32.45	3,162
	52,399,963.21	19,213,598	32,236,450	20,163,514		706,738
Spurlock 3						
INTERIM SURVIVOR CURVE.. IOWA 50-S1						
PROBABLE RETIREMENT YEAR.. 6-2045						
NET SALVAGE PERCENT.. 0						
2005	40,669,592.15	280,620	1,059,104	39,610,488	36.00	1,100,291
	180,473,020.86	55,168,003	106,708,715	73,764,304		2,320,337
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PCT..					31.8	1.29

EAST KENTUCKY POWER COOPERATIVE, INC.

ACCOUNT 315 ACCESSORY ELECTRIC EQUIPMENT

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2005

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
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Dale

INTERIM SURVIVOR CURVE.. IOWA 60-S2
PROBABLE RETIREMENT YEAR.. 6-2019
NET SALVAGE PERCENT.. 0

1954	587,508.83	467,128	587,509			
1958	396,441.37	309,581	396,441			
1961	416,996.99	320,629	416,997			
1972	1,762.22	1,253	1,762			
1975	28,256.82	19,503	28,257			
1976	131,683.28	89,874	131,683			
1979	15,281.98	10,043	15,282			
1980	132,821.92	86,055	132,822			
1984	6,753.14	4,089	6,753			
1987	10,393.75	5,890	10,394			
1989	179,292.05	96,262	179,292			
1990	3,729.98	1,941	3,730			
1999	121,913.28	36,647	121,914			
	2,032,835.61	1,448,895	2,032,836			

Cooper

INTERIM SURVIVOR CURVE.. IOWA 60-S2
PROBABLE RETIREMENT YEAR.. 6-2030
NET SALVAGE PERCENT.. 0

1966	579,784.52	375,816	579,785			
1970	1,062,689.51	656,636	1,062,690			
1972	1,769.34	1,064	1,769			
1981	27,393.32	14,009	27,393			
1984	645,652.72	306,104	645,653			
1986	52,253.74	23,363	52,254			
1990	14,452.00	5,571	13,972	480	23.77	20
1992	21,132.64	7,405	18,572	2,561	24.01	107
1994	58,251.83	18,169	45,568	12,684	24.22	524
2000	19,529.62	3,291	8,254	11,276	24.67	457
2004	822,171.85	31,818	79,799	742,373	24.84	29,886
	3,305,081.09	1,443,246	2,535,709	769,374		30,994

EAST KENTUCKY POWER COOPERATIVE, INC.

ACCOUNT 315 ACCESSORY ELECTRIC EQUIPMENT

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2005

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
Spurlock 1						
INTERIM SURVIVOR CURVE.. IOWA 60-S2						
PROBABLE RETIREMENT YEAR.. 6-2040						
NET SALVAGE PERCENT.. 0						
1980	6,948,936.13	3,197,206	5,715,230	1,233,706	28.29	43,609
1981	10,833.94	4,853	8,675	2,159	28.65	75
1990	10,196.54	3,271	5,847	4,350	31.53	138
2000	57,564.24	7,443	13,305	44,259	33.68	1,314
2003	3,710,110.99	205,540	367,417	3,342,694	34.09	98,055
	10,737,641.84	3,418,313	6,110,474	4,627,168		143,191
Spurlock 2						
INTERIM SURVIVOR CURVE.. IOWA 60-S2						
PROBABLE RETIREMENT YEAR.. 6-2042						
NET SALVAGE PERCENT.. 0						
1982	19,378,324.53	8,257,104	13,956,798	5,421,527	30.07	180,297
1983	6,851,447.41	2,831,018	4,785,206	2,066,241	30.45	67,857
2002	1,634,956.03	126,873	214,451	1,420,505	35.68	39,812
	27,864,727.97	11,214,995	18,956,455	8,908,273		287,966
Spurlock 3						
INTERIM SURVIVOR CURVE.. IOWA 60-S2						
PROBABLE RETIREMENT YEAR.. 6-2045						
NET SALVAGE PERCENT.. 0						
2005	8,025,732.74	51,365	209,003	7,816,730	38.64	202,296
	51,966,019.25	17,576,814	29,844,477	22,121,545		664,447
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PCT..					33.3	1.28

EAST KENTUCKY POWER COOPERATIVE, INC.

