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January 7, 2011

Mr. Jeffrey Derouen
Executive Director
Kentucky Public Service Commission
211 Sower Boulevard
P. O. Box 615
Frankfort, Kentucky 40602-0615

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**PUBLIC SERVICE
COMMISSION**

Re: Case No. 2010-00449

Dear Mr. Derouen:

Please find enclosed for filing with the Commission in the above-referenced case, an original and ten redacted copies of the responses of East Kentucky Power Cooperative, Inc. ("EKPC") to the Commission Staff's Initial Information Request, dated December 22, 2010. Also enclosed are an original and ten copies of EKPC's Petition for Confidential Treatment of Information ("Petition") regarding the responses to Requests 2c, 3b and 6. One unredacted copy of the designated confidential portions of each of the responses to Requests 2c, 3b and 6, which are the subjects of the Petition, is enclosed in a sealed envelope.

Additionally, please find enclosed for filing with the Commission in the above-reference case, an original and ten copies of the responses of EKPC to the Attorney General's Initial Request for Information, dated December 22, 2010.

Very truly yours,

Mark David Goss

by afw

Mark David Goss

Enclosures

cc: Hon. Dennis Howard, II
Hon. Larry Cook
Hon. Mike Kurtz
(with enclosures)

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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 AN ORDER APPROVING)	
THE ESTABLISHMENT OF A REGULATORY ASSET)	CASE NO.
FOR THE AMOUNT EXPENDED ON ITS SMITH 1)	2010-00449
GENERATING UNIT)	

**PETITION FOR CONFIDENTIAL
TREATMENT OF INFORMATION**

Comes now the petitioner, East Kentucky Power Cooperative, Inc. (“EKPC”) and, as grounds for this Petition for Confidential Treatment of Information (the “Petition”), states as follows:

1. This Petition is filed in conjunction with the filing of EKPC’s responses to the Commission Staff’s Initial Data Request in this case, dated December 22, 2010, and relates to confidential information contained in the responses to Requests 2c, 3b and 6 that is entitled to protection pursuant to 807 KAR 5:001 Section 7, KRS §61.878(1)(c)1, §61.878(1)(c)2c and §61 878(1)(j).

2. The information designated as confidential in the response to Request 2c includes correspondence, e-mails and other communication between EKPC and its external auditor, Deloitte & Touche LLP (“Deloitte”). It also includes communication between EKPC, Deloitte and EKPC’s legal counsel, Frost Brown Todd. Cumulatively, this communication provides history and context to the accounting treatment for Smith 1 developed as a direct result of sensitive and even privileged discussions between EKPC and its external accountants and attorneys. All such communication should be afforded

confidential treatment by the Commission pursuant to KRS 61.878(1)(j) because it contains preliminary recommendations, and preliminary memoranda in which opinions are expressed or policies formulated or recommended. In addition, those communications between EKPC and its legal counsel, Frost Brown Todd, are subject to attorney-client privilege. EKPC does not object to waiving such privilege for purposes of responding to this Data Request, however, EKPC believes that the Commission should afford confidential treatment to such communications.¹ As such, this information is confidential and not subject to public disclosure pursuant to KRS §61.878(1)(j). Moreover, pursuant to CR 26.02(3) of the Kentucky Rules of Civil Procedure, protection is to be afforded by a court or administrative agency against “disclosure of the mental impressions, conclusions, opinions, or legal theories of an attorney or other representative of a party concerning the litigation” or matter at issue. This rule provides an independent basis for the Commission to afford confidential treatment to this information.

3. The information designated as confidential in the responses to Requests 3b and 6 includes estimates of various vendor contract unwinding costs. The contracts subject to these unwinding costs are those contracts which EKPC entered into for the provision of supplies, equipment, parts, labor for assembly and construction, and other goods and services related to the design, construction and operation of EKPC’s Smith 1 Circulating Fluidized Bed Coal Unit (“Smith 1”). Now that EKPC has provided notice of its relinquishment of the Certificate of Public Convenience and Necessity for Smith 1, these contracts must be cancelled. Such cancellation will require EKPC and its vendors to negotiate the terms of the unwinding of these contracts which could result in the

¹ Even though it is waiving the privilege in this case and under these unique circumstances, EKPC reserves the right to assert the privilege in subsequent situations in this and future cases.

payment of unwinding costs by either party. The exact amounts required to unwind these contracts are not known at this time, and, indeed, they are subject to discussion and negotiation between the parties. The disclosure of the details of this information at this time would provide an unfair commercial advantage in favor of these vendor-competitors of EKPC and could adversely affect the strategies and bargaining positions available to EKPC in arriving at final costs to unwind these contracts. Specific disclosure of this information could result in less favorable outcomes in these negotiations, which could potentially increase EKPC's overall costs. . As such this information is confidential and not subject to public disclosure pursuant to KRS §61.878(1)(c)1.

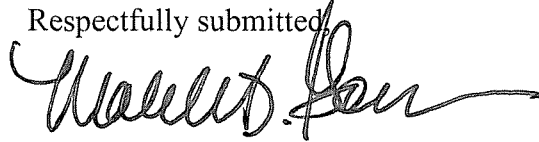
4. The subject information is also entitled to protection pursuant to KRS §61.878(1)(c)2c, as records generally recognized as confidential or proprietary which are confidentially disclosed to an agency in conjunction with the regulation of a commercial enterprise.

5. Along with this Petition, EKPC has enclosed one copy of the subject responses to Requests 2c, 3b and 6, with the confidential information identified by highlighting or other designation, and 10 copies of the same responses, with the confidential information redacted. The identified confidential information is not known outside of EKPC and is distributed within EKPC only to persons with a need to use it for business purposes. It is entitled to confidential treatment pursuant to 807 KAR 5:001 Section 7, the various sections of KRS 61.878 delineated above and the Kentucky Rules of Civil Procedure.

WHEREFORE, EKPC respectfully requests the Public Service Commission to grant confidential treatment to the identified information and deny public disclosure of said information.

This 7th day of January, 2011.

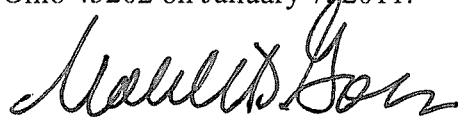
Respectfully submitted,



Mark David Goss
Frost Brown Todd LLC
250 West Main Street, Suite 2800
Lexington, KY 40507-1749
(859) 231-000—Telephone
(859) 231-0011—Facsimile
Counsel for East Kentucky Power Cooperative, Inc.

CERTIFICATE OF SERVICE

This is to certify that an original and 10 copies of the foregoing Petition for Confidential Treatment of Information in the above-styled case were hand-delivered to the Office of Jeffrey Derouen, Executive Director of the Kentucky Public Service Commission, 211 Sower Boulevard, Frankfort, Kentucky 40601, and transmitted by First Class United States mail to Hon. Dennis Howard, II and Hon. Larry Cook, Office of the Kentucky Attorney General, P. O. Box 2000, Frankfort, Kentucky 40602-2000 ; and to Hon. Mike Kurtz, Counsel for Gallatin Steel Co., Boehm, Kurtz & Lowry, 36 East Seventh Street, Suite 150, Cincinnati, Ohio 45202 on January 7, 2011.



Counsel for East Kentucky Power Cooperative, Inc.

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

IN THE MATTER OF:

THE APPLICATION OF EAST KENTUCKY POWER)	
COOPERATIVE, INC. FOR AN ORDER APPROVING)	
THE ESTABLISHMENT OF A REGULATORY ASSET)	CASE NO.
FOR THE AMOUNT EXPENDED ON ITS SMITH 1)	2010-00449
GENERATING UNIT)	

CERTIFICATE

STATE OF KENTUCKY)
)
 COUNTY OF CLARK)

David K. Mitchell, 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's Initial Information Request in the above-referenced case dated December 22, 2010, 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.

David K. Mitchell

Subscribed and sworn before me on this 7th day of January, 2011.

George M. Wilcox
 Notary Public

MY COMMISSION EXPIRES NOVEMBER 30, 2013
 NOTARY ID #409352

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

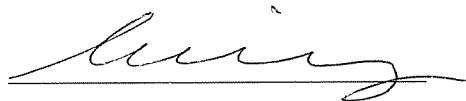
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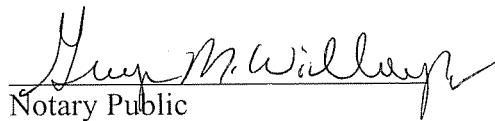
CERTIFICATE

STATE OF KENTUCKY)
)
 COUNTY OF CLARK)

Michael McNalley, 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's Initial Information Request in the above-referenced case dated December 22, 2010, 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.



Subscribed and sworn before me on this 7th day of January, 2011.



Notary Public

MY COMMISSION EXPIRES NOVEMBER 30, 2013
 NOTARY ID #409352

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF EAST KENTUCKY POWER)	
COOPERATIVE, INC. FOR AN ORDER APPROVING)	
THE ESTABLISHMENT OF A REGULATORY ASSET)	CASE NO.
FOR THE AMOUNT EXPENDED ON ITS SMITH 1)	2010-00449
GENERATING UNIT)	

RESPONSES TO COMMISSION STAFF'S INITIAL INFORMATION REQUEST
TO EAST KENTUCKY POWER COOPERATIVE, INC.
DATED DECEMBER 22, 2010

**EAST KENTUCKY POWER COOPERATIVE, INC.
PSC CASE NO. 2010-00449
INFORMATION REQUEST RESPONSE**

**PUBLIC SERVICE COMMISSION STAFF'S INITIAL INFORMATION REQUEST
DATED DECEMBER 22, 2010
REQUEST 1**

RESPONSIBLE PERSON: Michael A. McNalley

COMPANY: East Kentucky Power Cooperative, Inc.

Request 1. Refer to the Testimony of Mike McNalley (“McNalley Testimony”), page 4, which indicates that, regarding the appropriate accounting treatment, EKPC will follow the guidance prescribed in Statements of Financial Accounting Standards (“Standards”) 71 and 90. Provide references to specific sections in the Standards which cause EKPC to believe that it must record its investment in Smith 1 as a regulatory asset in its 2010 financial statements along with discussion of why these sections support EKPC’s belief.

Response 1. In order to most accurately summarize the accounting issues surrounding the Smith 1 expenditures to date for EKPC management and external auditors, EKPC accounting prepared a “white paper” outlining the appropriate accounting treatment and associated accounting guidance. A copy of this “white paper” is provided on pages 6 through 14 of the response to Request 2c.

EAST KENTUCKY POWER COOPERATIVE, INC.
PSC CASE NO. 2010-00449
INFORMATION REQUEST RESPONSE

**PUBLIC SERVICE COMMISSION STAFF'S INITIAL INFORMATION REQUEST
DATED DECEMBER 22, 2010
REQUEST 2**

RESPONSIBLE PERSON: Michael A. McNalley/David K. Mitchell
COMPANY: East Kentucky Power Cooperative, Inc.

Request 2. Refer to pages 6-7 of Exhibit F, Testimony of Mike McNalley.

Request 2a. Mr. McNalley states that EKPC needs to seek rate recovery of the amortization of the regulatory asset as soon as possible because “recovery assurance is a necessary component of the accounting treatment.” He states that the amount of the regulatory asset will need to be finalized based on factors which, it appears, could take some time to finalize. Provide the estimated timelines of (1) the steps necessary to determine the final amount of the regulatory asset and (2) the request for rate recovery.

Response 2a. The steps necessary to determine the final amount of the regulatory asset are (1) settle any contract unwinding costs, and (2) sell, liquidate or inventory all of the components already purchased. EKPC anticipates that step (1) can be completed within a few months – a potential dispute with one vendor could delay this. Step (2) is underway as well, and EKPC has engaged a firm to assist in marketing the existing Smith 1 assets. Although EKPC has seen a level of interest from the market that was greater than expected, EKPC estimates that it needs up to 18 months to capture a higher-than-liquidation value for the assets.

While the best recovery assurance is an Order authorizing the recovery method and rates, this may not be possible for some time given the time frames discussed above. A statement from the

Commission noting that rate recovery will be authorized on the final regulatory asset balance, once all mitigation efforts are concluded and there has been appropriate review by the Commission including any adjustments required as a result of that Commission review, would likely be satisfactory to EKPC's auditors. Alternatively, EKPC could request recovery of the full amount once the contract unwinding costs are certain, and then true-up and lower the recovery rate as mitigation efforts succeed.

Request 2b. Mr. McNalley states that the Allowance for Funds Used During Construction of \$1.4 million that has accumulated on the project will be excluded from the proposed regulatory asset. Confirm that this amount has been excluded from the requested \$163 million regulatory asset.

Response 2b. The \$1.4 million in Allowance for Funds Used During Construction accumulated on the project was not excluded from the requested \$163 million; however, EKPC plans to remove that amount as part of its mitigation efforts. Please see the adjustment reflected on page 3 of the response to Request 3a.

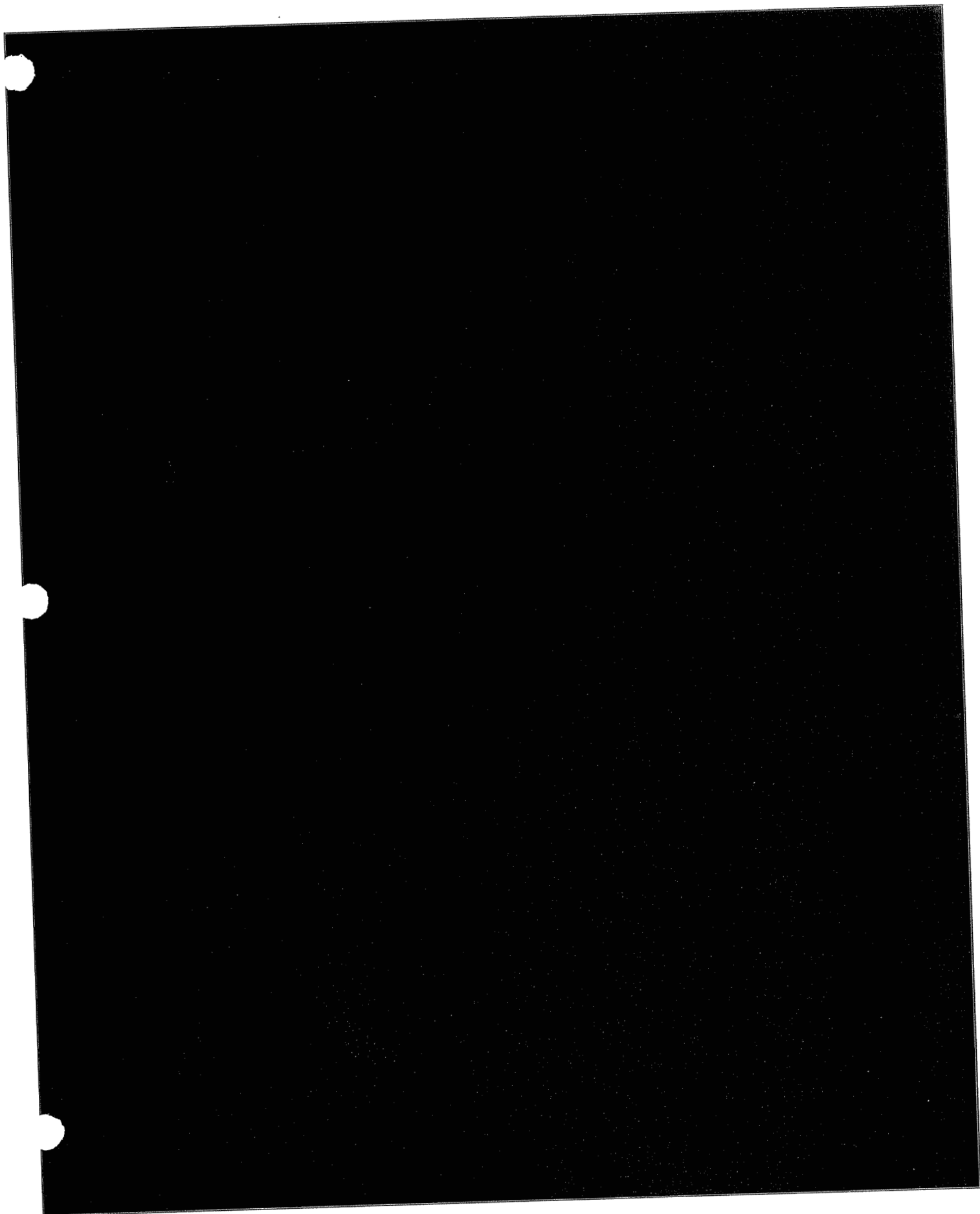
Request 2c. Mr. McNalley states that EKPC is having ongoing discussions with Deloitte & Touche LLP, its external auditor. Provide all correspondence, e-mails, notes from telephone calls, and any other communication between EKPC and its external auditor related to the accounting treatment for Smith 1.

Response 2c. All correspondence between EKPC and Deloitte & Touche LLP, its external auditor, related to the accounting treatment for Smith 1 is provided on pages 4 through 62 of this response.

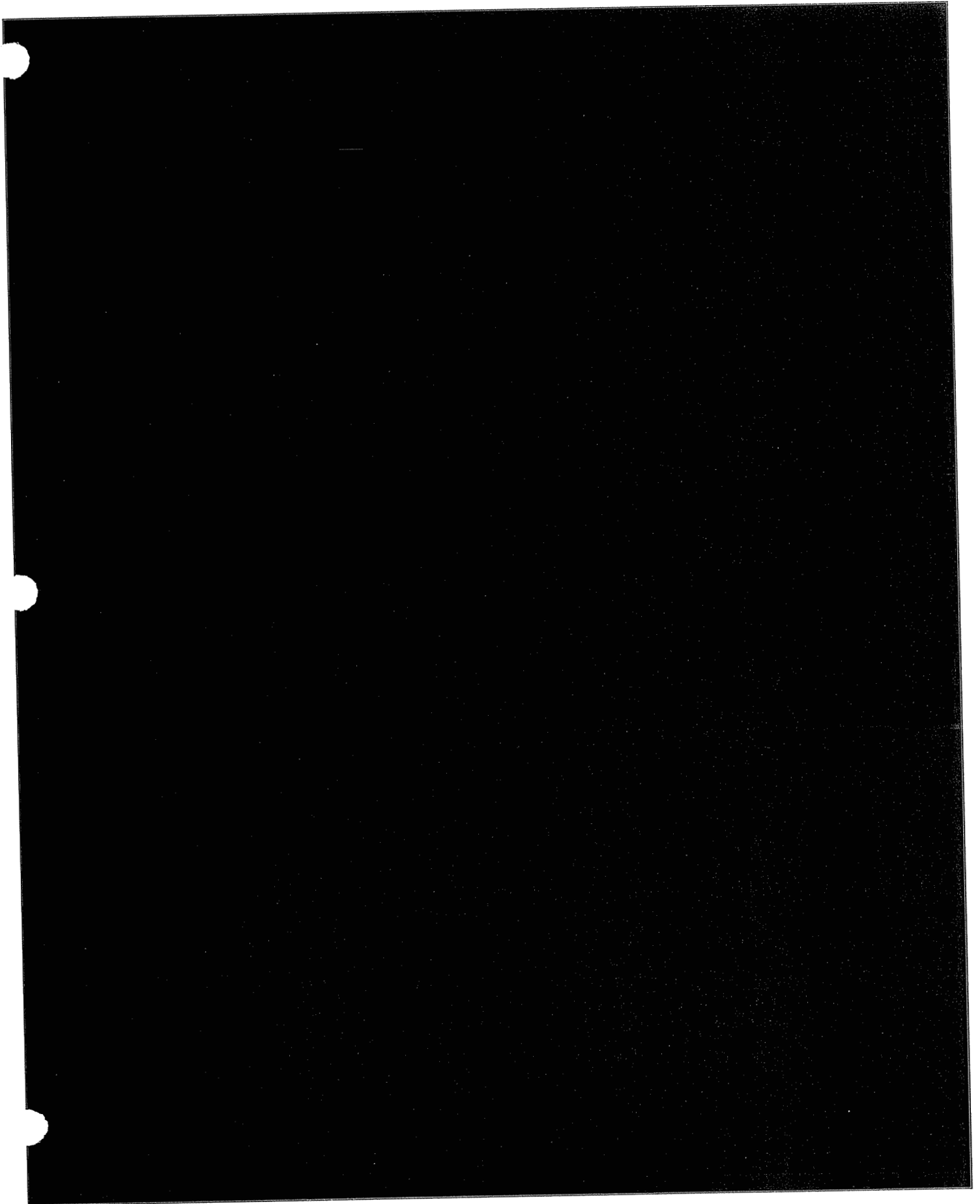
Request 2d. Mr. McNalley states that EKPC needs Commission approval of the request to establish a regulatory asset by mid-February 2011. Explain whether there has been any change or revision in the date by which Commission approval is needed.

Response 2d. There has been no change or revision in the date by which Commission approval is needed. EKPC still needs Commission approval of this request by mid-February 2011.

