Steven L. Beshear Governor

Robert D. Vance, Secretary Environmental and Public Protection Cabinet

Larry R. Bond Commissioner Department of Public Protection

Honorable Charles A. Lile Senior Corporate Counsel East Kentucky Power Cooperative, Inc. 4775 Lexington Road P. O. Box 707 Winchester, KY 40392-0707



Commonwealth of Kentucky Public Service Commission 211 Sower Blvd. P.O. Box 615 Frankfort, Kentucky 40602-0615 Telephone: (502) 564-3940 Fax: (502) 564-3460 psc.ky.gov

## May 1, 2008

Mark David Goss Chairman

> John W. Clay Vice Chairman

Caroline Pitt Clark Commissioner

RE: Case No. 2008-00115

Please see enclosed data request from Commission Staff in the above case.

If you need further assistance, please contact my staff at (502) 564-3940.

Sincerely,

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Stephanie Stumbo Executive Director

SS/tw Enclosure

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May 1, 2008

Honorable David A. Smart Attorney at Law East Kentucky Power Cooperative, Inc. 4775 Lexington Road P. O. Box 707 Winchester, KY 40392-0707 Mark David Goss Chairman

> John W. Clay Vice Chairman

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## COMMONWEALTH OF KENTUCKY

## BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF EAST KENTUCKY POWER COOPERATIVE, INC. FOR APPROVAL OF AN AMENDMENT TO ITS ENVIRONMENTAL COMPLIANCE PLAN AND ENVIRONMENTAL SURCHARGE

) CASE NO. 2008-00115

## FIRST DATA REQUEST OF COMMISSION STAFF TO EAST KENTUCKY POWER COOPERATIVE, INC.

East Kentucky Power Cooperative, Inc. ("East Kentucky"), pursuant to 807 KAR 5:001, is to file with the Commission the original and 6 copies of the following information, with a copy to all parties of record. The information requested herein is due May 15, 2008. Responses to requests for information shall be appropriately bound, tabbed and indexed. Each response shall include the name of the witness responsible for responding to the questions related to the information provided.

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

East Kentucky shall make timely amendment to any prior responses if it obtains information which indicates that the response was incorrect when made or, though correct when made, is now incorrect in any material respect. For any requests to which East Kentucky fails or refuses to furnish all or part of the requested information, East Kentucky shall provide a written explanation of the specific grounds for its failure to completely and precisely respond.

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

1. Refer to page 4 of the Direct Testimony of David G. Eames ("Eames Testimony"). Provide a signed copy of the Consent Decree agreed to by East Kentucky and the Environmental Protection Agency.

a. Does the Consent Decree specifically identify or require the projects proposed in the application? If yes, provide the specific reference in the Consent Decree where each project is identified.

b. If the proposed projects were not specifically identified or required in the Consent Decree, provide all analyses and studies that East Kentucky performed to determine that the following projects were the most reasonable methods to comply with the applicable environmental federal, state, or local statutes and regulations:

1. Low nitrogen oxide ("NOx") burners at Dale Station.

2. Low NOx burners at Spurlock Unit. 1.

3. Spurlock Particulate CEMs and Mercury CEMs at the Dale, Spurlock, and Cooper units.

2. Refer to page 6 of the Direct Testimony of Craig A. Johnson.

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a. East Kentucky has already installed Selective Catalytic Reduction Equipment ("SCR") at Spurlock Unit 1 to control NOx emissions. Explain why it is necessary to replace the existing low NOx burners with new low NOx burners.

b. East Kentucky has also installed an SCR at Spurlock Unit 2 to control NOx emissions. Does East Kentucky anticipate that a similar change-out of low NOx burners will be necessary in the future for Spurlock Unit 2? Explain the response.

3. Refer to Exhibit AFW-1 of the Direct Testimony of Ann F. Wood.

a. Provide the same information shown in Exhibit AFW-1 as of September 30, 2006.

b. If the three projects as of September 30, 2006 had Construction Work in Progress ("CWIP") project balances net of Allowance for Funds Used During Construction ("AFUDC"), explain why East Kentucky did not propose any adjustments to the environmental surcharge mechanism to reflect the CWIP net of AFUDC already included in base rates.

c. Indicate when construction started on the Dale Station low NOx burners. If construction commenced prior to September 30, 2006, provide the CWIP balance as of September 30, 2006 and any associated AFUDC on that CWIP.

4. Refer to pages 2 and 3 of the Direct Testimony of William A. Bosta. While Mr. Bosta describes proposed changes to East Kentucky's environmental surcharge tariff to reflect the additional projects to be included in the environmental compliance plan, the application does not address any changes that may be necessary to the monthly surcharge reporting formats. Provide sample copies of the monthly surcharge reporting formats which reflect the inclusion of the additional projects.

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Stephanie Stumbo Executive Director Public Service Commission 211 Sower Boulevard P.O. Box 615 Frankfort, Kentucky 40601

Dated: <u>May 1, 2008</u>

cc: Parties of Record