ACCOUNT 316 MISCELLANEOUS POWER PLANT EQUIPMENT

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2005

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
Central Lab						
INTERIM SURVIVOR CURVE.. IOWA 35-R2						
PROBABLE RETIREMENT YEAR.. 6-2030						
NET SALVAGE PERCENT.. 0						
1977	1,255.62	782	1,256			
1978	2,732.36	1,659	2,732			
1980	4,620.41	2,659	4,620			
1981	3,151.60	1,763	3,152			
1984	13,847.43	7,057	13,847			
1985	1,972.27	972	1,972			
1986	3,072.50	1,460	2,962	111	17.52	6
1987	119,420.51	54,647	110,853	8,568	17.96	477
1988	32,300.42	14,199	28,803	3,497	18.38	190
1989	7,059.45	2,973	6,031	1,028	18.79	55
1990	72,682.56	29,240	59,314	13,369	19.18	697
1991	57,100.04	21,875	44,374	12,726	19.55	651
1992	47,241.68	17,168	34,826	12,416	19.90	624
1993	59,882.97	20,516	41,617	18,266	20.24	902
1994	14,729.95	4,731	9,597	5,133	20.56	250
1995	116,192.91	34,777	70,546	45,647	20.86	2,188
1996	11,459.20	3,162	6,414	5,045	21.15	239
1997	33,398.23	8,410	17,060	16,338	21.42	763
1998	45,514.89	10,314	20,922	24,593	21.67	1,135
1999	119,063.15	23,789	48,257	70,806	21.91	3,232
2000	185,315.03	31,763	64,433	120,882	22.14	5,460
2004	17,576.30	685	1,390	16,186	22.91	707
2005	37,280.89	384	779	36,502	23.03	1,585
	1,006,870.37	294,985	595,757	411,113		19,161

Dale
INTERIM SURVIVOR CURVE.. IOWA 35-R2
PROBABLE RETIREMENT YEAR.. 6-2019
NET SALVAGE PERCENT.. 0

1954	7,531.06	6,696	7,531
1962	4,593.82	3,775	4,594
1973	1,090.81	789	1,091
1975	1,597.55	1,124	1,598
1976	2,691.78	1,867	2,692

EAST KENTUCKY POWER COOPERATIVE, INC.

ACCOUNT 316 MISCELLANEOUS POWER PLANT EQUIPMENT

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2005

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
Dale						
INTERIM SURVIVOR CURVE.. IOWA 35-R2						
PROBABLE RETIREMENT YEAR.. 6-2019						
NET SALVAGE PERCENT.. 0						
1977	5,235.40	3,578	5,235			
1978	26,703.15	17,974	26,703			
1979	5,612.29	3,718	5,612			
1980	5,686.58	3,707	5,687			
1981	7,042.14	4,513	7,042			
1983	2,428.69	1,499	2,429			
1984	11,379.15	6,880	11,379			
1985	29,902.61	17,699	29,903			
1986	7,145.16	4,133	7,145			
1987	7,263.98	4,098	7,264			
1988	7,340.65	4,032	7,341			
1989	20,098.69	10,727	20,099			
1990	7,768.20	4,018	7,768			
1991	88,216.34	44,055	88,216			
1992	8,669.85	4,164	8,670			
1993	19,297.85	8,881	19,298			
1994	35,802.89	15,707	35,803			
1995	50,768.44	21,079	50,768			
1996	15,417.56	6,004	15,418			
1997	108,583.22	39,275	108,583			
1998	24,193.17	8,025	24,193			
1999	3,495.46	1,043	3,495			
2000	1,380.85	361	1,381			
2001	77,109.76	17,026	77,110			
2003	28,295.98	3,523	28,296			
2004	47,923.13	3,173	47,298	625	13.54	46
2005	46,911.22	816	12,163	34,748	13.57	2,561
	717,177.43	273,959	681,805	35,373		2,607

Cooper

INTERIM SURVIVOR CURVE.. IOWA 35-R2
PROBABLE RETIREMENT YEAR.. 6-2030
NET SALVAGE PERCENT.. 0

1964	22,574.33	17,976	22,574			
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EAST KENTUCKY POWER COOPERATIVE, INC.

