EAST KENTUCKY POWER COOPERATIVE



MAY 0 4 2007

PUBLIC SERVICE COMMISSION

May 4, 2007

HAND DELIVERED

Ms. Elizabeth O'Donnell Executive Director Public Service Commission 211 Sower Boulevard Post Office Box 615 Frankfort, KY 40602

Dear Ms. O'Donnell:

Please find enclosed for filing with the Commission, an original and eight copies of the Responses of East Kentucky Power Cooperative, Inc. to the Staff Data Requests dated April 30, 2007.

Very truly yours,

Man A. Lih

Charles A. Lile Senior Corporate Counsel

Enclosures



COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF EAST KENTUCKY)POWER COOPERATIVE, INC. FOR A)CERTIFICATE OF PUBLIC CONVENIENCE)2007AND NECESSITY FOR THE CONSTRUCTION)OF MODIFICATIONS TO THE WATER INTAKE)SYSTEM AT COOPER POWER STATION IN)PULASKI COUNTY, KENTUCKY)

CASE NO. 2007-00168

<u>COMMISSION STAFF'S DATA REQUEST TO</u> EAST KENTUCKY POWER COOPERATIVE, INC.

East Kentucky Power Cooperative, Inc. ("EKPC"), pursuant to 807 KAR 5:001, is to file with the Commission the original and 8 copies of the following information, with a copy to all parties of record. The information requested herein is due on or before May 4, 2007. Each copy of the data requested should be placed in a bound volume with each item tabbed. When a number of sheets are required for an item, each sheet should be appropriately indexed, for example, Item 1(a), Sheet 2 of 6. Include with each response the name of the person who will be responsible for responding to questions relating to the information provided. Careful attention should be given to copied material to ensure that it is legible.

Each response shall be under oath or, for representatives of a public or private corporation, a partnership, an association or a governmental agency, be accompanied by a signed certification of the preparer or person supervising the preparation of the response on behalf of the entity that the response is true and accurate to the best of that person's knowledge, information, and belief formed after a reasonable inquiry.

EKPC shall make timely amendment to any prior response if it obtains information upon the basis of which it knows that the response was incorrect when made, or though correct when made, is now incorrect in any material respect. For any request to which EKPC fails to furnish all or part of the requested information, EKPC shall provide a written explanation of the specific grounds for its failure to furnish.

Careful attention shall be given to copied material to ensure its legibility. When the requested information has been previously provided in this proceeding in the requested format, reference may be made to the specific location of that information in responding to this request. When applicable, the requested information shall be provided for total company operations and jurisdictional operations, separately.

1. Refer to the Application, Exhibit 7, the Testimony of John R. Twitchell, page 7. Mr. Twitchell indicates that EKPC plans to initially fund the construction of the project from general funds. Identify the source(s) of these general funds that EKPC has available for the funding of the project.

2. Exhibit 5 of the Application discusses the operating cost of the proposed solution. One of the itemized elements is the "Cost of Electric Service." Is this the production cost of the power used to run the equipment, or the opportunity cost of using the power?

3. Can the cooling tower built for unit 2 be switched during an outage of unit 2 to cool unit 1?

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4. What is the minimal lake level at which the barge-mounted pumps providing water for unit 1 can operate?

5. What is the minimal lake level at which the makeup water system for the cooling tower can operate?

6. What modifications would be needed to the proposed construction so that at least one of the units will operate at a lake level equal to the original depth of the river channel?

7. Is the cooling water makeup system for the cooling tower capable of providing enough water for a cooling tower for unit 1 if one is built in the future?

8. Refer to the tables at the end of James C. Lamb, Jr.'s testimony which describe the contingency events and load shedding requirements. How frequently do these load conditions occur? During which months?