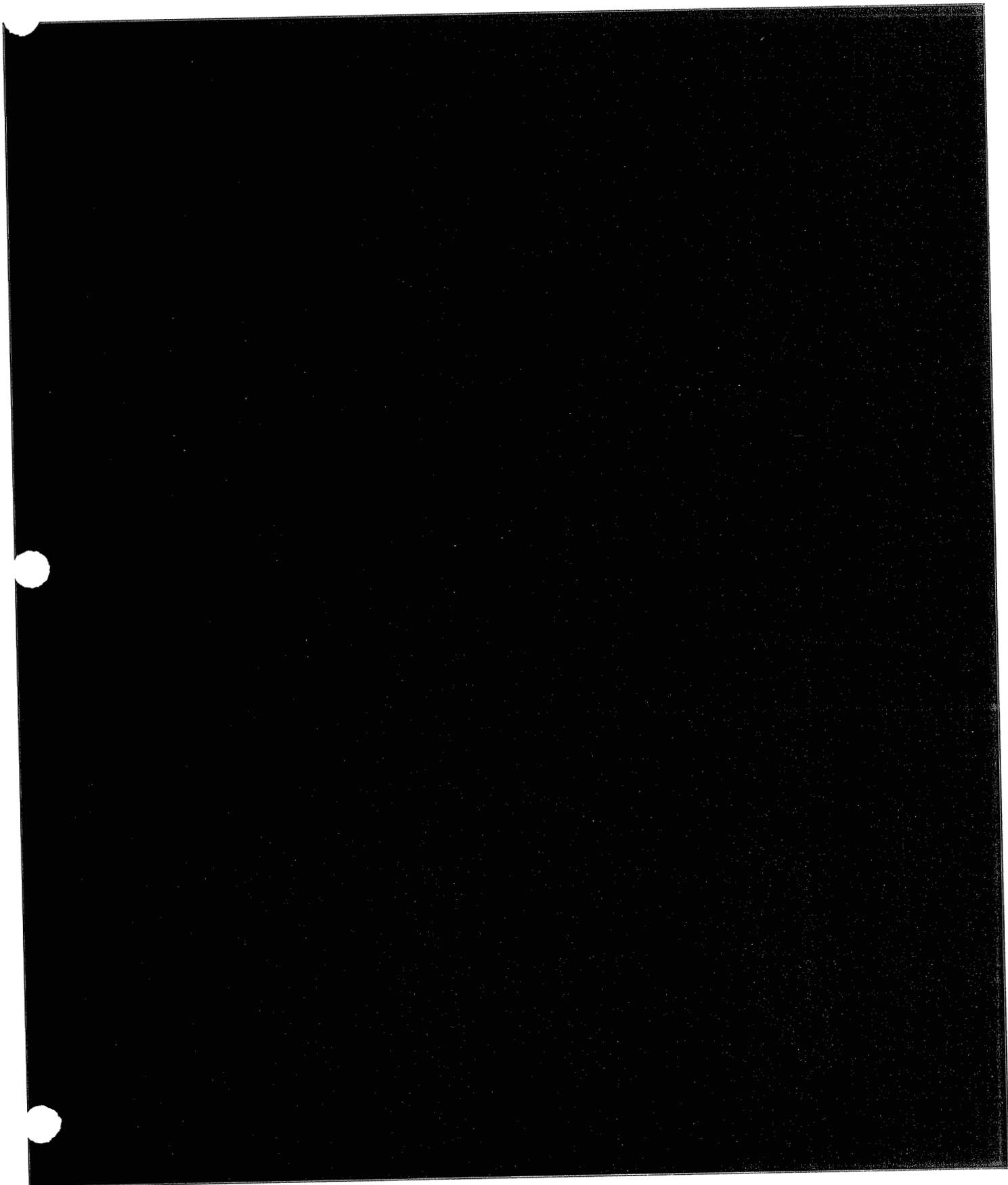
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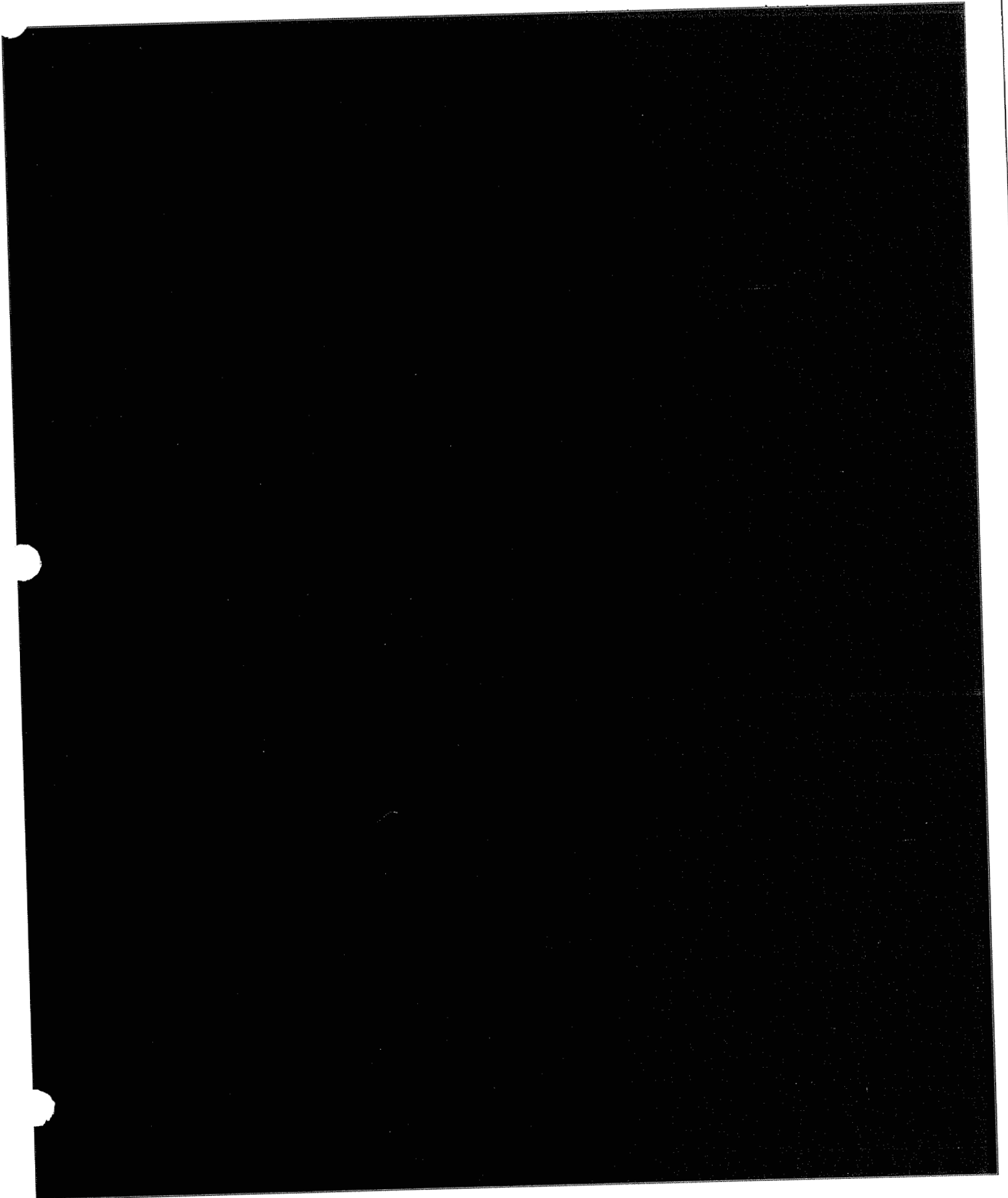
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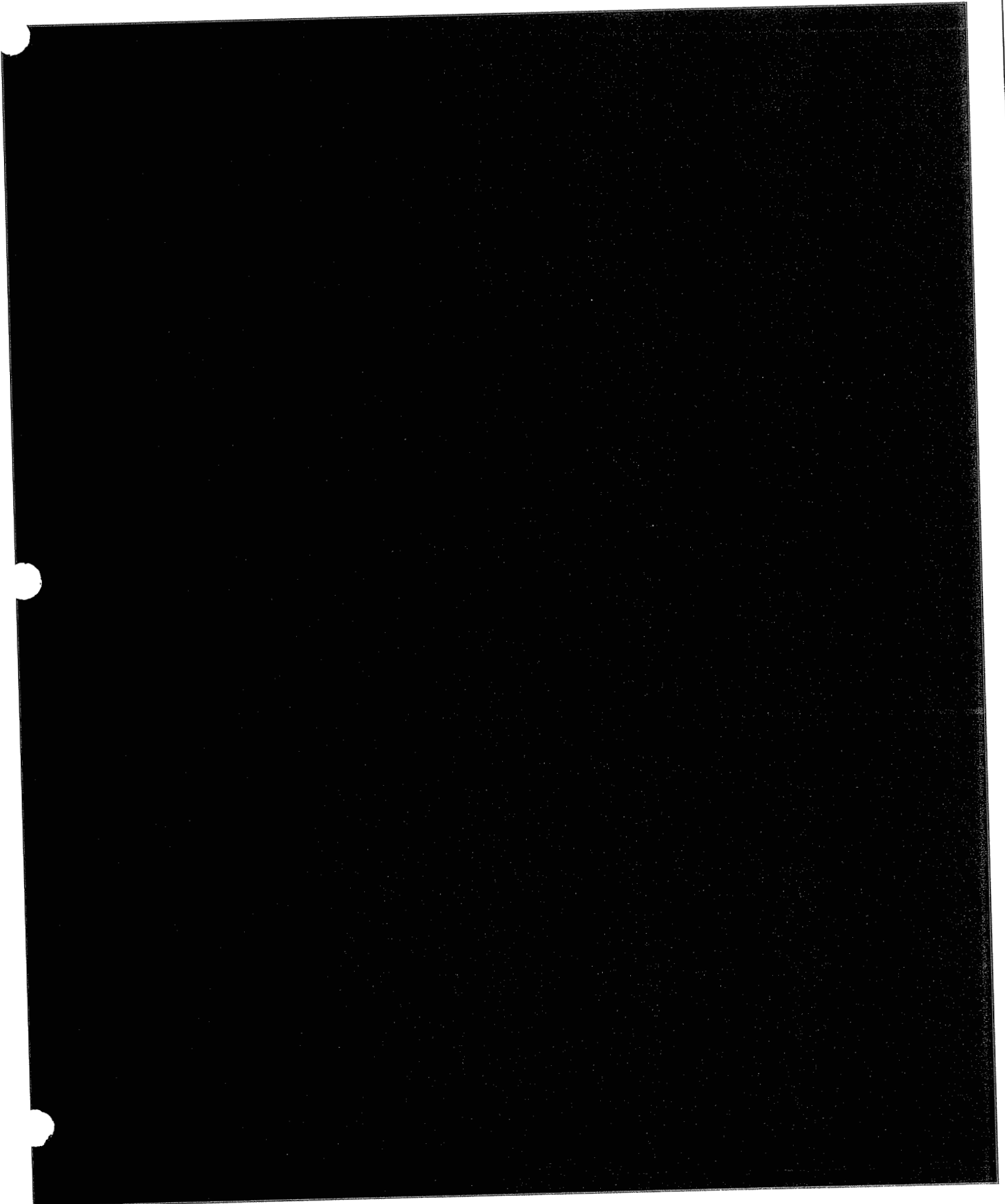
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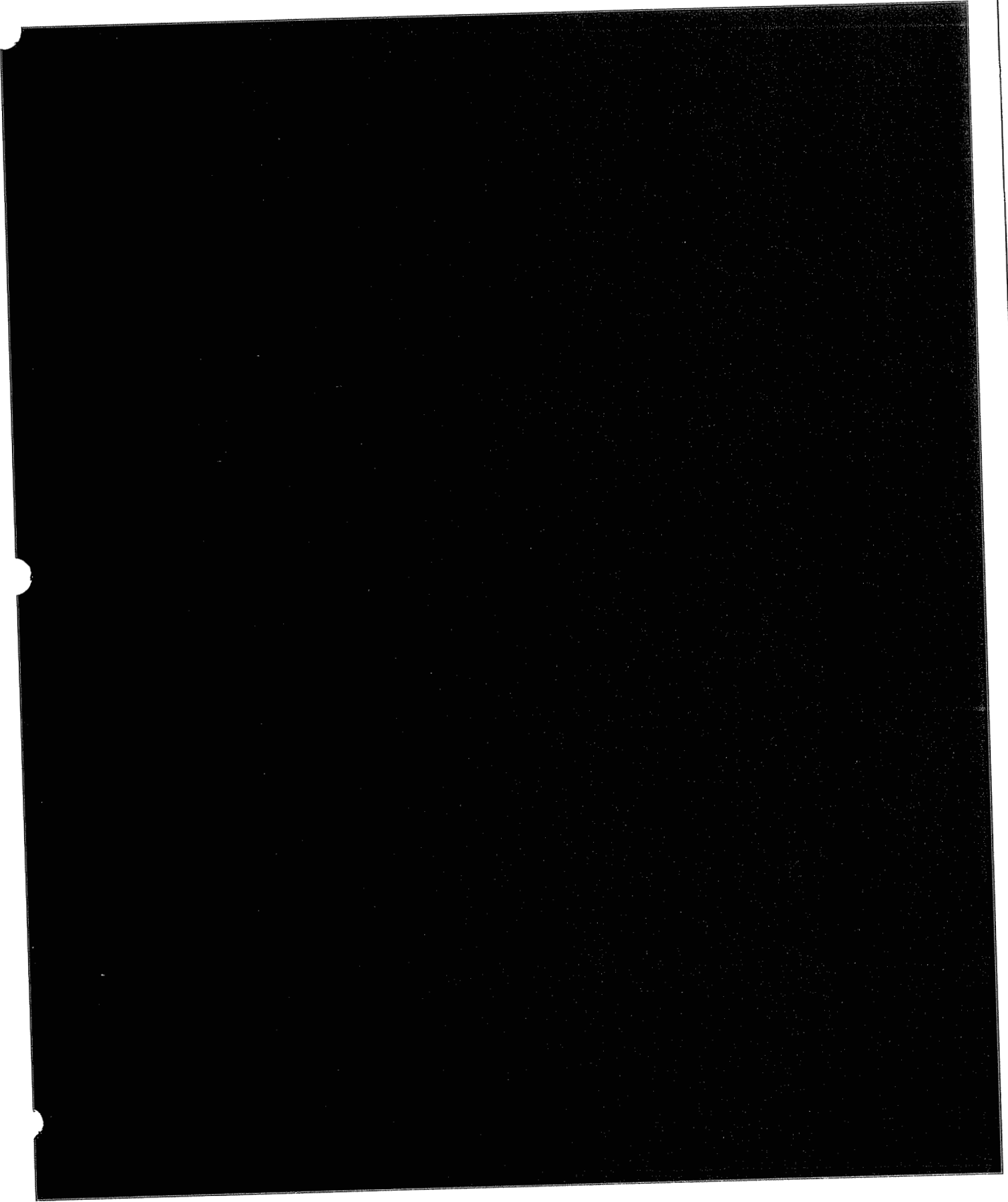
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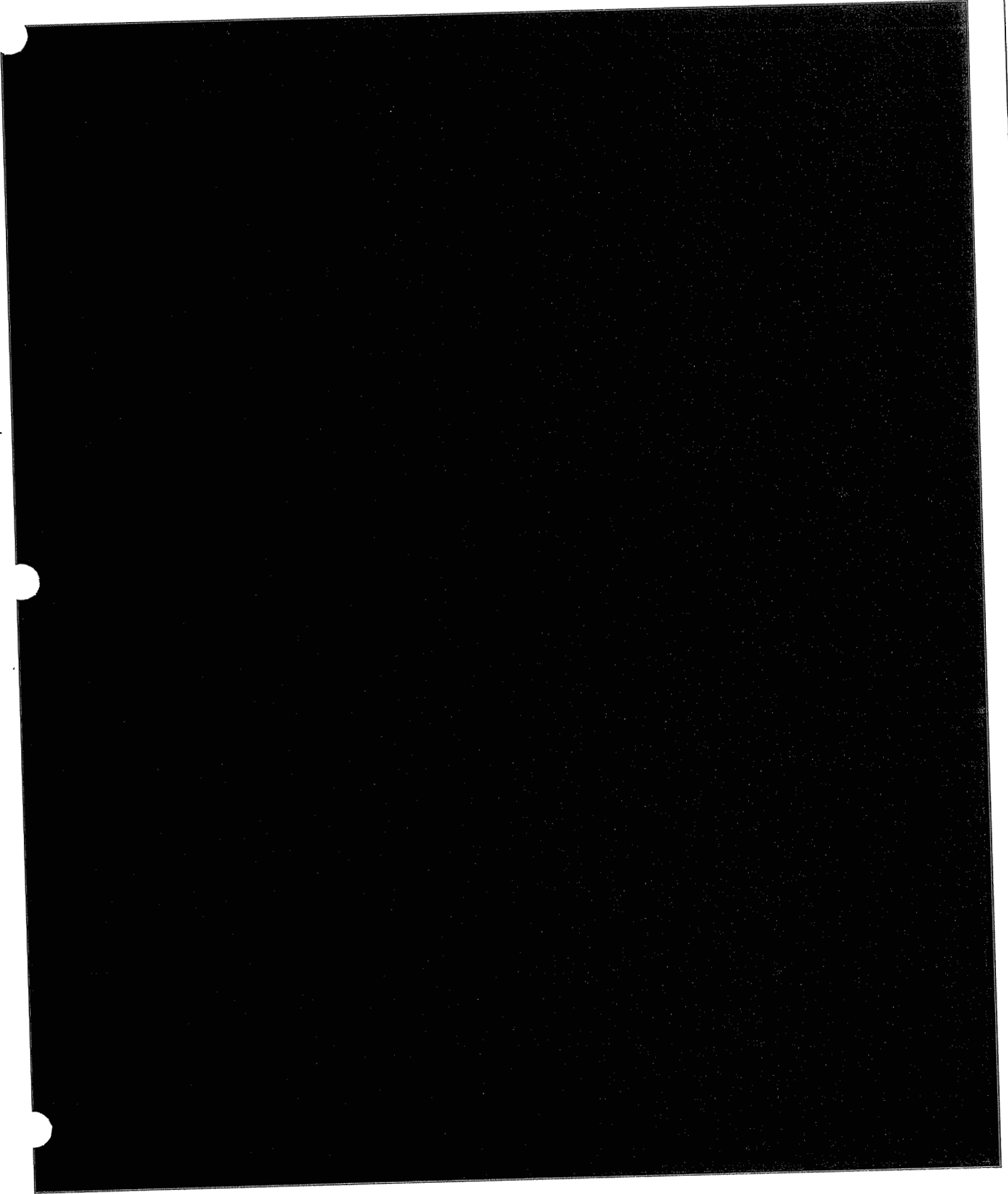
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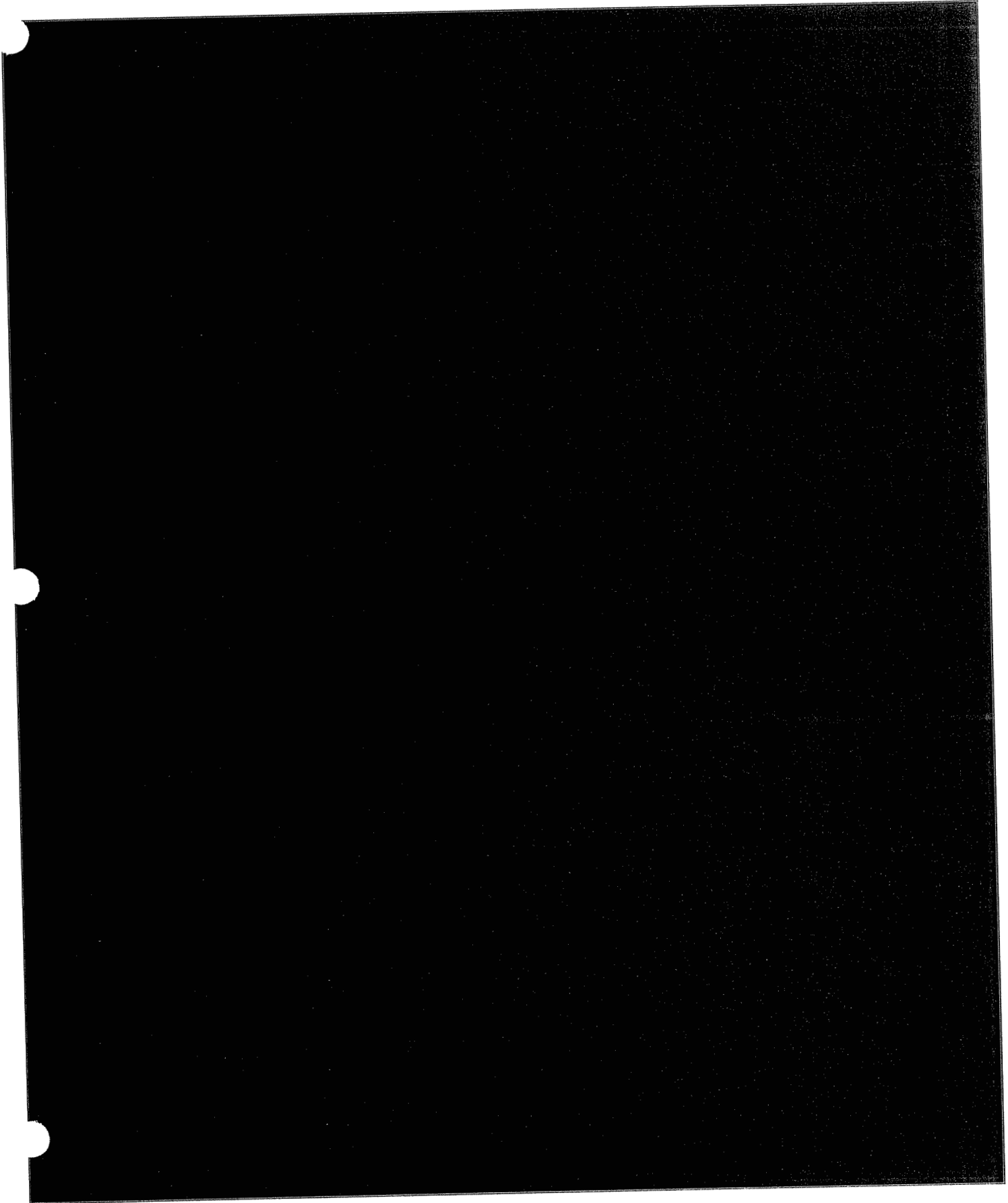
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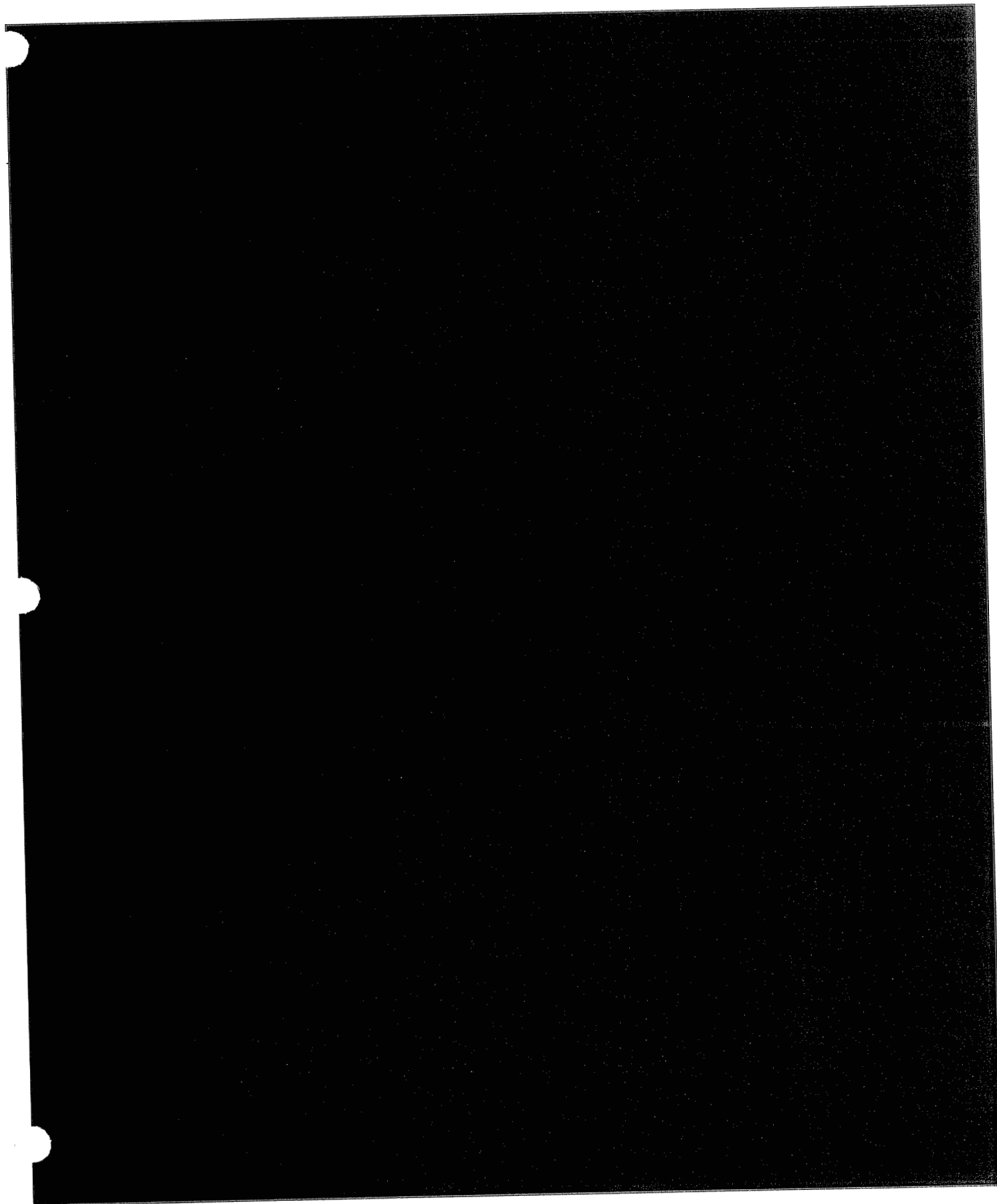