ACCOUNT 316 MISCELLANEOUS POWER PLANT EQUIPMENT

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2005

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
Cooper						
INTERIM SURVIVOR CURVE.. IOWA 35-R2						
PROBABLE RETIREMENT YEAR.. 6-2030						
NET SALVAGE PERCENT.. 0						
1967	5,669.16	4,320	5,669			
1972	1,545.02	1,076	1,545			
1973	4,612.98	3,147	4,613			
1974	9,912.01	6,619	9,912			
1975	5,275.95	3,445	5,276			
1976	2,426.00	1,548	2,426			
1977	9,428.95	5,872	9,429			
1978	9,218.39	5,598	9,218			
1981	4,270.54	2,389	4,271			
1982	6,014.61	3,265	6,015			
1983	3,444.10	1,814	3,444			
1984	33,804.30	17,227	33,804			
1985	50,274.84	24,765	50,275			
1986	15,638.49	7,433	15,638			
1987	29,725.58	13,602	29,726			
1988	61,696.37	27,122	61,696			
1989	193,993.63	81,691	193,994			
1990	64,433.53	25,922	64,434			
1991	26,092.03	9,996	26,092			
1992	54,990.94	19,984	54,991			
1993	78,855.23	27,016	78,855			
1994	150,210.06	48,247	150,210			
1995	206,643.43	61,848	206,643			
1996	67,378.08	18,590	67,378			
1997	75,117.41	18,915	75,117			
1998	64,038.73	14,511	64,039			
1999	16,182.34	3,233	16,182			
2000	10,591.44	1,815	10,591			
2001	37,076.96	5,254	35,174	1,903	22.35	85
2002	15,135.30	1,662	11,126	4,009	22.55	178
2003	7,284.76	551	3,689	3,596	22.73	158
2004	6,784.00	265	1,774	5,010	22.91	219
2005	53,714.07	553	3,702	50,012	23.03	2,172
	1,404,053.56	487,271	1,339,522	64,530		2,812

EAST KENTUCKY POWER COOPERATIVE, INC.

ACCOUNT 316 MISCELLANEOUS POWER PLANT EQUIPMENT

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2005

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
Spurlock Common						
INTERIM SURVIVOR CURVE.. IOWA 35-R2						
PROBABLE RETIREMENT YEAR.. 6-2045						
NET SALVAGE PERCENT.. 0						
1975	3,685.90	2,394	3,686			
1976	105,847.18	67,012	105,847			
1977	50,606.95	31,189	50,607			
1978	134,852.44	80,790	134,852			
1979	28,278.64	16,450	28,279			
1980	83,455.00	47,044	83,455			
1981	55,635.14	30,327	55,635			
1982	246,694.50	129,835	246,695			
1983	198,701.14	100,761	198,701			
1984	61,510.79	29,980	61,511			
1985	114,432.11	53,474	114,432			
1986	45,658.07	20,414	45,658			
1987	103,709.65	44,222	103,710			
1988	73,159.65	29,659	73,160			
1989	95,211.04	36,590	92,870	2,341	21.50	109
1990	114,652.63	41,630	105,662	8,991	22.22	405
1991	54,204.12	18,500	46,955	7,249	22.95	316
1992	90,906.58	29,036	73,697	17,210	23.67	727
1993	93,117.51	27,656	70,195	22,923	24.40	939
1994	129,756.62	35,644	90,469	39,288	25.11	1,565
1995	48,658.54	12,252	31,097	17,562	25.82	680
1996	233,963.69	53,531	135,869	98,095	26.52	3,699
1997	102,102.08	20,962	53,204	48,898	27.21	1,797
1998	62,334.27	11,326	28,747	33,587	27.88	1,205
1999	115,734.06	18,217	46,237	69,497	28.54	2,435
2000	46,650.09	6,186	15,701	30,949	29.18	1,061
2001	5,671.00	610	1,548	4,123	29.80	138
2002	11,885.32	969	2,459	9,426	30.41	310
2003	245,489.35	13,551	34,395	211,094	30.99	6,812
2004	38,270.21	1,072	2,721	35,549	31.55	1,127
2005	500,171.36	3,551	9,013	491,158	31.96	15,368
	3,295,005.63	1,014,834	2,147,067	1,147,940		38,693
	6,423,106.99	2,071,049	4,764,151	1,658,956		63,273
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PCT..					26.2	0.99

EAST KENTUCKY POWER COOPERATIVE, INC.

PSC CASE NO. 2006-00236

DEPRECIATION STUDY

RESPONSE TO INITIAL DATA REQUEST

COMMISSION STAFF'S INITIAL DATA REQUEST DATED 7/27/06

REQUEST 12

RESPONSIBLE PARTY: Donald J. Clayton

REQUEST 12. Refer to the Wood Testimony, Wood Exhibit 1, pages III-72 through III-74.

REQUEST 12a. Explain in detail why the composite remaining life and annual accrual rate percentage shown on page III-74 does not match the composite information shown in columns 9 and 10 on page III-6 for Account No. 390.00, Structures and Improvements.

RESPONSE 12a. The detail on pages III-72 to III-74 is incorrect and the summary schedule on page III-6 is correct. The total for Account 390.00 on page III-6 should agree with the totals on page III-74. Corrected detail pages for Account 390.00 are attached.