9. When does EKPC anticipate that the supplemental pumps to be used during the summer of 2007 will come online?

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Beth O'Donnell Executive Director Public Service Commission P. O. Box 615 Frankfort, Kentucky 40602

DATED: April 30, 2007

cc: Parties of Record

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF EAST KENTUCKY)	
POWER COOPERATIVE, INC. FOR A)	
CERTIFICATE OF PUBLIC CONVENIENCE)	CASE NO.
AND NECESSITY FOR THE CONSTRUCTION)	2007-00168
OF MODIFICATIONS TO THE WATER INTAKE)	
SYSTEM AT COOPER POWER STATION IN)	
PULASKI COUNTY, KENTUCKY)	

EAST KENTUCKY POWER COOPERATIVE, INC. PSC CASE 2007-00168

PUBLIC SERVICE COMMISSION'S DATA REQUEST DATED 4/30/07

In response to the Public Service Commission's Data Request, East Kentucky Power Cooperative, Inc. ("EKPC") submits its responses to the questions contained therein.

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

IN THE MATTER OF:

THE APPLICATION OF EAST KENTUCKY POWER COOPERATIVE, INC FOR A CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY FOR THE CONSTRUCTION OF MODIFICATIONS TO THE WATER INTAKE SYSTEM AT COOPER POWER STATION IN PULASKI COUNTY, KENTUCKY

CASE NO. 2007-00168

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CERTIFICATE

STATE OF KENTUCKY)) **COUNTY OF CLARK**)

John R. Twitchell, being duly sworn, states that he has supervised the preparation of the responses of East Kentucky Power Cooperative, Inc. to the Public Service Commission Staff Data Requests in the above-referenced case dated April 30, 2007, and that the matters and things set forth therein are true and accurate to the best of his knowledge, information and belief, formed after reasonable inquiry.

John R. Twitchell

Subscribed and sworn before me on this 3rd day of May, 2007.

Notary Public

My Commission expires:

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PSC Request 1 Page 1 of 1

EAST KENTUCKY POWER COOPERATIVE, INC. PSC CASE NO. 2007-00168 INFORMATION REQUEST RESPONSE

PUBLIC SERVICE COMMISSION STAFF DATA REQUESTREQUEST 1RESPONSIBLE PERSON:David G. EamesCOMPANY:East Kentucky Power Cooperative, Inc.

Request 1. Refer to the Application, Exhibit 7, the Testimony of John R. Twitchell, Page 7, Mr. Twitchell indicates that EKPC plans to initially fund the construction of the project from general funds. Identify the source(s) of these general funds that EKPC has available for the funding of the project.

Response 1. EKPC will not initially fund this project with general funds, in the sense of available cash, but will utilize its unsecured Credit Facility for this purpose. EKPC received loan documents in late April from the Rural Utilities Service, and expects to be able to draw advances on new federal loans within three to four months. These advances can be used to reimburse funds borrowed under the Credit Facility, which increases the funds available under the Credit Facility for this project, and other EKPC interim financing needs. EKPC is also seeking state and federal grants for this project, although no funding commitments have been made, to date.

PUBLIC SERVICE COMMISSION STAFF DATA REQUESTREQUEST 2RESPONSIBLE PERSON:John R. TwitchellCOMPANY:East Kentucky Power Cooperative, Inc.

Request 2. Exhibit 5 of the Application discusses the operating cost of the proposed solution. One of the itemized elements is the "Cost of Electric Service." Is this the production cost of the power used to run the equipment, or the opportunity cost of using the power?

Response 2. The amount listed in Exhibit 5 as Cost of Electric Service is the cost of Cooper Station power what will be required to run the equipment, based on Cooper Station's estimated power production cost.

PUBLIC SERVICE COMMISSION STAFF DATA REQUESTREQUEST 3RESPONSIBLE PERSON:John R. TwitchellCOMPANY:East Kentucky Power Cooperative, Inc.

Request 3. Can the cooling tower built for unit 2 be switched during an outage of Unit 2 to cool unit 1?

Response 3. The Unit 2 cooling tower is not currently designed to operate Unit 1 during an outage. Because the barge mounted pumps should be able to adequately supply cooling water to Unit 1, EKPC does not believe it necessary to incorporate an additional level of complexity, and add to the cost of the cooling tower design. In the long run, should a cooling tower for Unit 1 be required to replace the barge mounted pumping system in the event of prolonged or permanently lower lake levels, that cooling tower would be separately integrated into the cooling water system for Unit 1.