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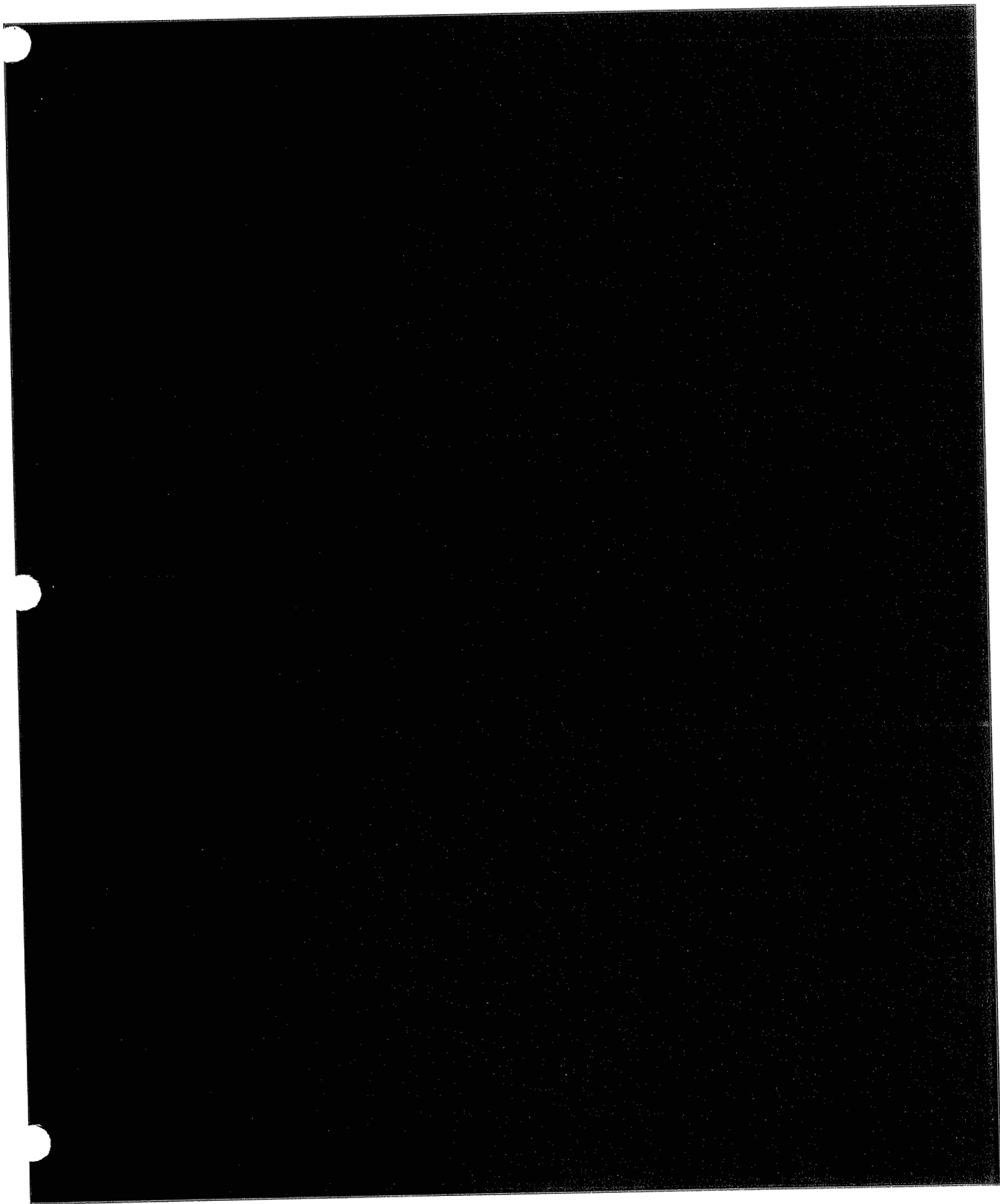
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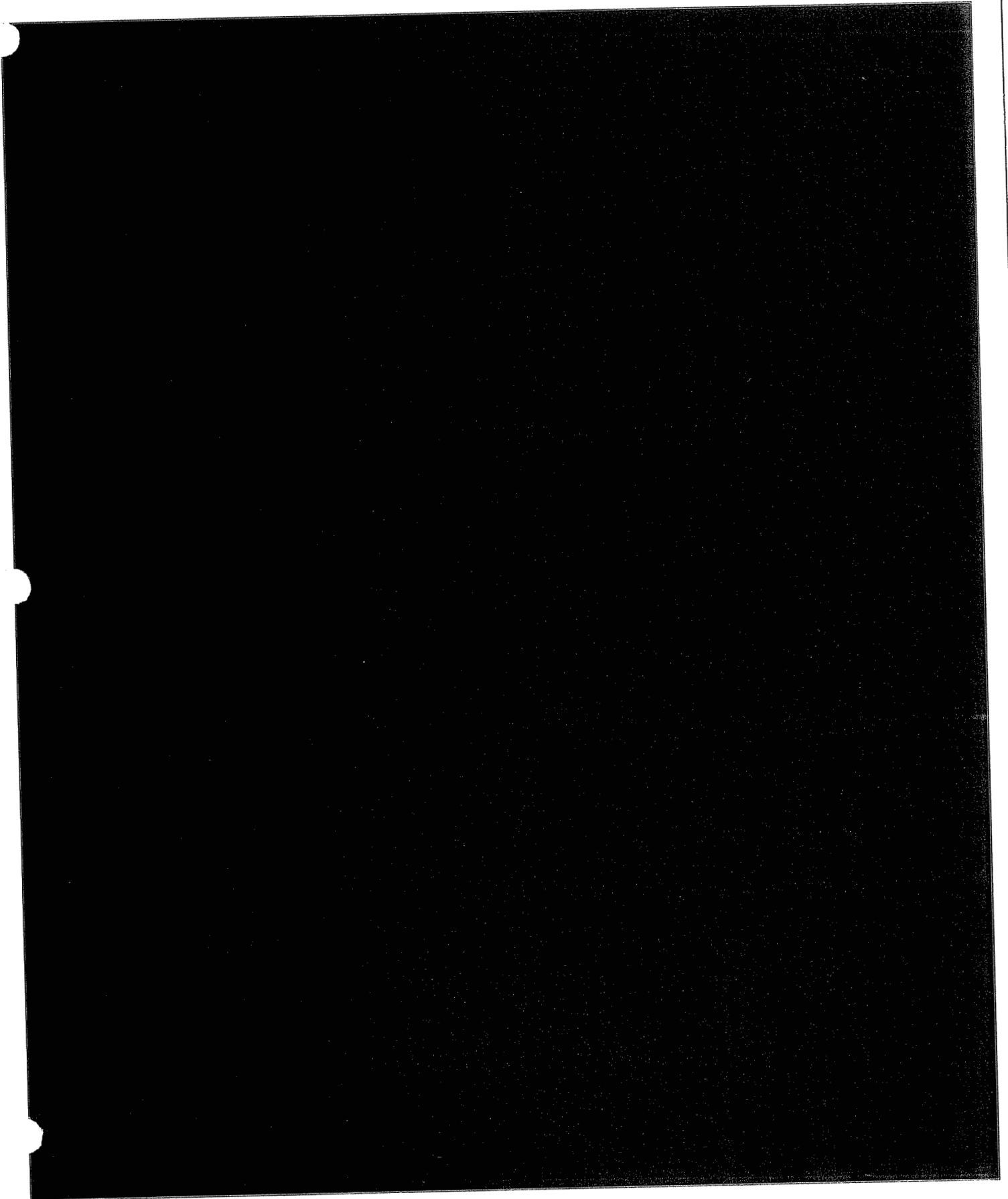
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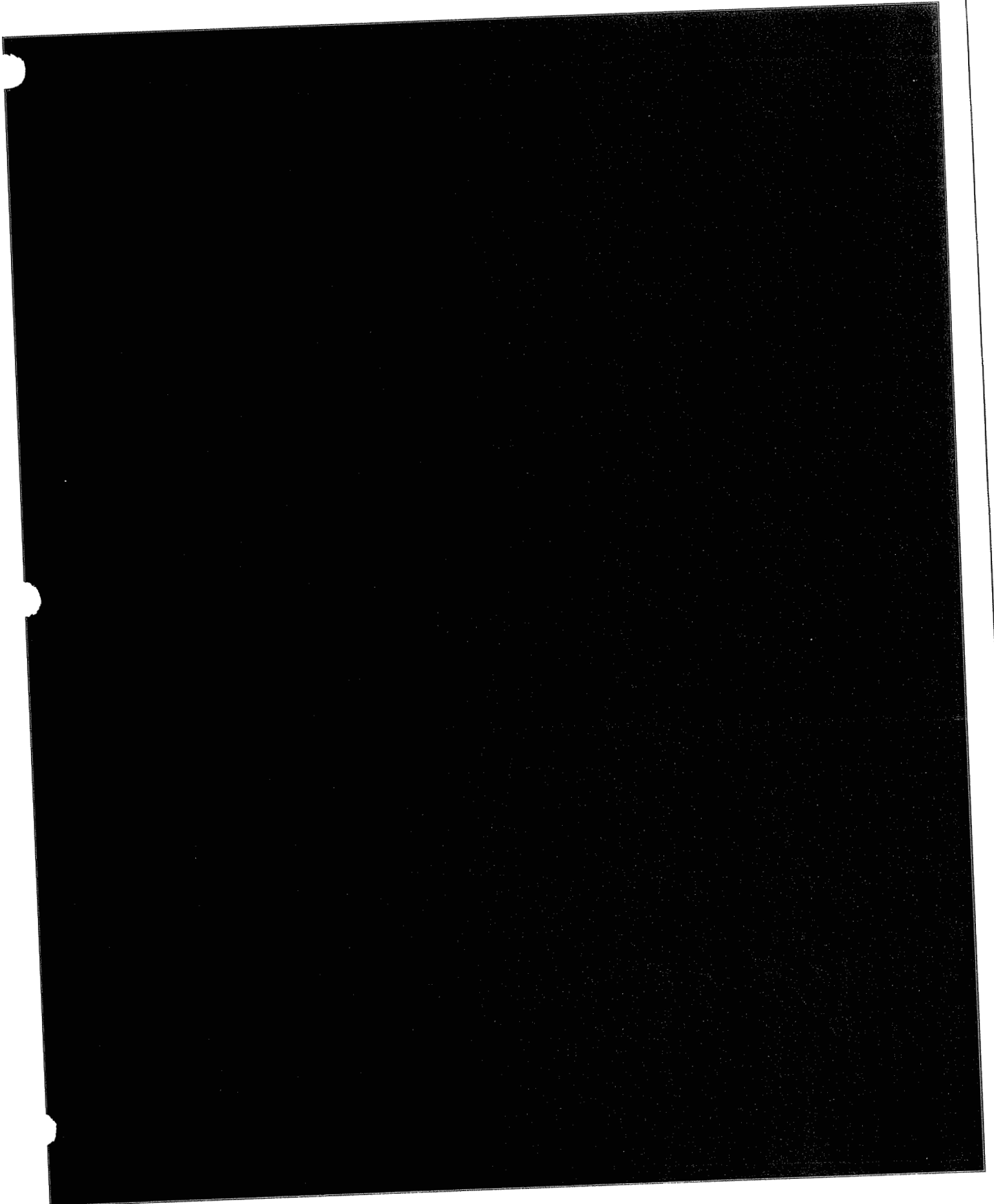
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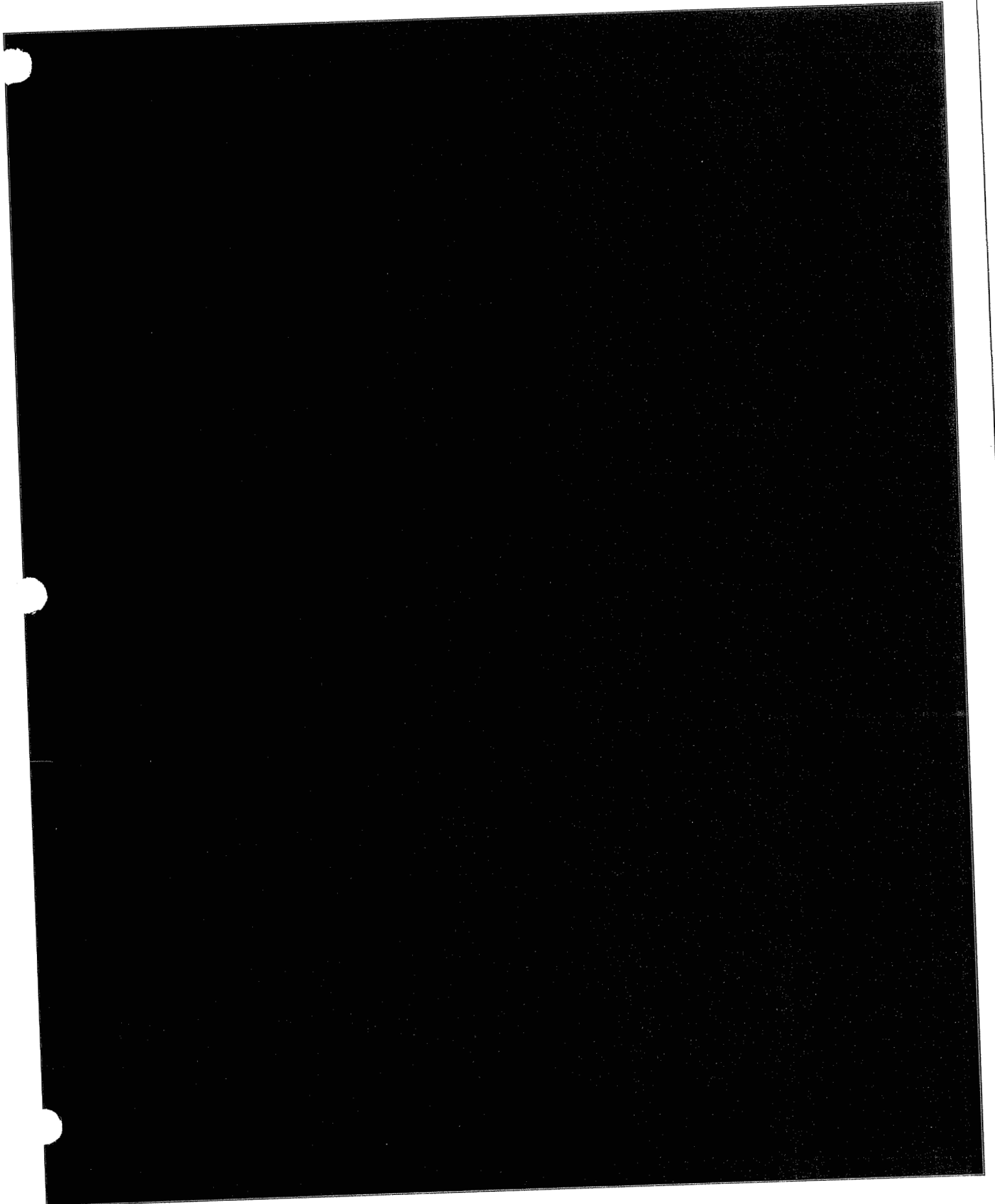
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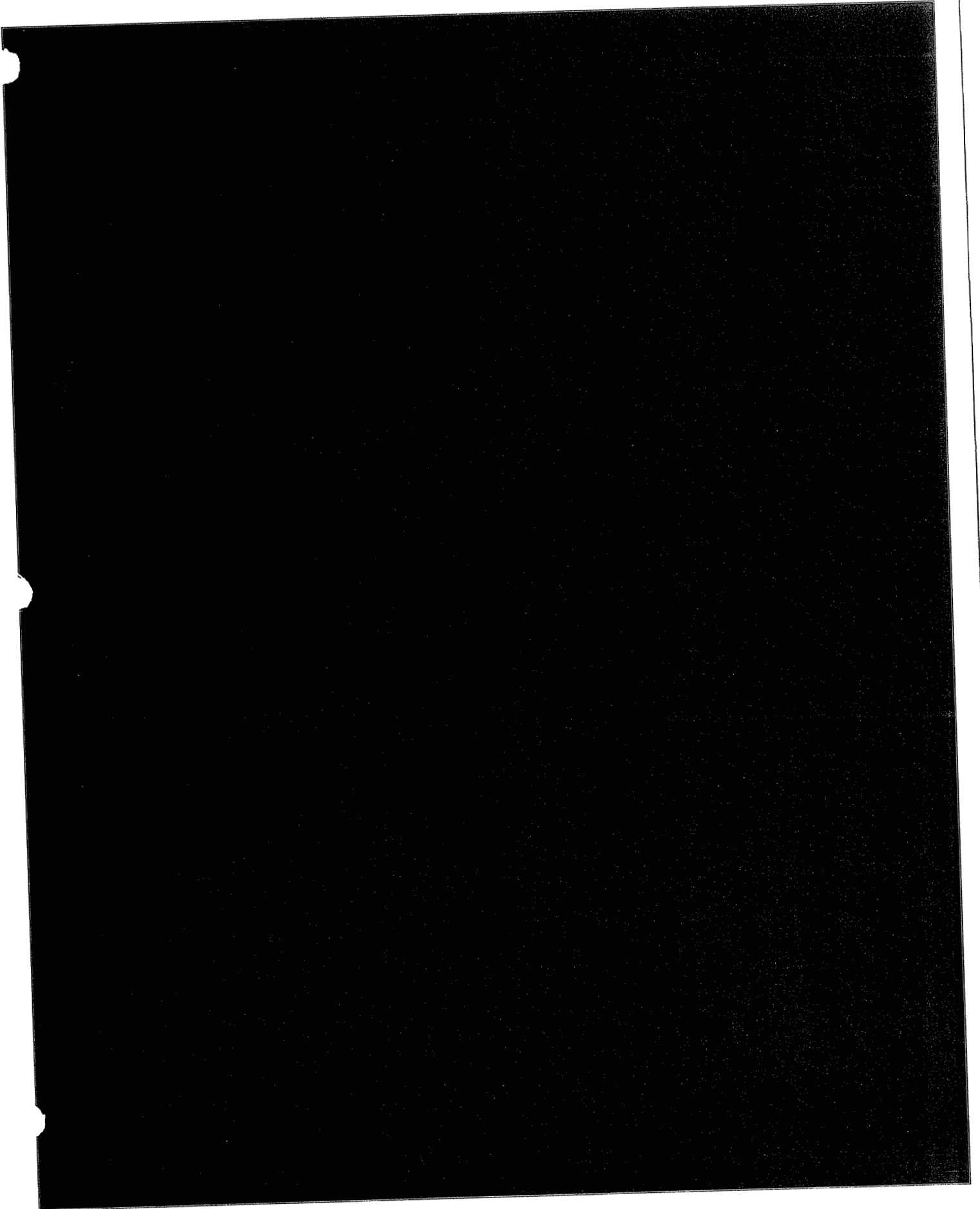
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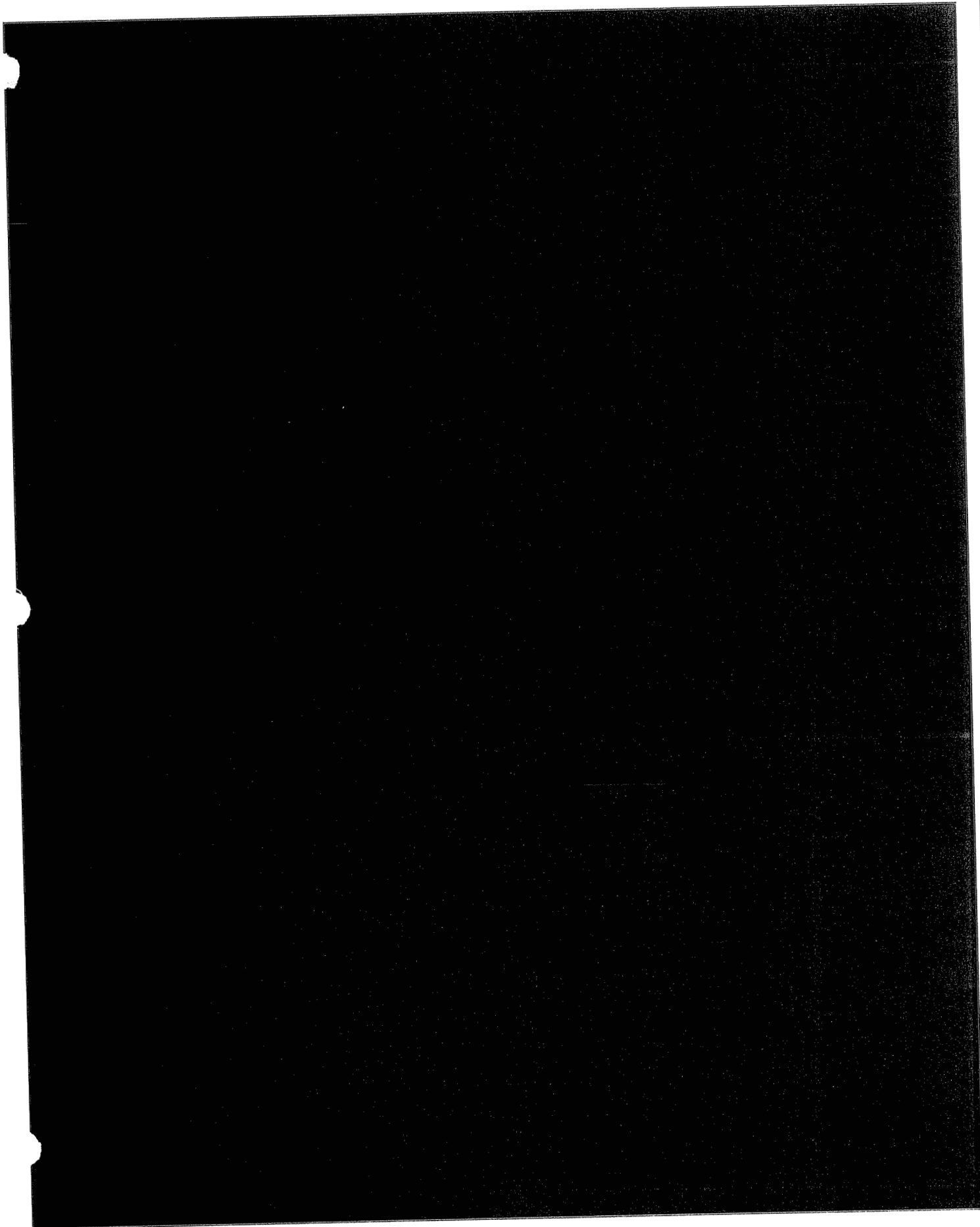