REQUEST 12b. Explain in detail why the analysis shown on pages III-72 through III-74 does not show the derivation of the column 9 and 10 information provided on page III-6 for the line items "Large" and "Small" under Account No. 390.00.

RESPONSE 12b. The column 9 and 10 amounts are not shown for any subgroup within an account. This is a function of the computer program used to generate the detailed results. The column nine amount can be calculated by the following formula:

$$\text{Annual Accrual Rate} = 100 * \text{Annual Accrual Amount} / \text{Original Cost}$$

The column 10 amount can be calculated using the following formula:

$$\text{Composite Remaining Life} = \text{Future Accruals} / \text{Annual Accrual Amt.}$$

The column 9 and 10 amounts are shown in the response to Initial Data Request of Commission Staff No. 13.

EAST KENTUCKY POWER COOPERATIVE, INC.

ACCOUNT 390 OFFICE STRUCTURE & IMPROVEMENTS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2005

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
HQ						
INTERIM SURVIVOR CURVE.. SQUARE						
PROBABLE RETIREMENT YEAR.. 6-2030						
NET SALVAGE PERCENT.. 0						
1970	1,642,993.93	958,358	1,565,026	77,968	25.00	3,119
1971	1,097.24	632	1,032	65	25.00	3
1972	5,963.37	3,393	5,541	422	25.00	17
1973	4,725.20	2,653	4,332	393	25.00	16
1974	1,631.07	903	1,475	156	25.00	6
1975	1,448.07	790	1,290	158	25.00	6
1976	165.78	89	145	21	25.00	1
1977	11,106.60	5,868	9,583	1,524	25.00	61
1978	3,532.55	1,834	2,995	538	25.00	22
1979	6,005.08	3,061	4,999	1,006	25.00	40
1980	41,403.60	20,702	33,807	7,597	25.00	304
1981	1,051,625.44	515,086	841,150	210,475	25.00	8,419
1982	810,165.74	388,231	633,992	176,174	25.00	7,047
1983	13,091.60	6,128	10,007	3,085	25.00	123
1984	18,616.29	8,498	13,877	4,739	25.00	190
1985	46,362.81	20,604	33,647	12,716	25.00	509
1986	10,044.83	4,337	7,082	2,963	25.00	119
1987	5,641.70	2,362	3,857	1,785	25.00	71
1988	20,207.93	8,180	13,358	6,850	25.00	274
1989	1,800.75	703	1,148	653	25.00	26
1990	73,347.29	27,505	44,916	28,431	25.00	1,137
1991	328,092.70	117,785	192,346	135,747	25.00	5,430
1992	1,332,687.01	455,912	744,518	588,169	25.00	23,527
1993	10,700.70	3,470	5,667	5,034	25.00	201
1994	4,181,778.23	1,277,951	2,086,931	2,094,847	25.00	83,794
1999	40,924.28	7,919	12,932	27,992	25.00	1,120
2000	734,321.44	122,411	199,901	534,420	25.00	21,377
2001	33,654.89	4,641	7,579	26,076	25.00	1,043
2002	204,958.23	21,951	35,846	169,112	25.00	6,764
2005	36,449.37	361	590	35,859	25.00	1,434
	10,674,543.72	3,992,318	6,519,569	4,154,975		166,200

EAST KENTUCKY POWER COOPERATIVE, INC.

ACCOUNT 390 OFFICE STRUCTURE & IMPROVEMENTS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2005

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
Warehouses						
SURVIVOR CURVE.. 40-SQUARE						
NET SALVAGE PERCENT.. 0						
1966	345.59	337	346			
1970	163,884.54	143,399	163,885			
1971	11,803.34	10,033	11,803			
1972	1,611.04	1,329	1,611			
1973	2,886.56	2,309	2,887			
1974	5,424.00	4,204	5,424			
1975	143,579.58	107,685	143,580			
1976	23,479.64	17,023	23,480			
1977	169,619.02	118,733	169,619			
1978	6,356.80	4,291	6,357			
1979	38,286.01	24,886	38,286			
1980	3,920.93	2,451	3,921			
1981	9,495.00	5,697	9,486	9	16.00	1
1982	19,917.91	11,453	19,070	848	17.00	50
1983	586.00	322	536	50	18.00	3
1984	2,418.73	1,270	2,115	304	19.00	16
1985	1,554.57	777	1,294	261	20.00	13
1987	11,213.10	5,046	8,402	2,811	22.00	128
1991	893,219.51	312,627	520,551	372,669	26.00	14,333
1994	360,419.20	99,115	165,035	195,384	29.00	6,737
2000	423,433.78	52,929	88,132	335,302	35.00	9,580
	2,293,454.85	925,916	1,385,820	907,638		30,861