PUBLIC SERVICE COMMISSION STAFF DATA REQUESTREQUEST 4RESPONSIBLE PERSON:John R. TwitchellCOMPANY:East Kentucky Power Cooperative, Inc.

<u>Request 4.</u> What is the minimal lake level at which the barge-mounted pumps providing water for unit 1 can operate?

Response 4. Due to the proposed location of the barge-mounted pumps, Unit 1 has the potential to operate at a water level of approximately 610 feet with an eight-pump installation.

PUBLIC SERVICE COMMISSION STAFF DATA REQUESTREQUEST 5RESPONSIBLE PERSON:John R. TwitchellCOMPANY:East Kentucky Power Cooperative, Inc.

Request 5. What is the minimal lake level at which the makeup water system for the cooling tower can operate?

Response 5. The makeup water needs for the cooling tower for Unit 2 will be supplied from the Unit 1 barge mounted pump system. Therefore, makeup water may be supplied at a lake level of approximately 610 (see answer to Request 4), with the addition of one more barge-mounted pump

PUBLIC SERVICE COMMISSION STAFF DATA REQUESTREQUEST 6RESPONSIBLE PERSON:John R. TwitchellCOMPANY:East Kentucky Power Cooperative, Inc.

Request 6. What modifications would be needed to the proposed construction so that at least one of the units will operate at a lake level equal to the original depth of the river channel?

Response 6. No modifications would be needed. The facilities proposed in the Application are expected to allow operation at a lake level equal to the original depth of the river channel.

PUBLIC SERVICE COMMISSION STAFF DATA REQUESTREQUEST 7RESPONSIBLE PERSON:COMPANY:Low East Kentucky Power Cooperative, Inc.

Request 7. Is the cooling water makeup system for the cooling tower capable of providing enough water for a cooling tower for unit 1 if one is built in the future?

Response 7 If a cooling tower for Unit 1 is proposed sometime in the future, a new cooling tower make up system would be required. This is because the barge mounted pumping system supplies cooling water for Unit 1 and makeup water for the Unit 2 cooling tower. With the addition of a cooling tower for Unit 1, the barge mounted pumping system would be removed. A make up system for two cooling tower operation is described in the Stanley Report, Application Exhibit 2. This water make up system should be able to supply water to the cooling towers at a lake depth of 630 feet.

PUBLIC SERVICE COMMISSION STAFF DATA REQUESTREQUEST 8RESPONSIBLE PERSON:James C. Lamb, Jr.COMPANY:East Kentucky Power Cooperative, Inc.

<u>Request 8.</u> Refer to the tables at the end of James C. Lamb, Jr.'s testimony which describe the contingency events and load shedding requirements. How frequently do these load conditions occur? During which months?

Response 8. The estimated number of hours for which the most severe problems may occur based upon power flow analysis at varying load levels is as follows:

Season	North-South Transfer Level	Estimated # of Hours
2007 Summer	0 MW	10
2007 Summer	4000 MW	410
2007-08 Winter	0 MW	5
2007-08 Winter	4000 MW	50

At low transfer levels, the number of hours where transmission facility overloads and/or undervoltages is likely to occur is minimal. However, as the transfer level increases, the number of hours for which problems could occur increases significantly, particularly in the summer season. The load levels that could trigger these problems are possible in June, July, August or September for the summer season, and for December, January or February for the winter season. .

PUBLIC SERVICE COMMISSION STAFF DATA REQUESTREQUEST 9RESPONSIBLE PERSON:John R. TwitchellCOMPANY:East Kentucky Power Cooperative, Inc.

Request 9. When does EKPC anticipate that the supplemental pumps to be used during the summer of 2007 will come online?

Response 9. A supplemental pumping system utilizing four 1500 gpm pumps that have been in storage at the Cooper Station from a previous low Lake Cumberland water level incident is expected to be in service in June 2007. More effective 10,000 gpm pumps are on order and are expected to be in service by the end of August 2007.

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