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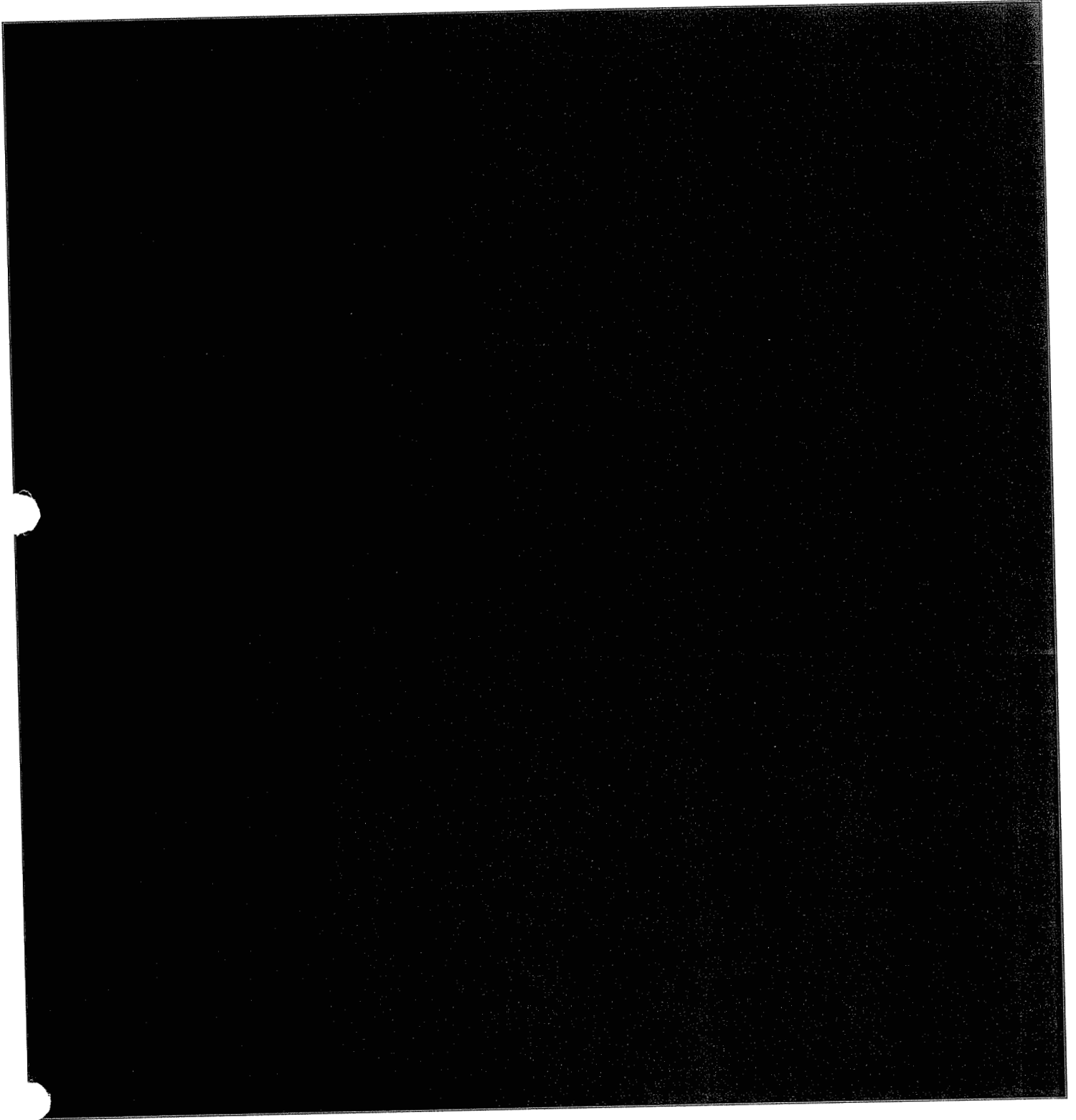
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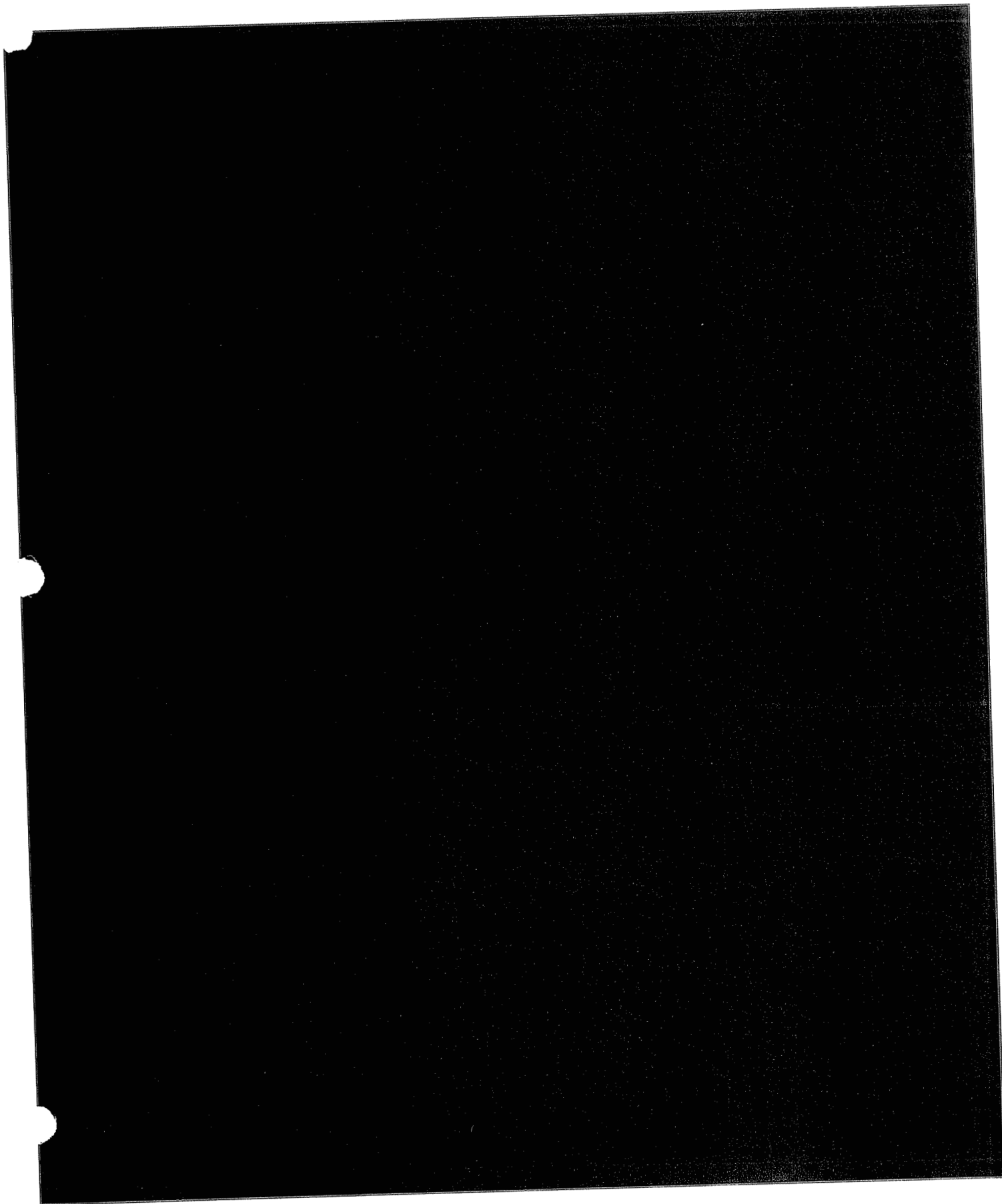
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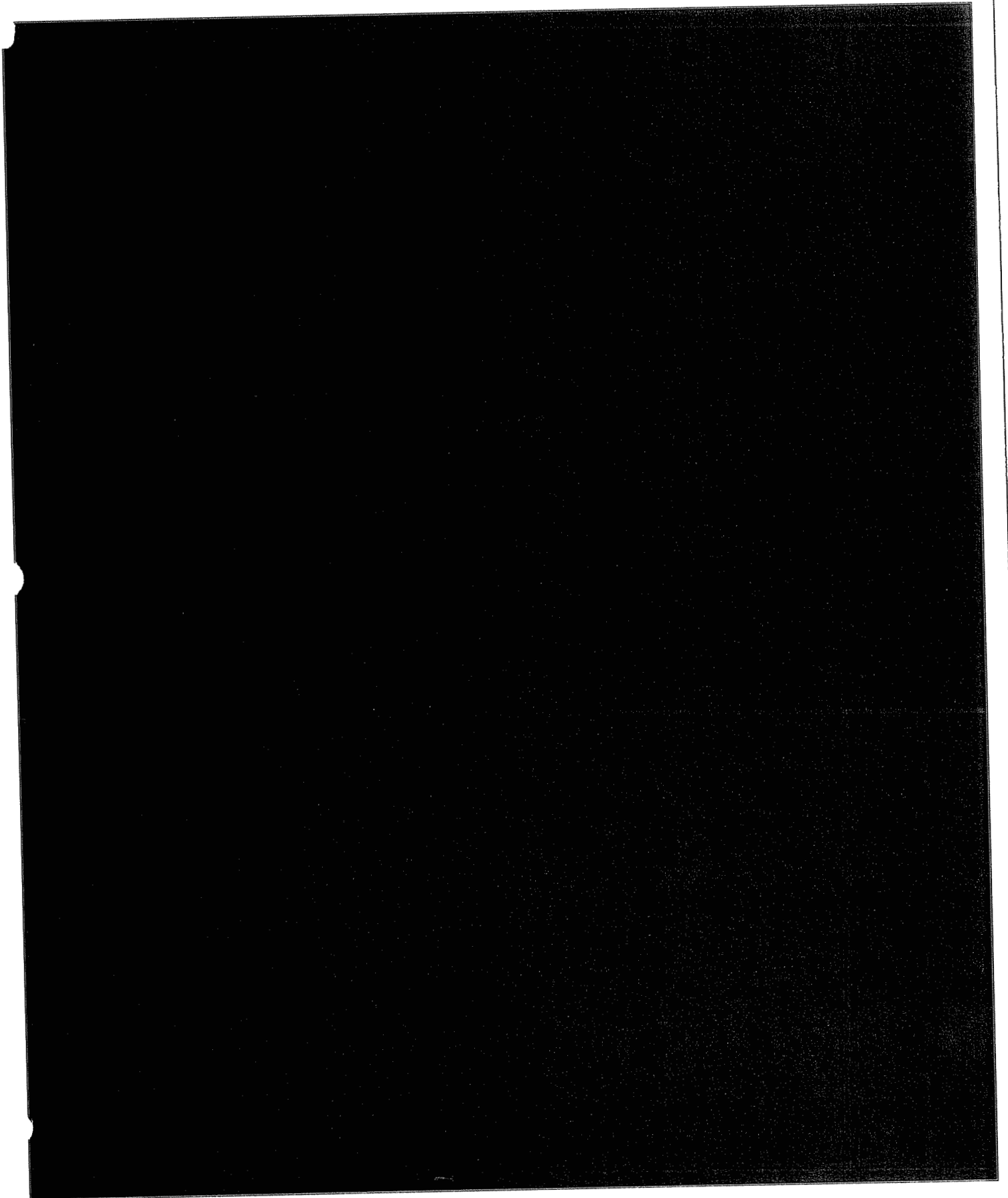
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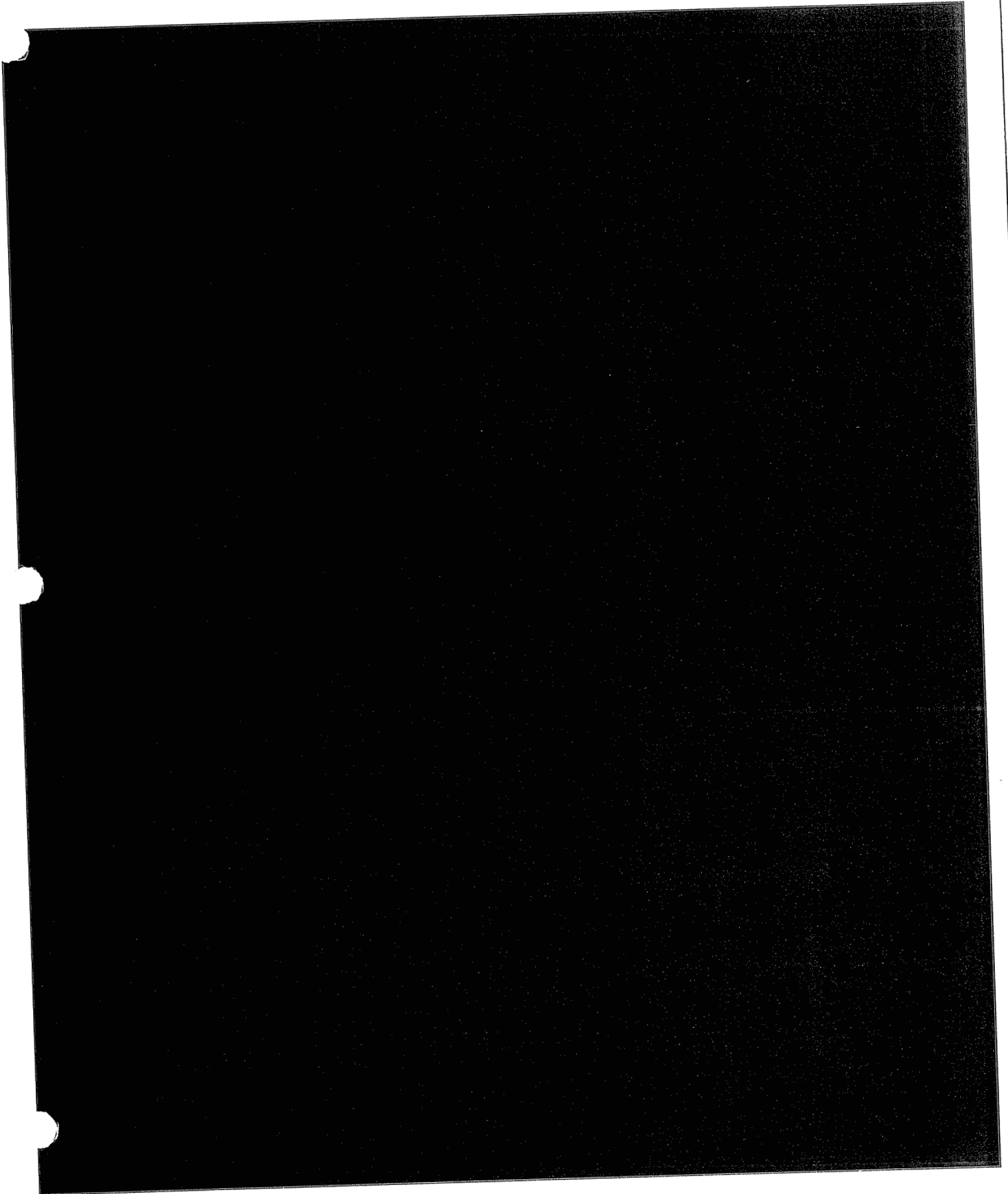
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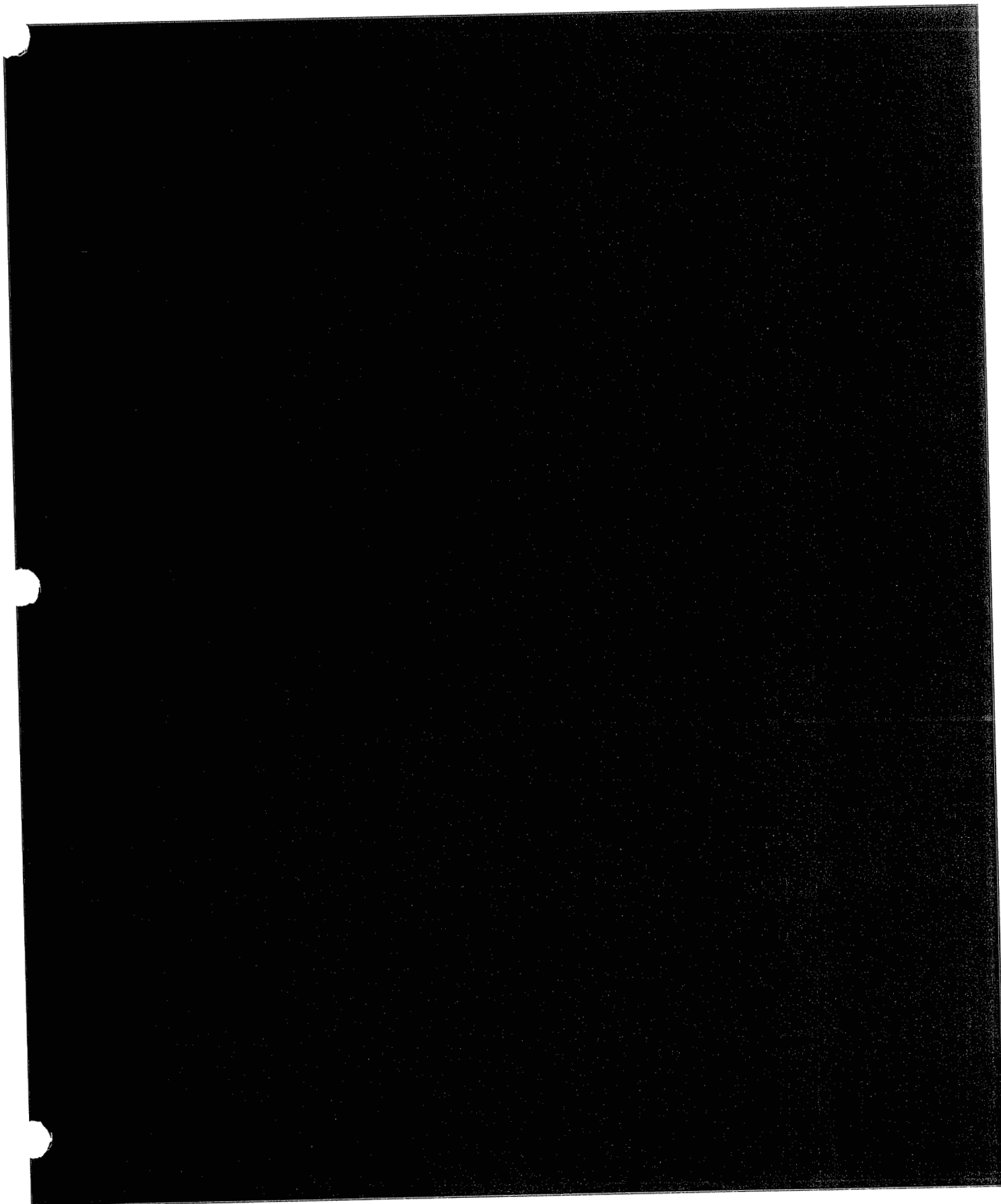
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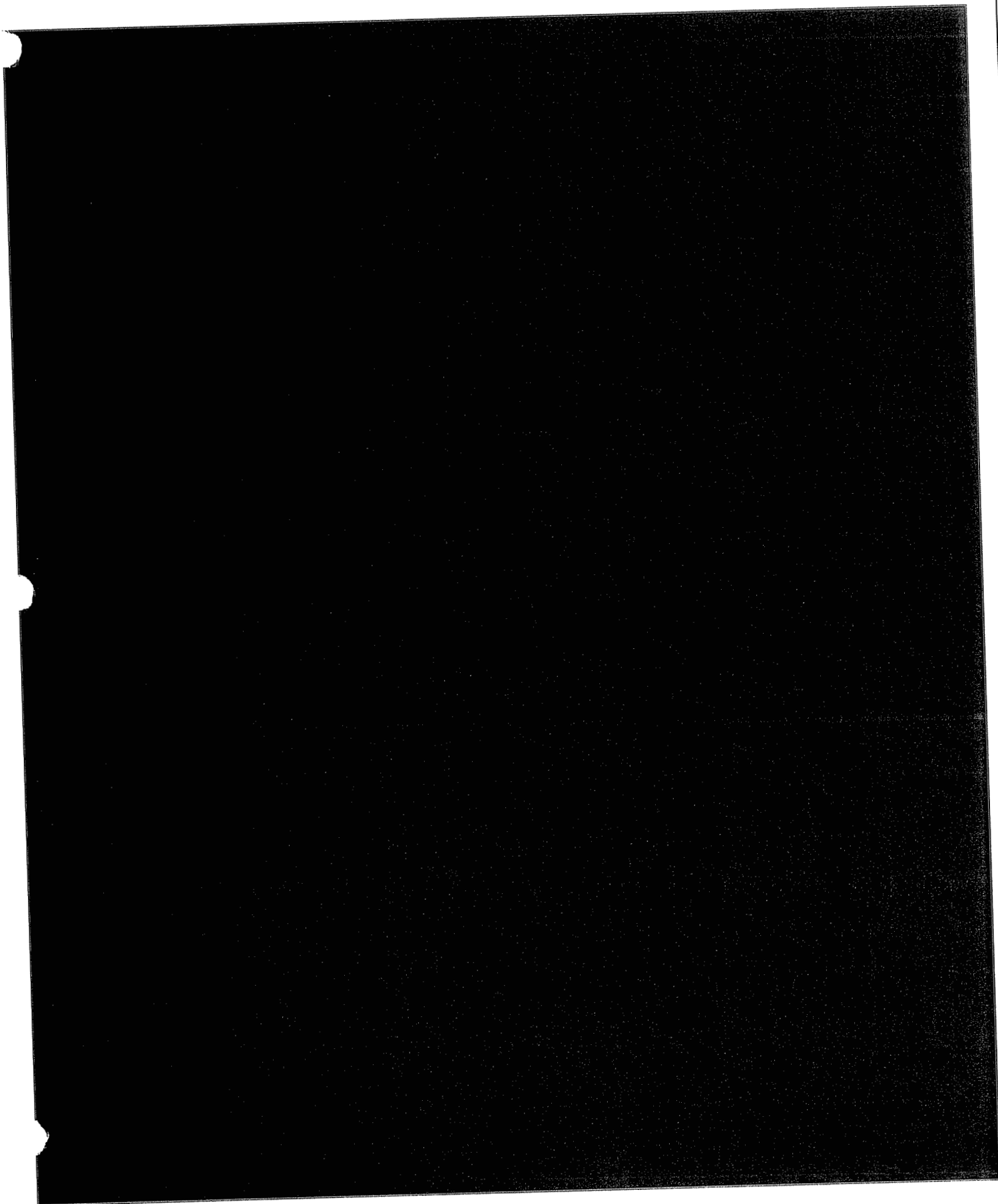