Bardstown

INTERIM SURVIVOR CURVE.. SQUARE
PROBABLE RETIREMENT YEAR.. 6-2016
NET SALVAGE PERCENT.. 0

1966	42,466.32	33,124	35,471	6,995	11.00	636
1967	712.07	552	591	121	11.00	11
1969	1,690.30	1,295	1,387	303	11.00	28
1972	267.74	201	215	53	11.00	5
1974	1,508.25	1,113	1,192	316	11.00	29
1975	520.81	381	408	113	11.00	10
1981	14,334.12	9,829	10,525	3,809	11.00	346
1985	1,003.03	647	693	310	11.00	28

EAST KENTUCKY POWER COOPERATIVE, INC.

ACCOUNT 390 OFFICE STRUCTURE & IMPROVEMENTS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2005

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)	
Bardstown							
INTERIM SURVIVOR CURVE.. SQUARE							
PROBABLE RETIREMENT YEAR.. 6-2016							
NET SALVAGE PERCENT.. 0							
1997	106,217.80	44,728	47,897	58,321	11.00	5,302	
1999	21,058.00	7,431	7,957	13,101	11.00	1,191	
2000	78,280.99	24,463	26,196	52,085	11.00	4,735	
2001	216,217.92	57,665	61,750	154,468	11.00	14,043	
	484,277.35	181,429	194,282	289,995		26,364	
Burnside							
INTERIM SURVIVOR CURVE.. SQUARE							
PROBABLE RETIREMENT YEAR.. 6-2013							
NET SALVAGE PERCENT.. 0							
1963	48,866.14	41,048	46,427	2,439	8.00	305	
1966	7,609.86	6,315	7,143	467	8.00	58	
1971	8,902.40	7,206	8,150	752	8.00	94	
1977	2,469.45	1,921	2,173	296	8.00	37	
1982	16,430.19	12,190	13,788	2,642	8.00	330	
1985	1,351.20	965	1,091	260	8.00	33	
1993	8,838.36	5,303	5,998	2,840	8.00	355	
1997	27,093.83	13,547	15,322	11,772	8.00	1,472	
2000	150,007.37	57,693	65,254	84,753	8.00	10,594	
2001	17,278.83	5,759	6,514	10,765	8.00	1,346	
	288,847.63	151,947	171,860	116,986		14,624	
Crittenden							
INTERIM SURVIVOR CURVE.. SQUARE							
PROBABLE RETIREMENT YEAR.. 6-2050							
NET SALVAGE PERCENT.. 0							
1999	6,187.58	728	841	5,347	45.00	119	
2000	753,561.23	75,356	87,008	666,553	45.00	14,812	
	759,748.81	76,084	87,849	671,900		14,931	
	14,500,872.36	5,327,694	8,359,380	6,141,494		252,980	
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PCT..						24.3	1.74

EAST KENTUCKY POWER COOPERATIVE, INC.

PSC CASE NO. 2006-00236

DEPRECIATION STUDY

RESPONSE TO INITIAL DATA REQUEST

COMMISSION STAFF'S INITIAL DATA REQUEST DATED 7/27/06

REQUEST 13

RESPONSIBLE PARTY: Donald J. Clayton

REQUEST 13. Resubmit pages III-72 through III-74 showing the determination of the composite remaining life and annual accrual rate percentage information for the "Large" and "Small" categories under Account No. 390.00.

RESPONSE 13. As explained in response to Initial Data Request of Commission Staff No. 12, the computer program used to make the detailed depreciation calculations does not show the requested information by sub category. A spreadsheet which shows the requested information is attached.

EAST KENTUCKY POWER COOPERATIVE, INC.

ACCOUNT 390.00 STRUCTURES AND IMPROVEMENTS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2005

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)	ANNUAL RATE (8)
Large							
HQ	10,674,543.72	3,992,318	6,519,569	4,154,975	25.0	166,200	1.56
Bardstown	484,277.35	181,429	194,282	289,995	11.0	26,364	5.44
Burnside	288,847.63	151,947	171,860	116,986	8.0	14,624	5.06
Crittendon	759,748.81	76,084	87,849	671,900	45.0	14,931	1.97
Total Large	12,207,417.51	4,401,778	6,973,560	5,233,856	23.6	222,119	1.82
Small							
Warehouses	2,293,454.85	925,916	1,385,820	907,638	29.4	30,861	1.35
Total	14,500,872.36	5,327,694	8,359,380	6,141,494	24.3	252,980	1.74