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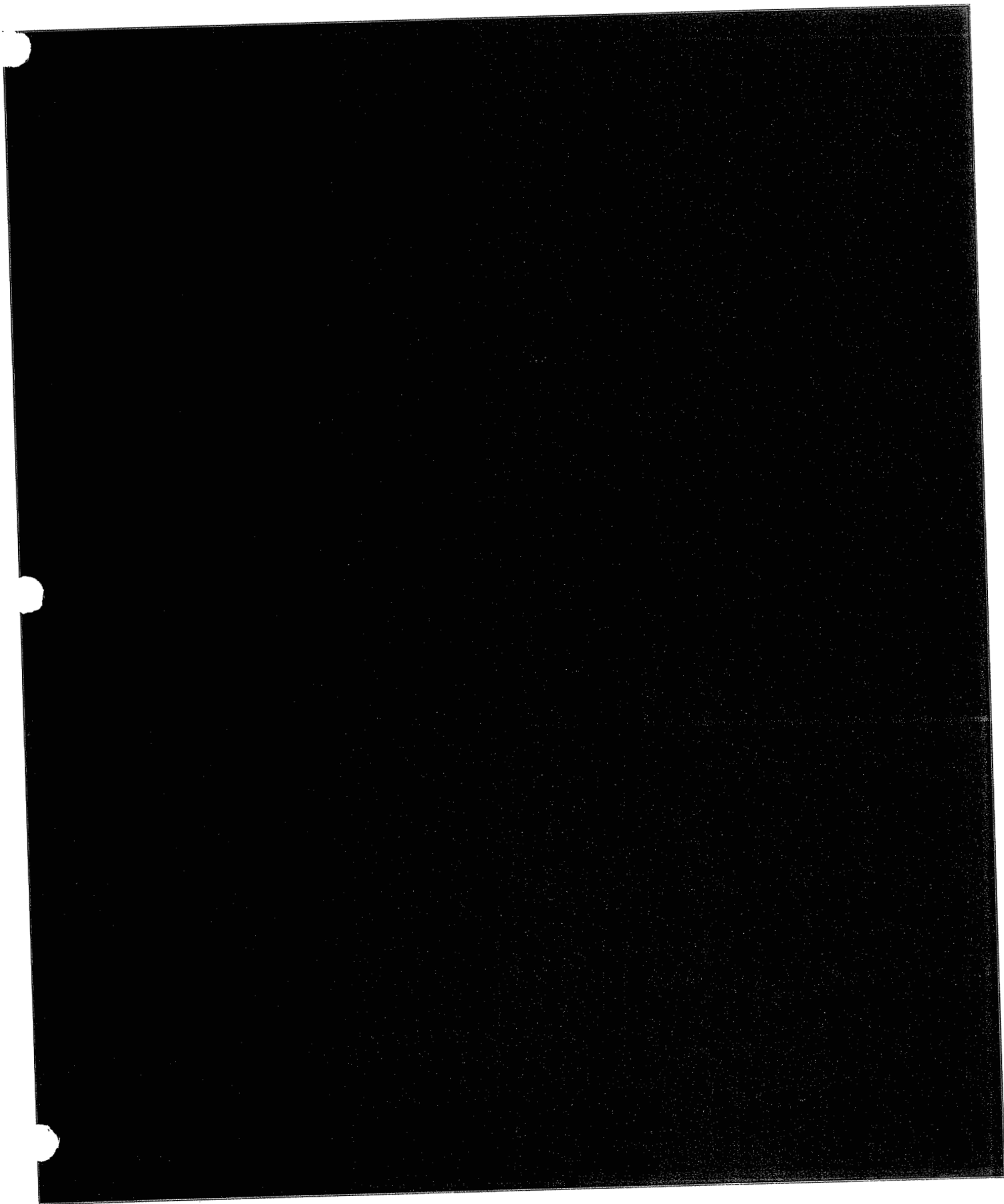
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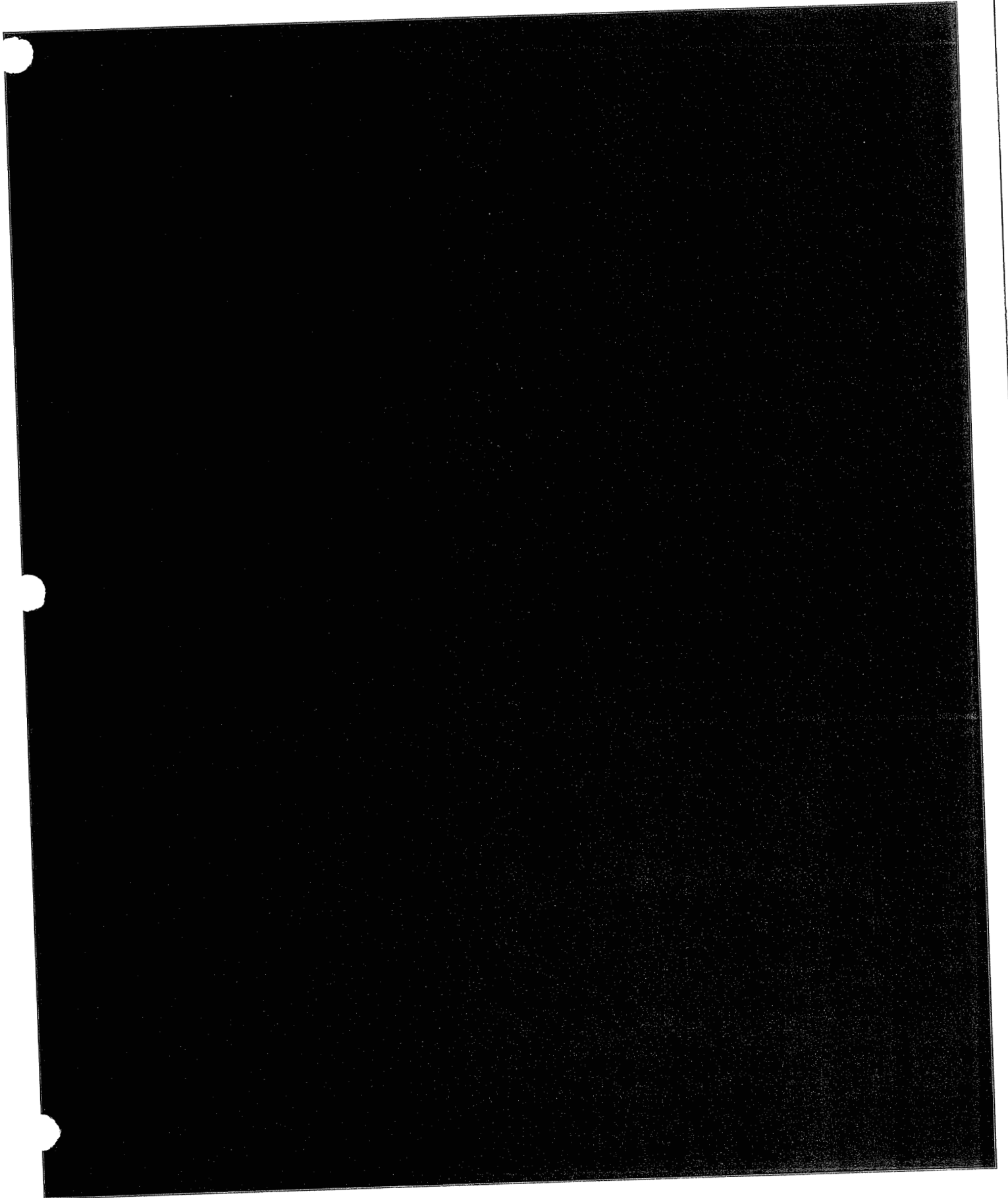
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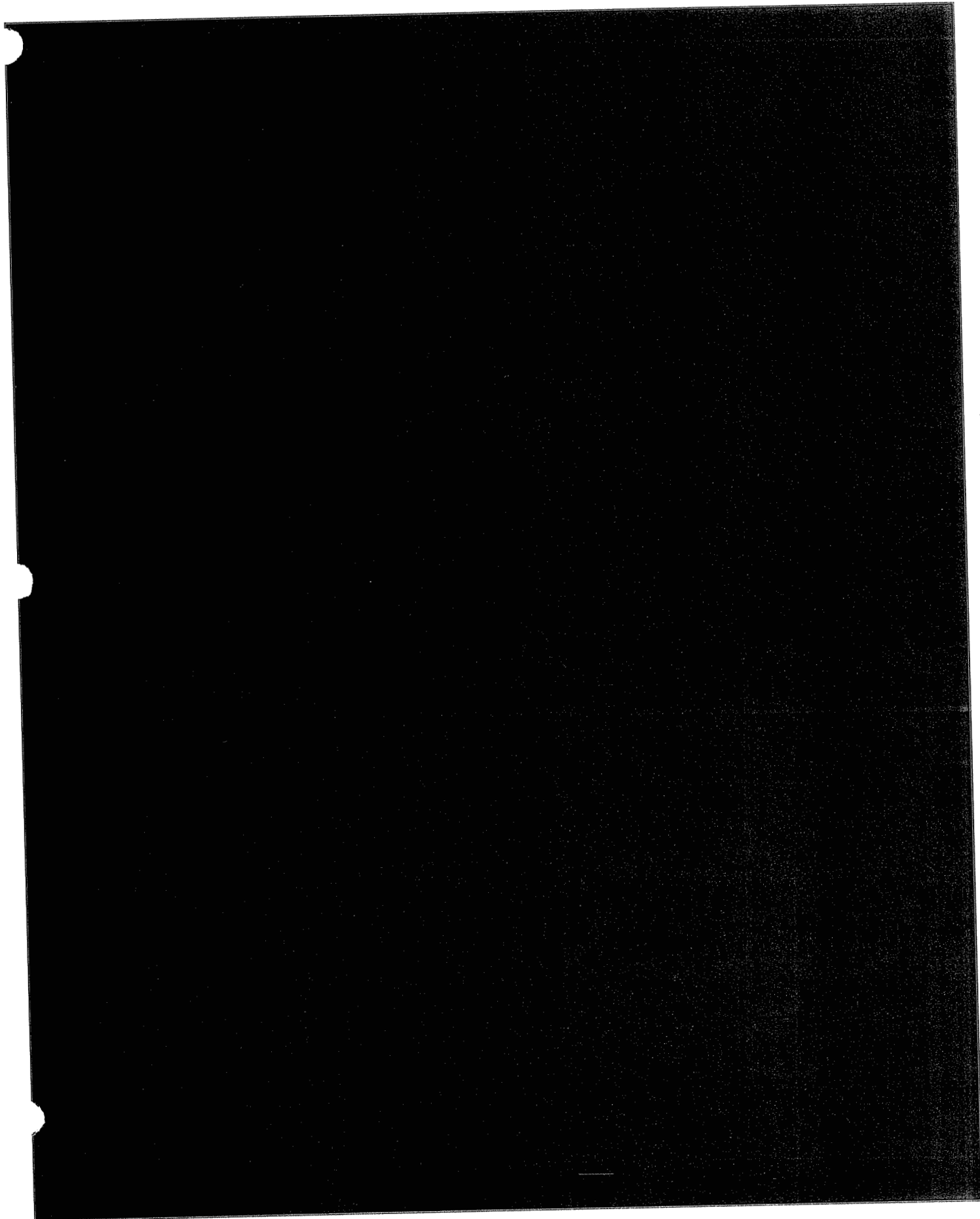
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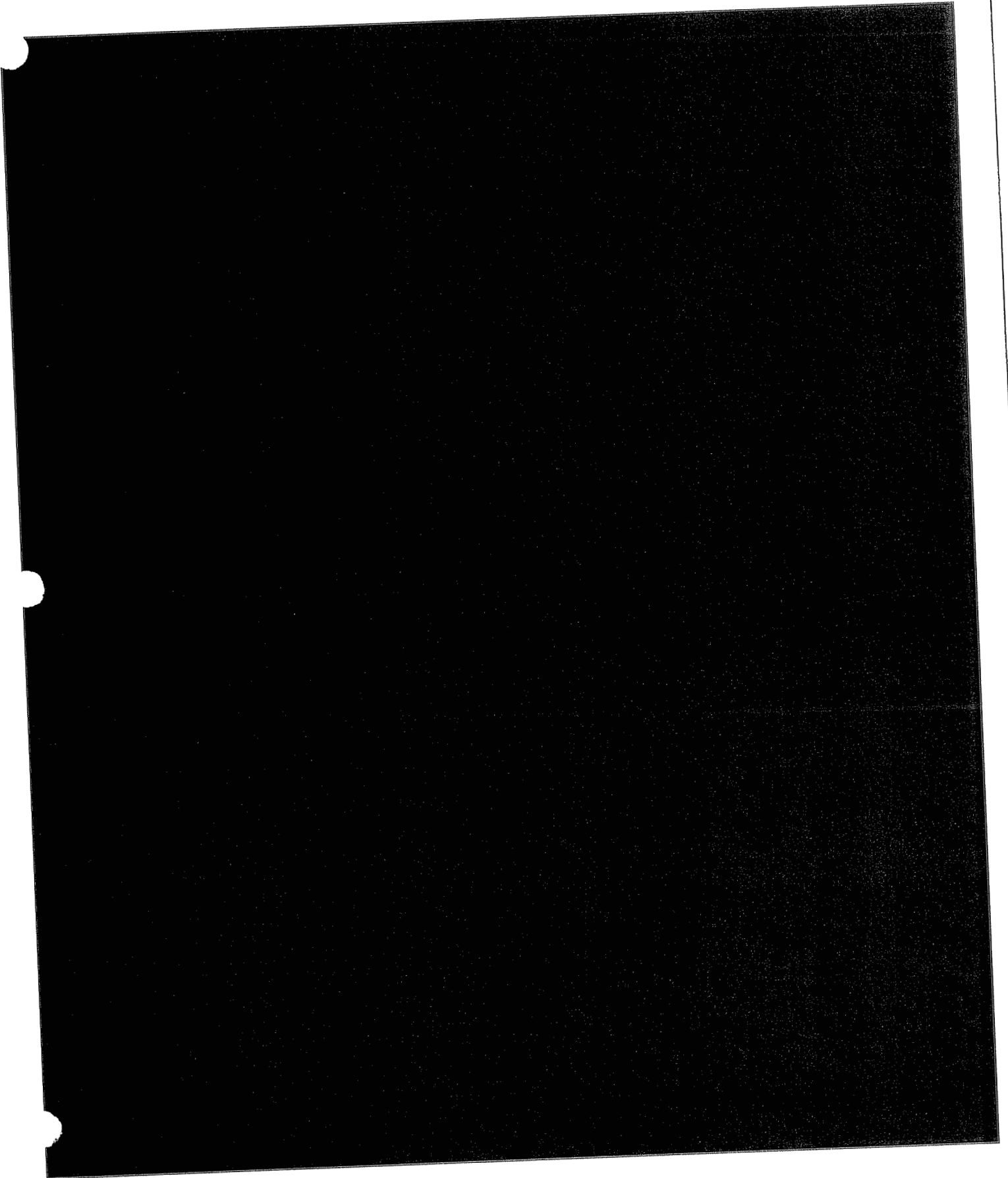
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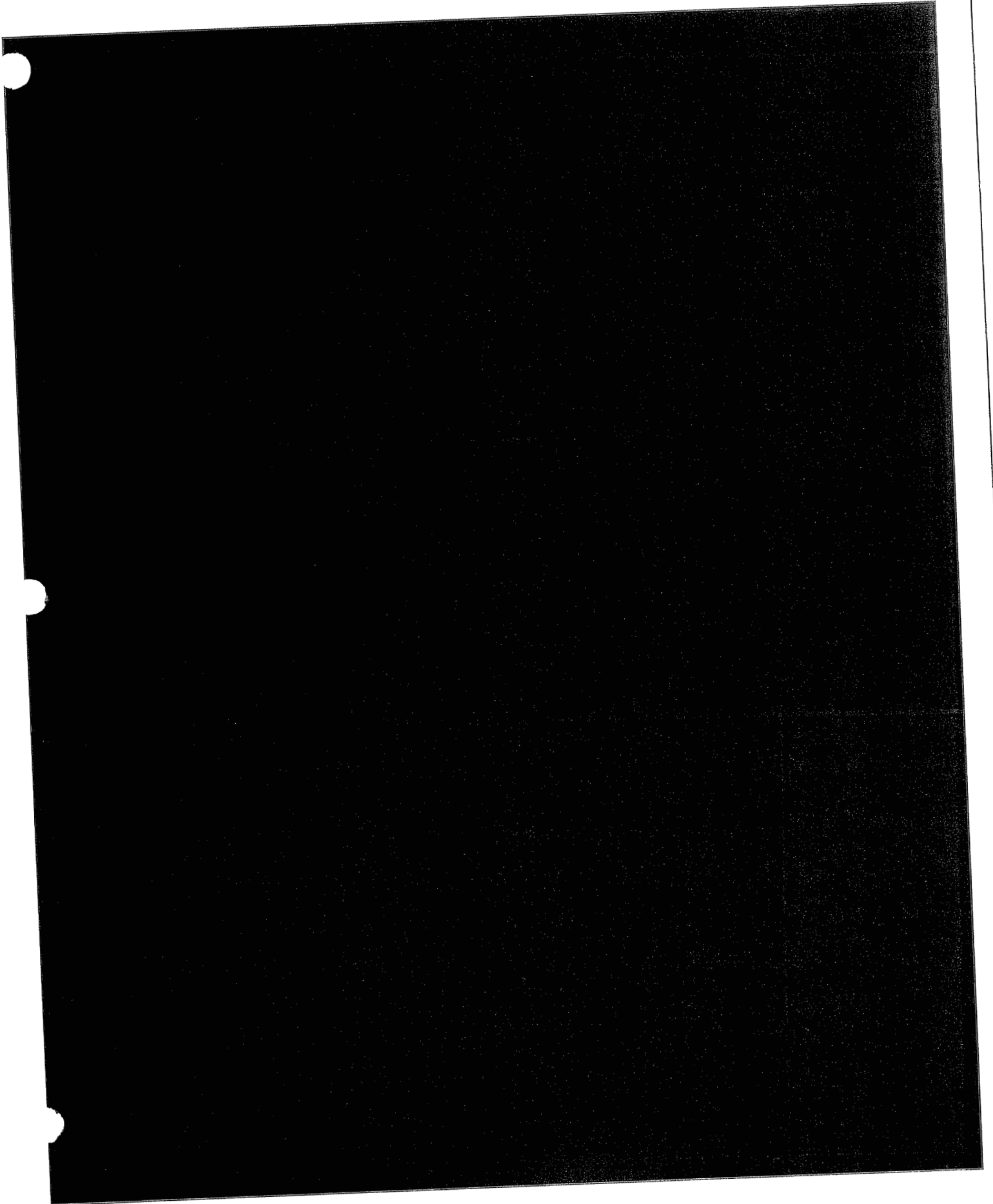
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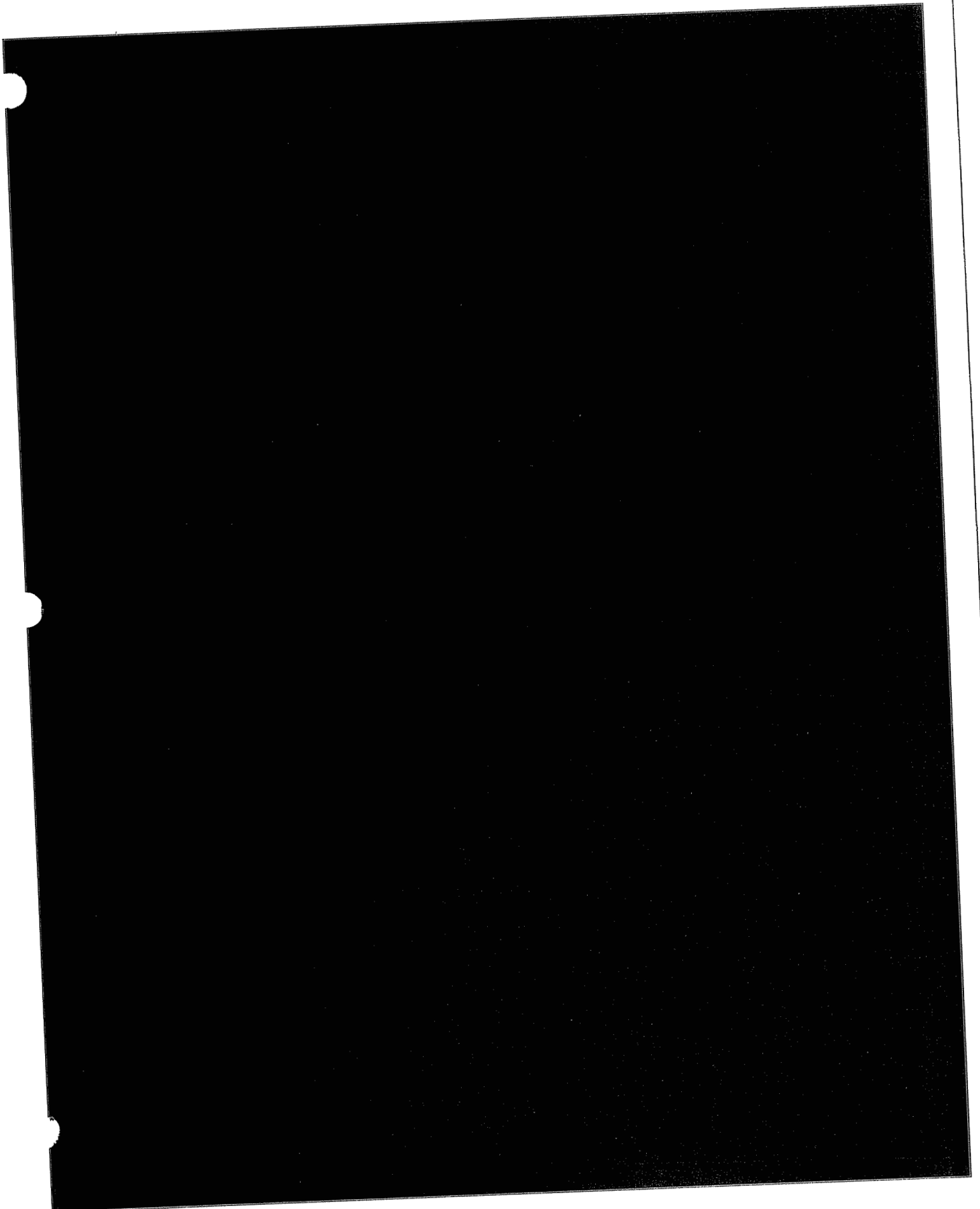
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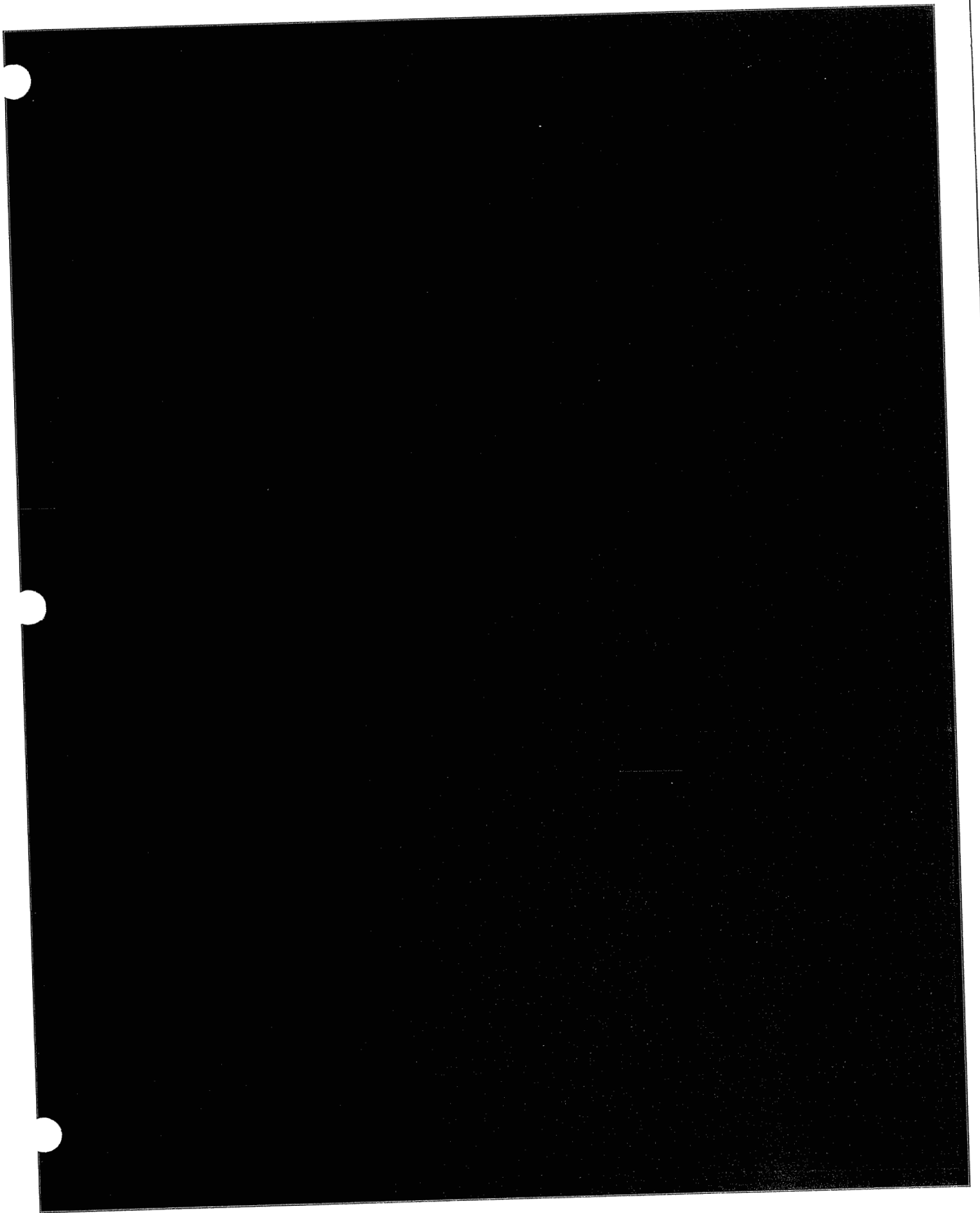
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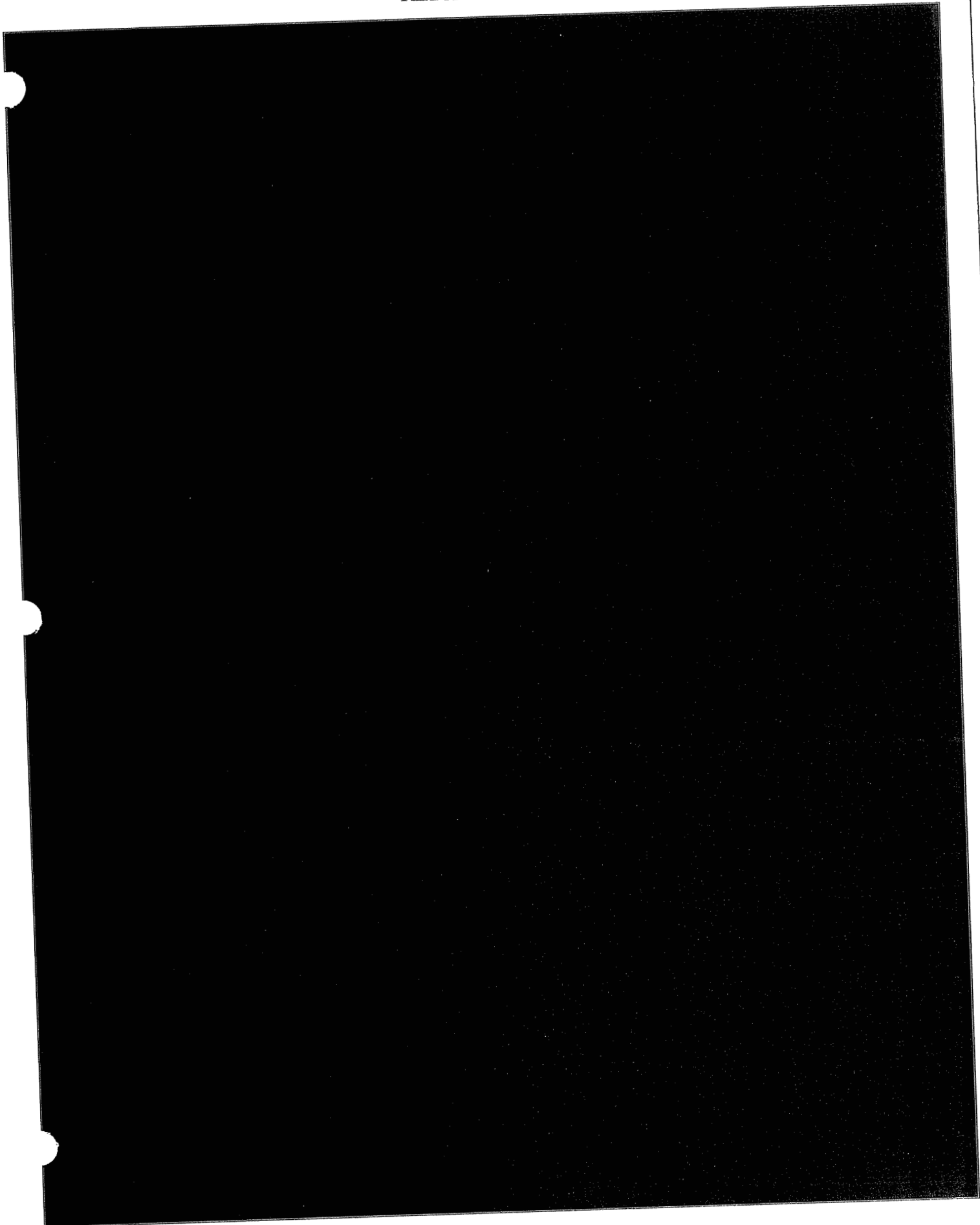
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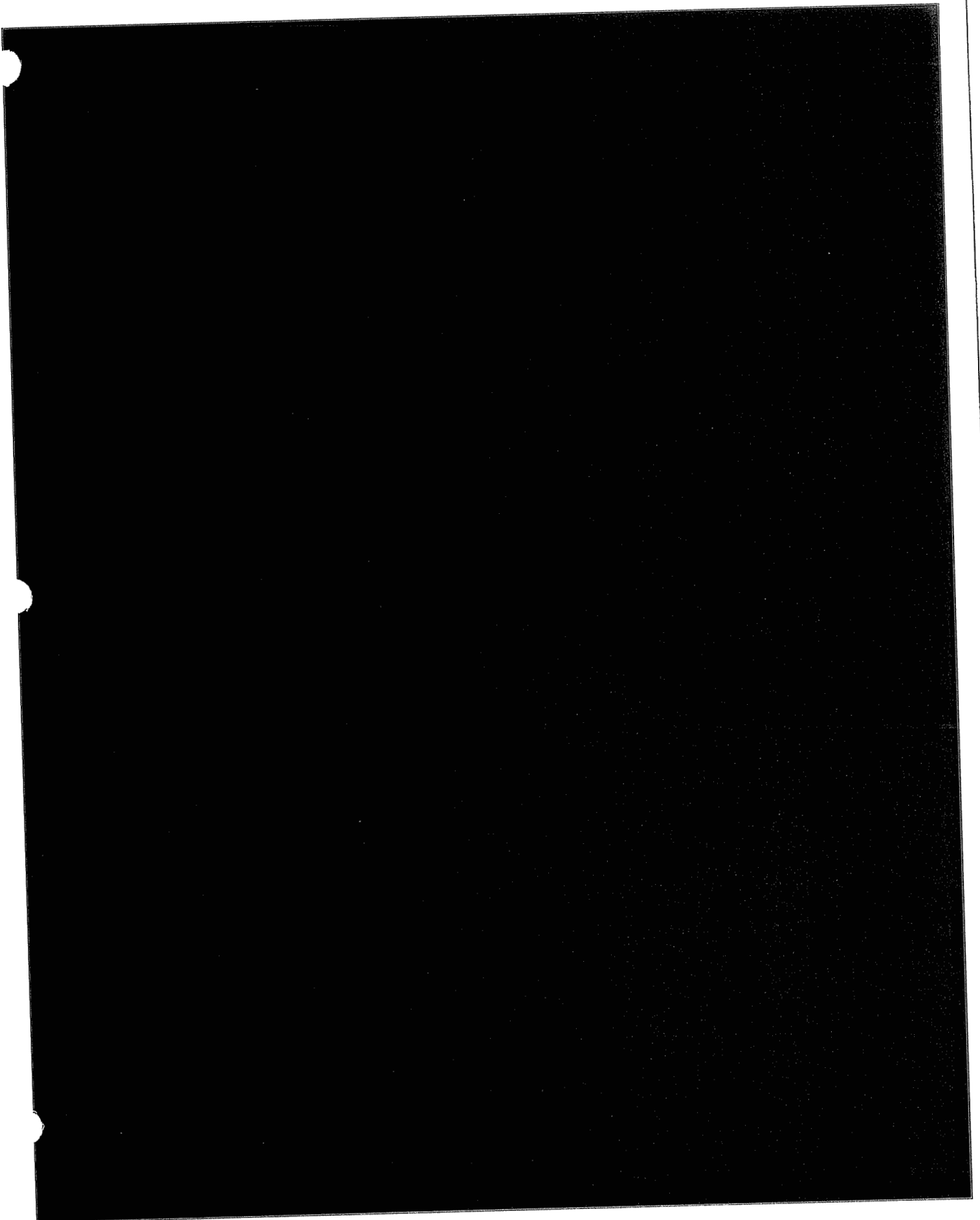
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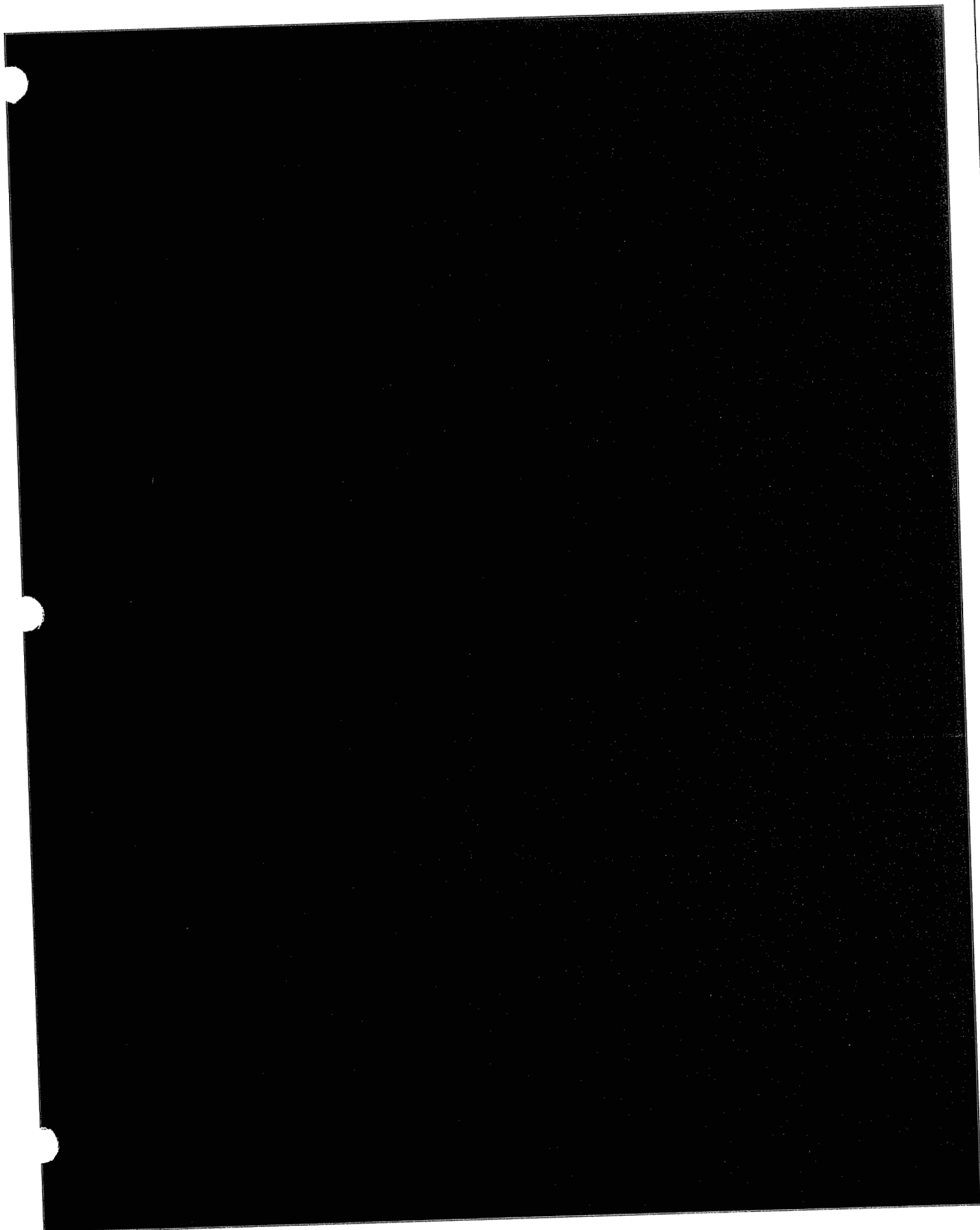
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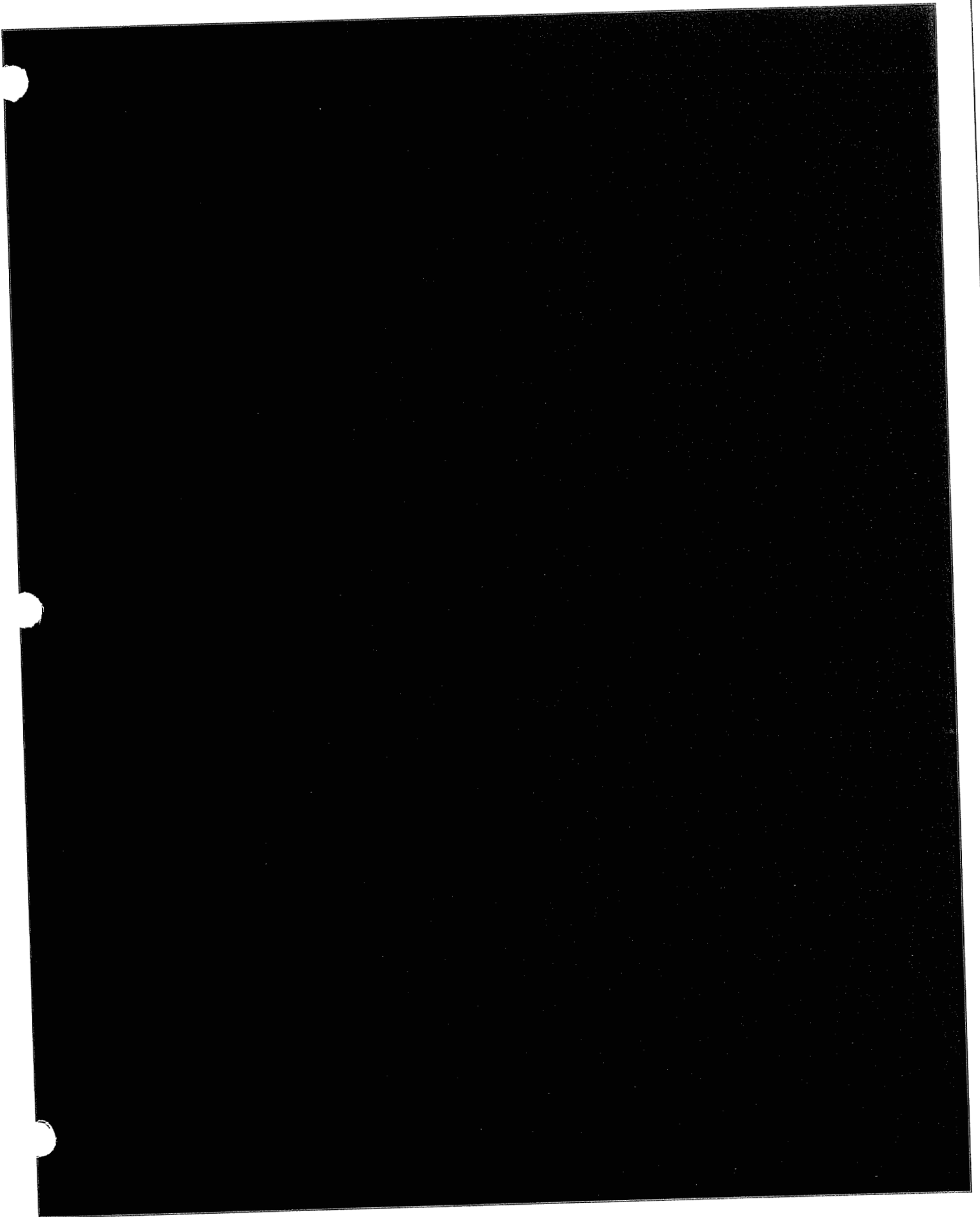
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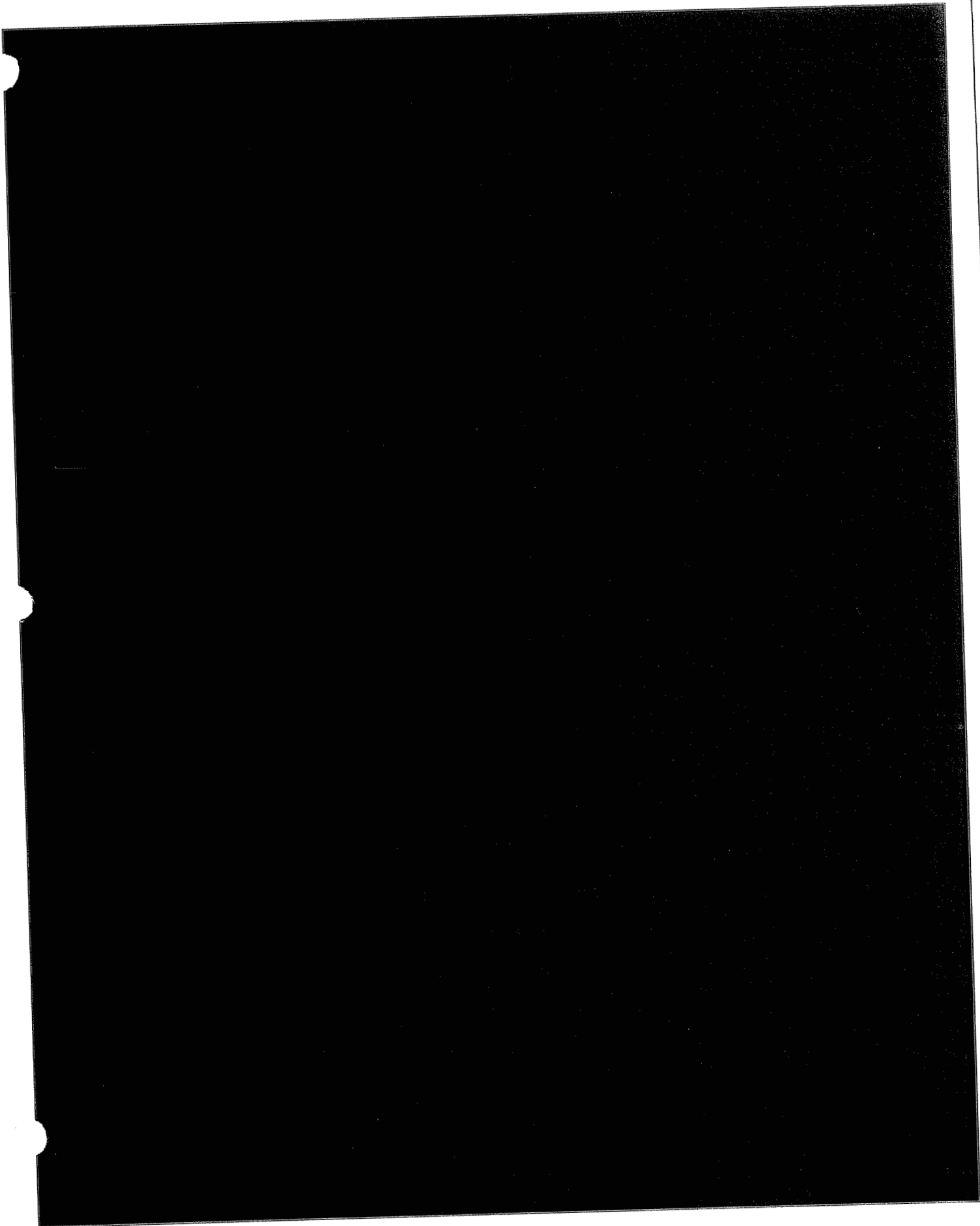
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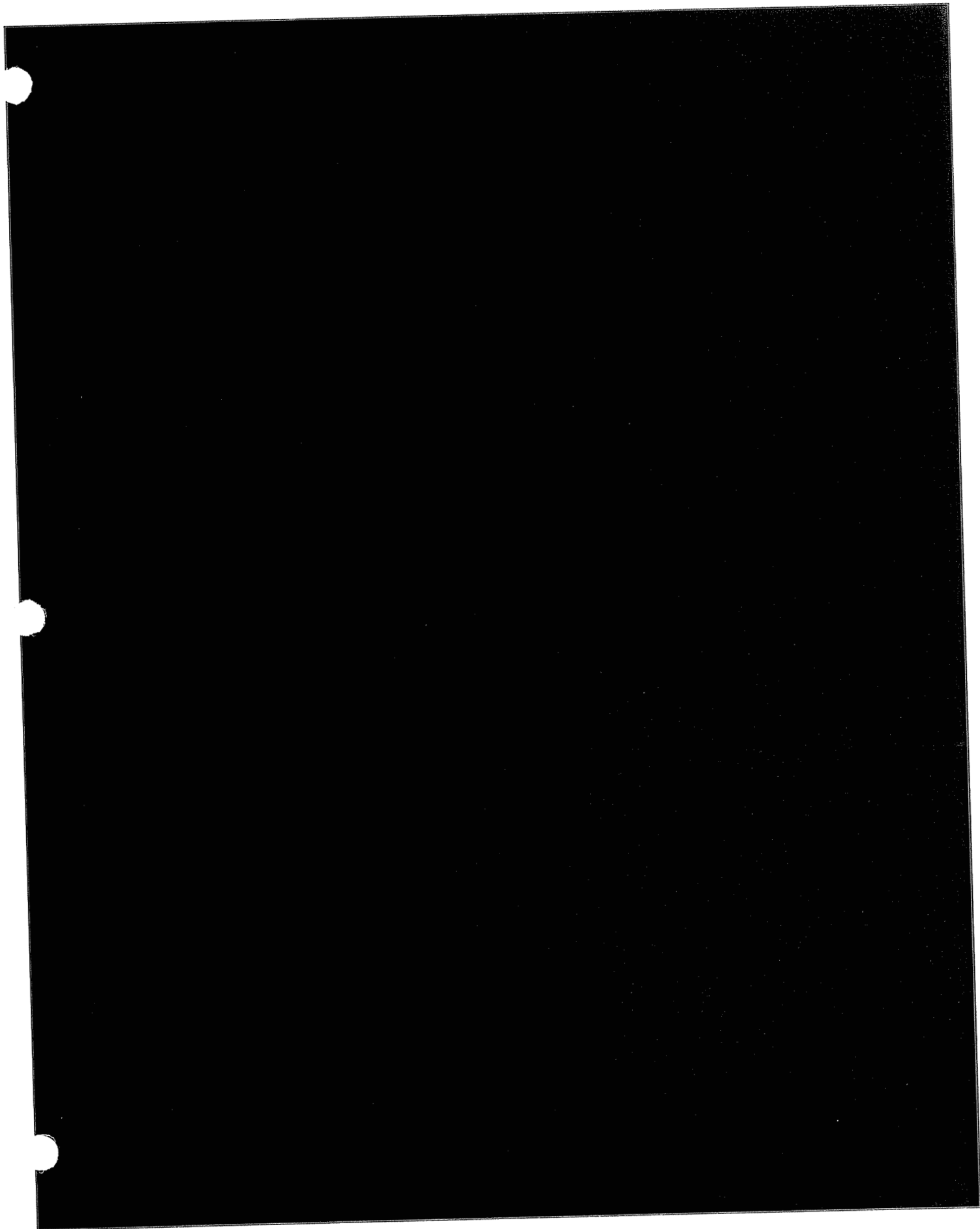
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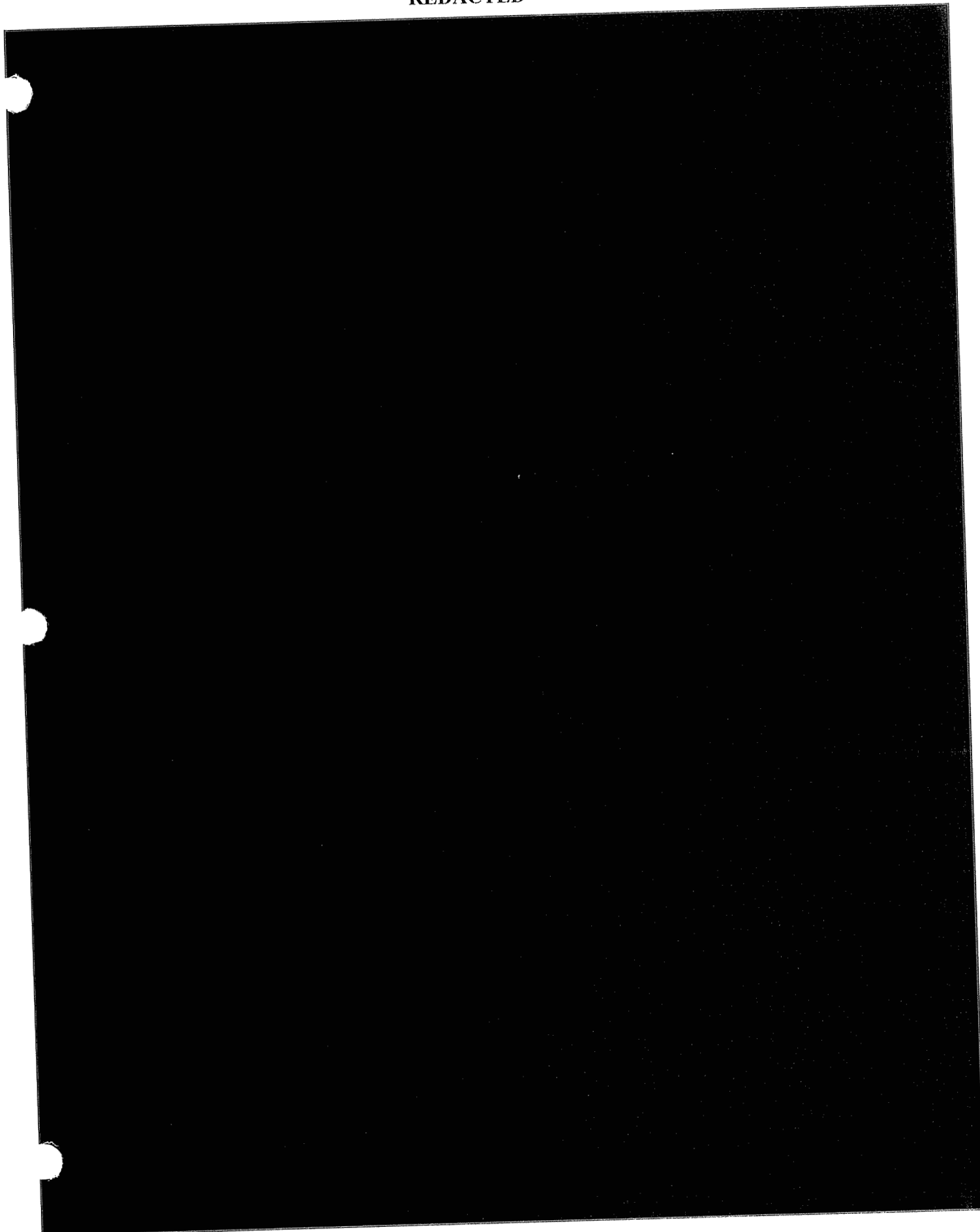
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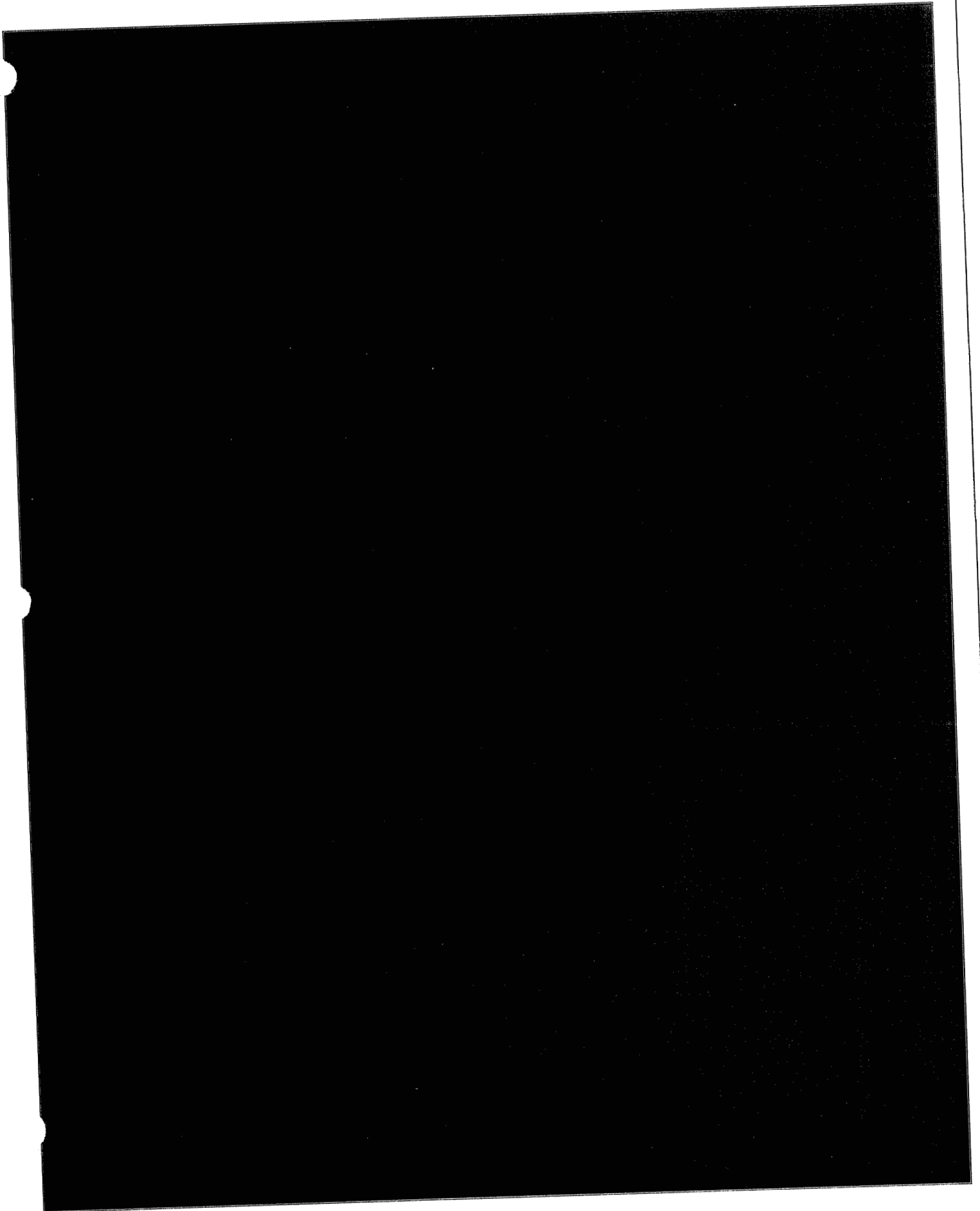
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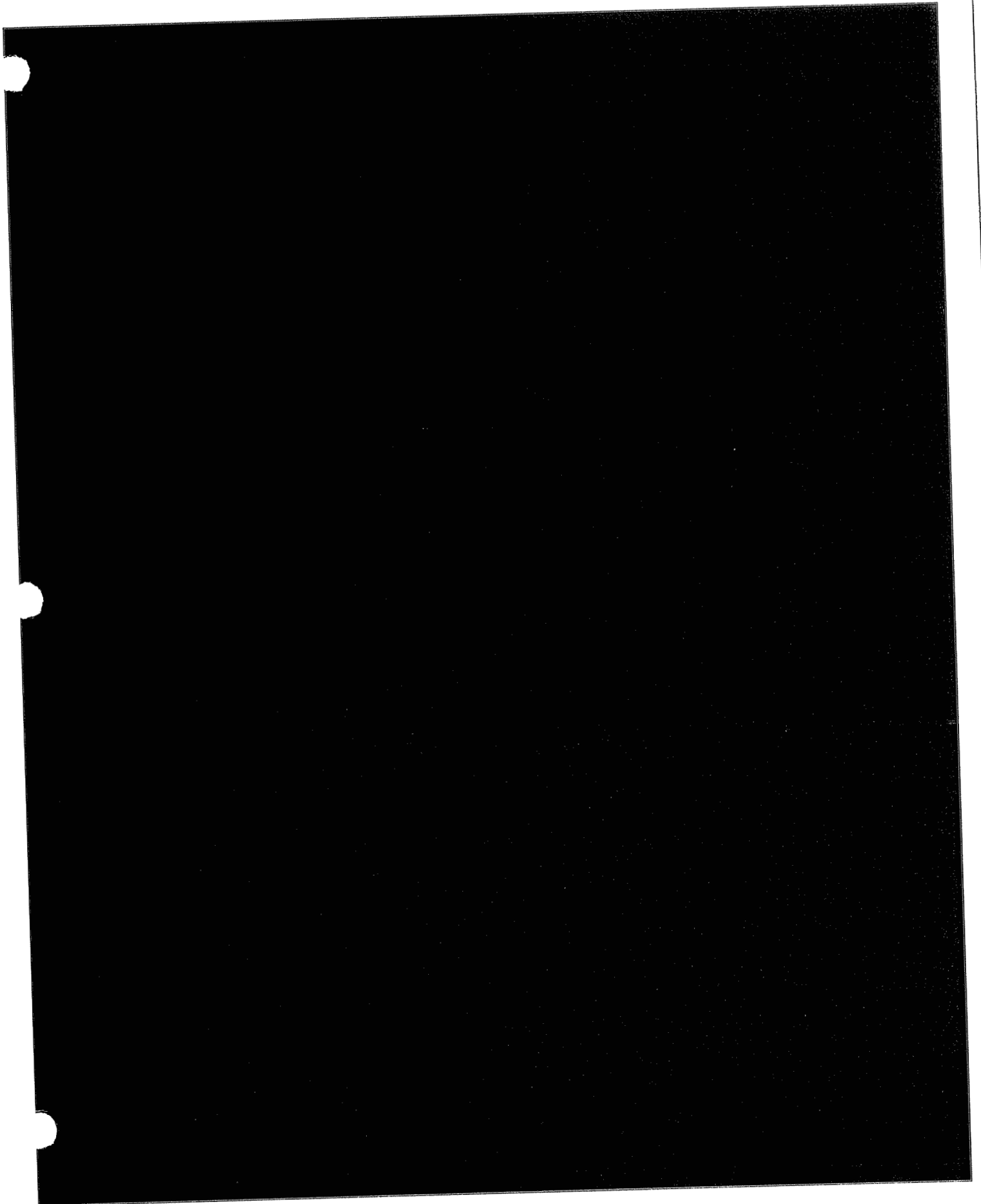
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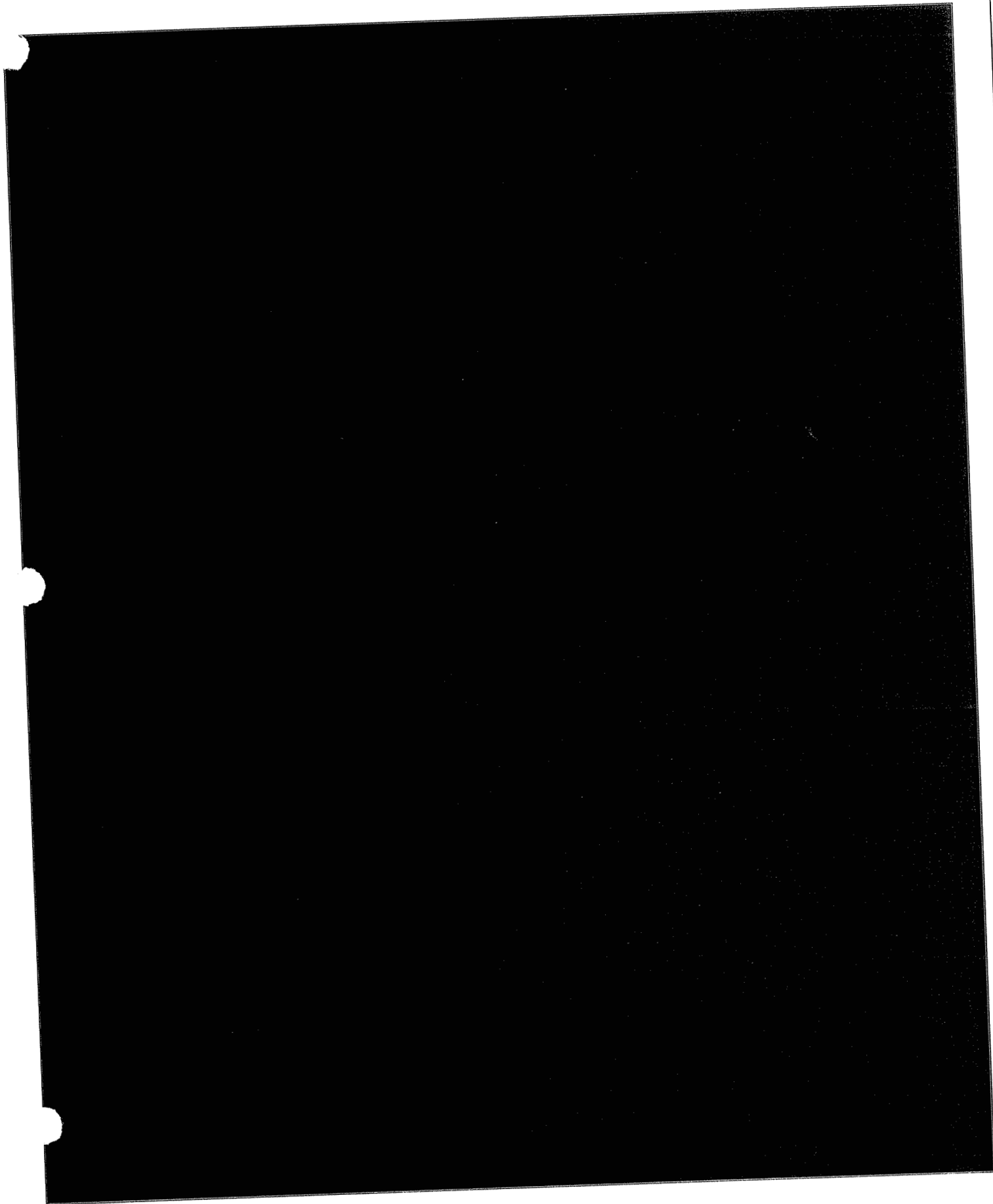
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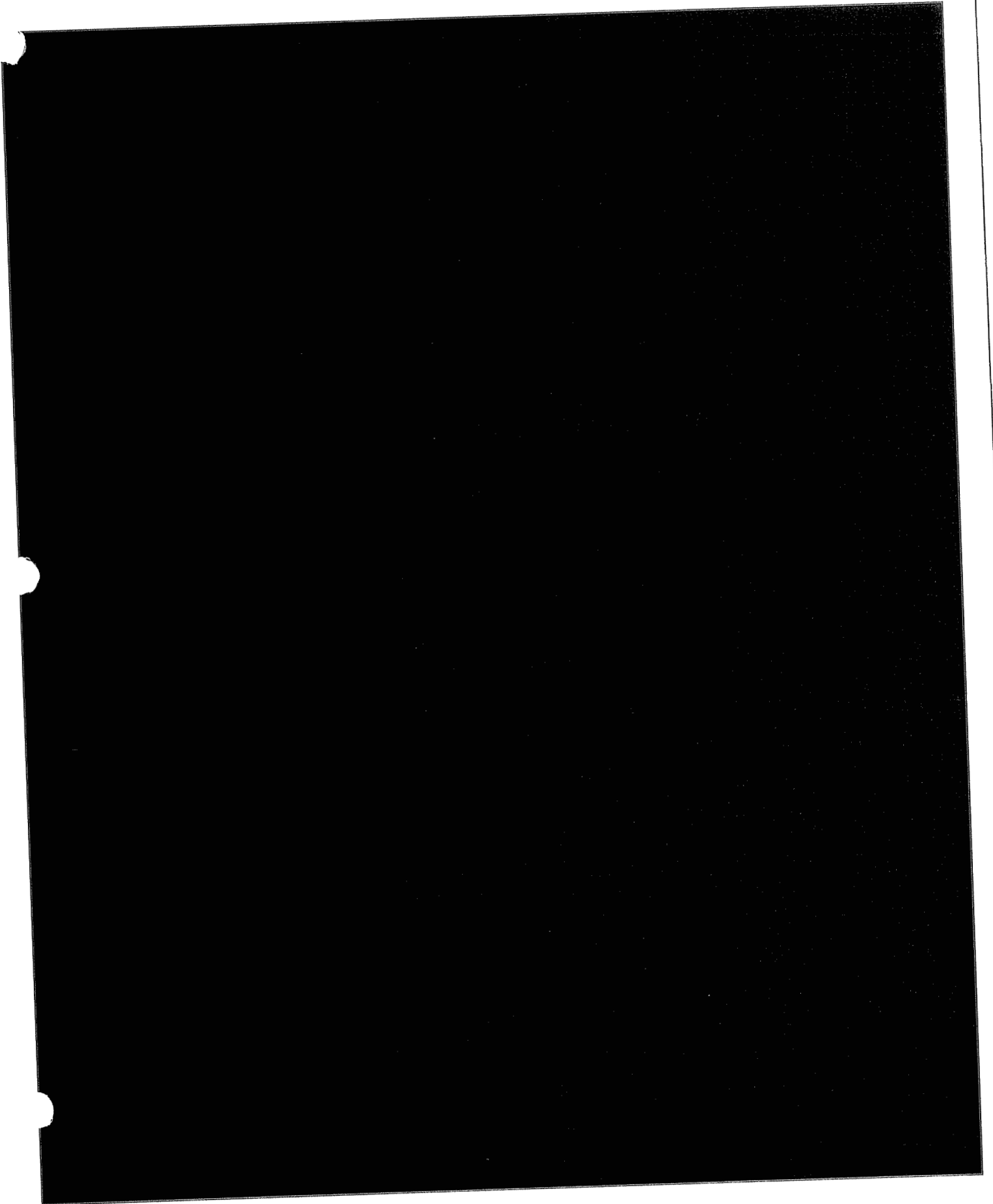
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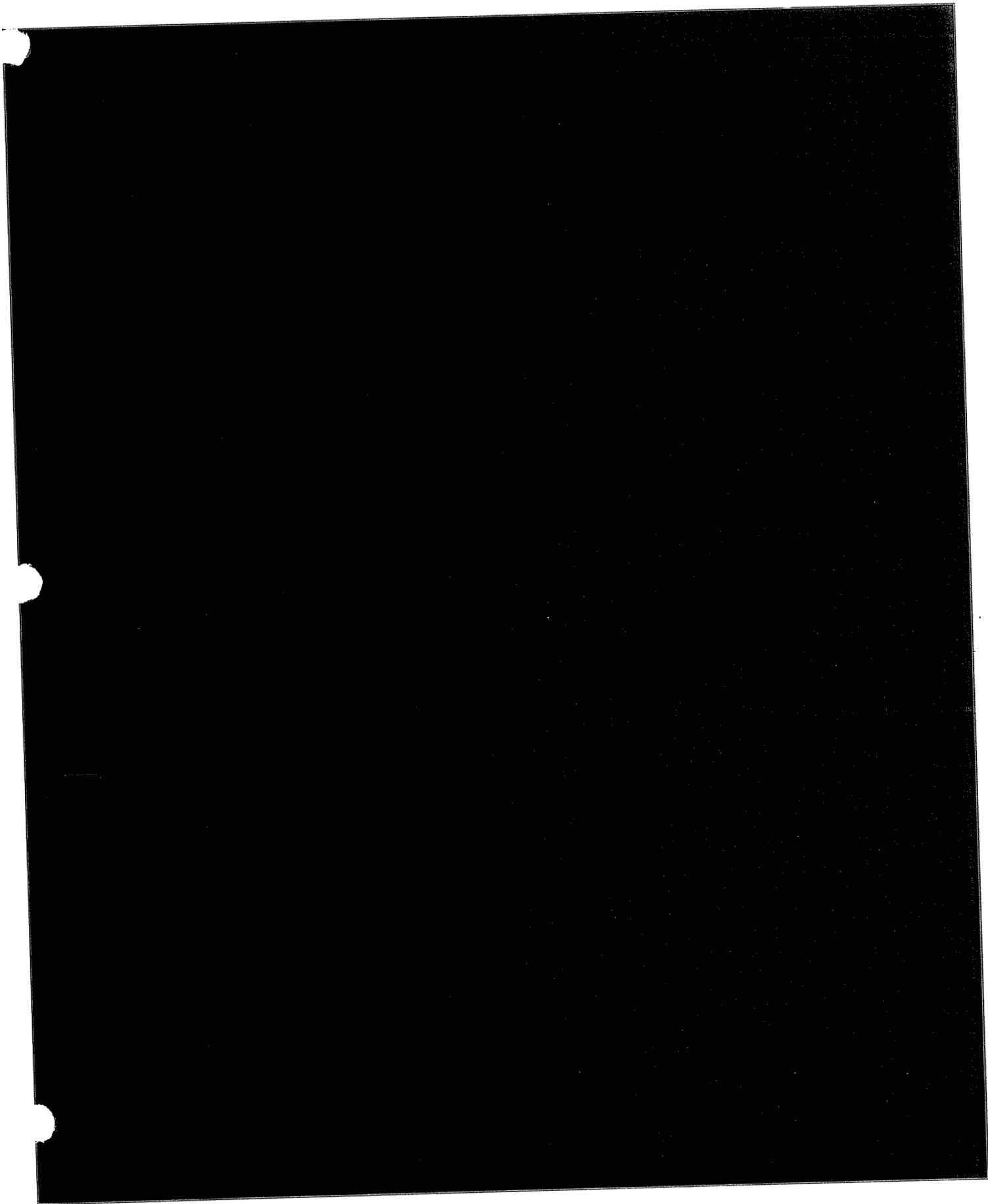
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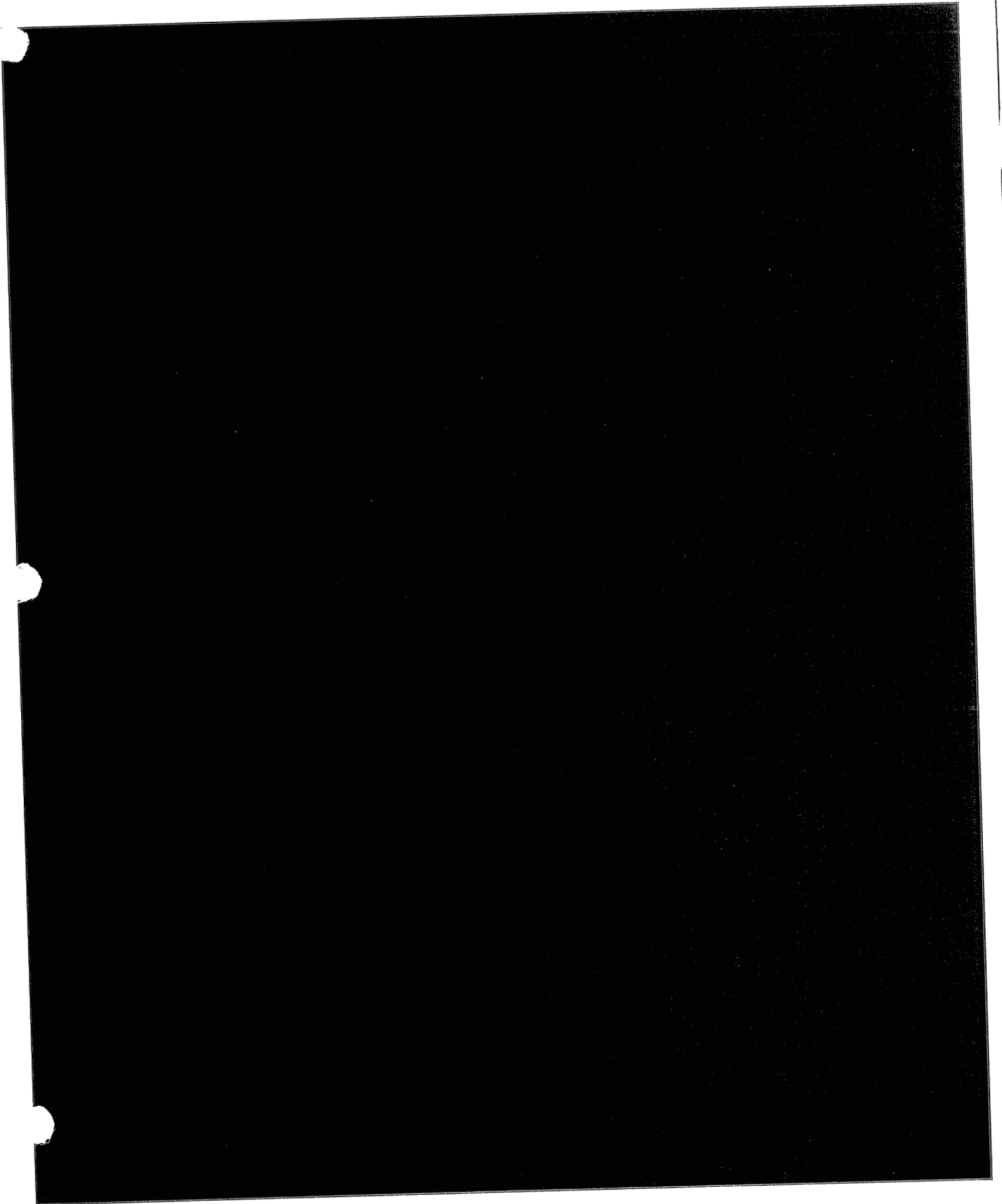
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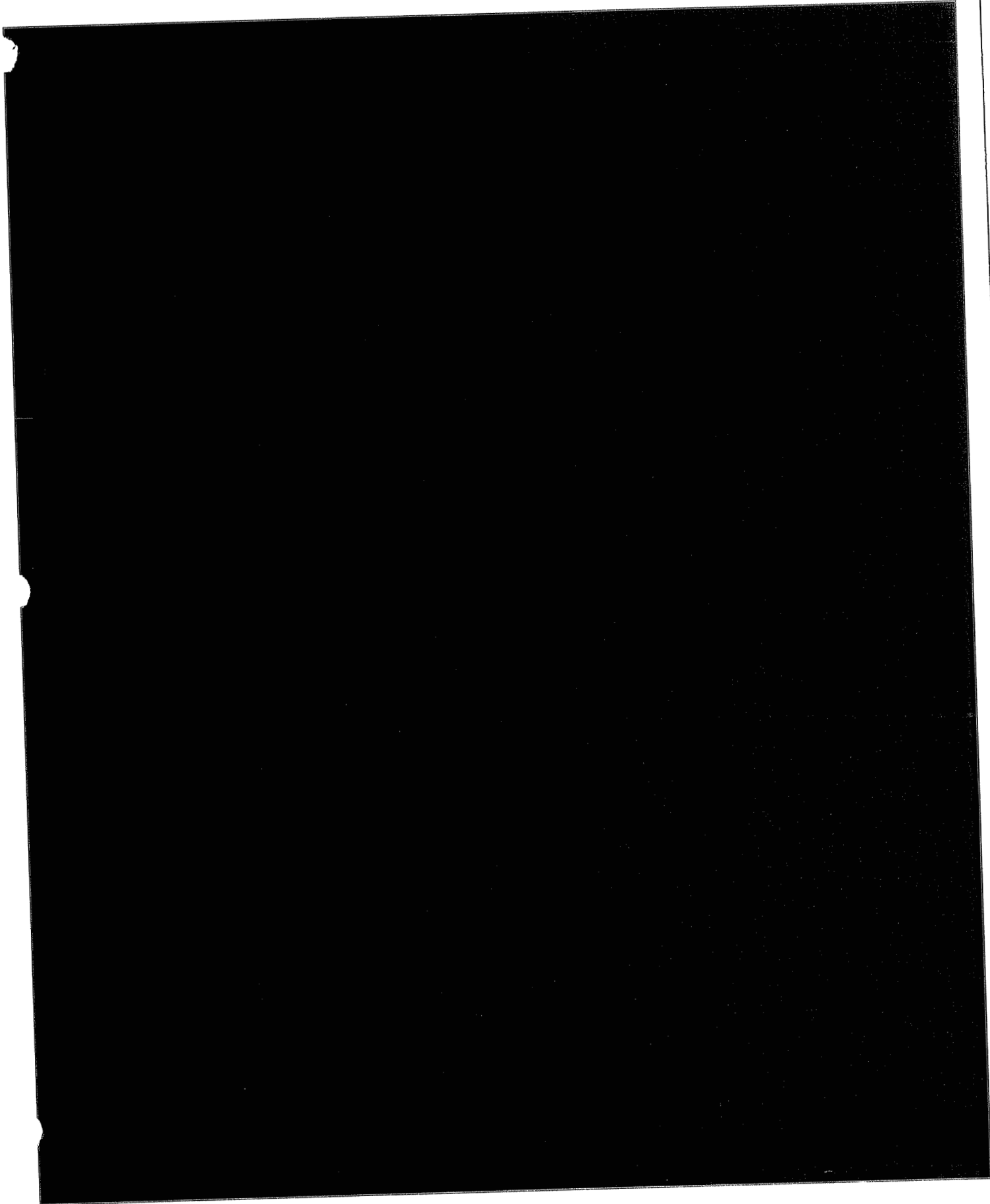
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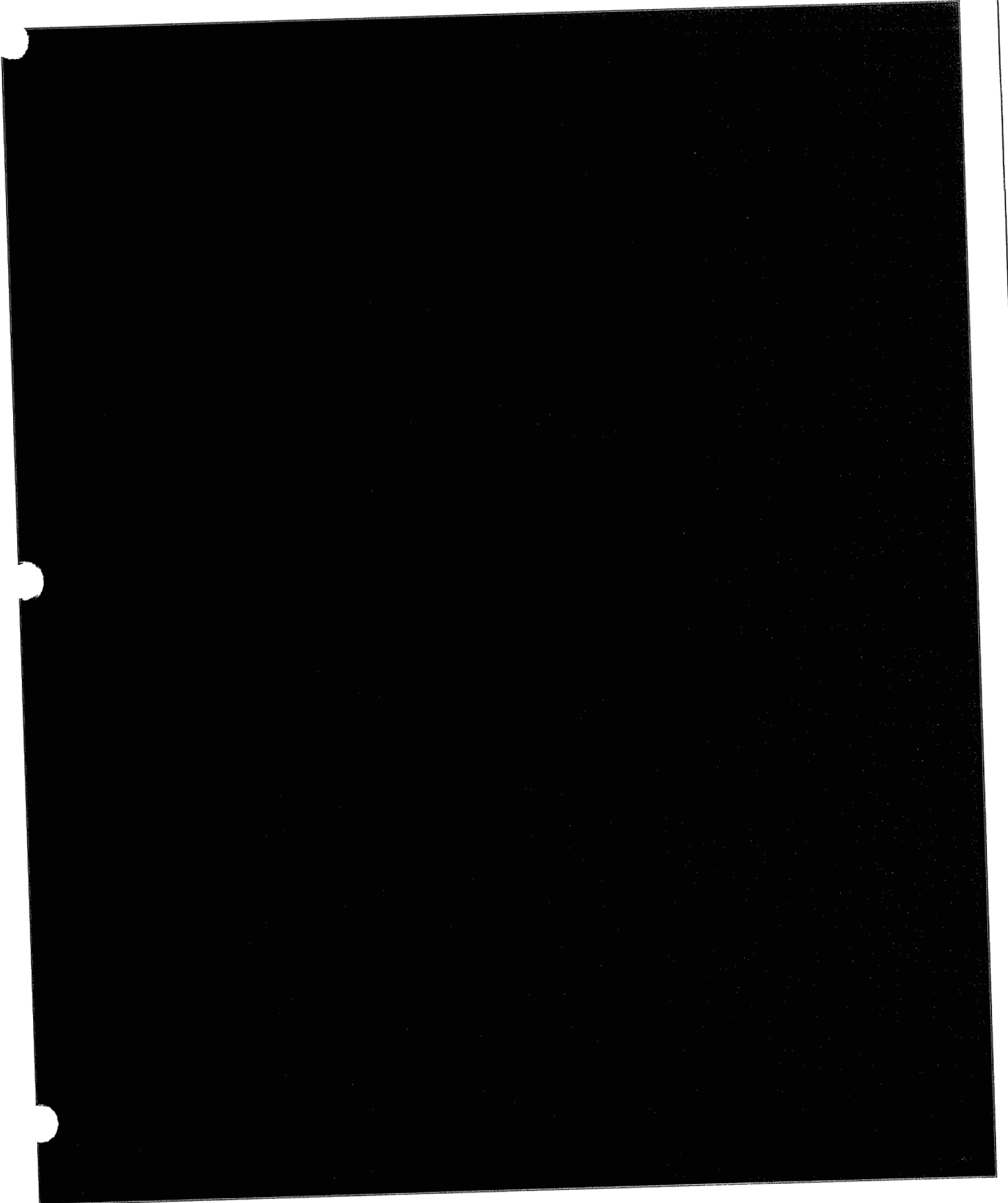
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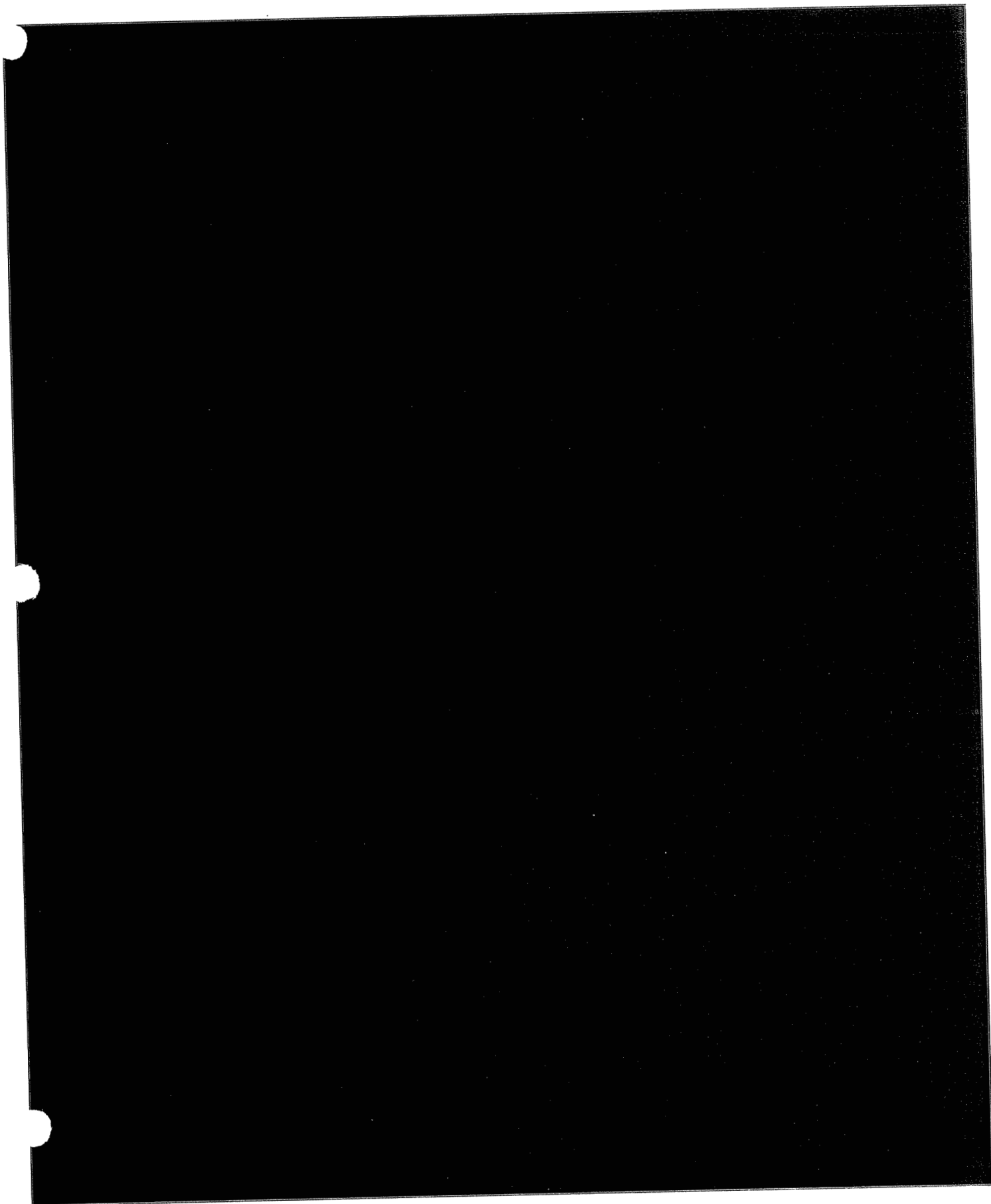
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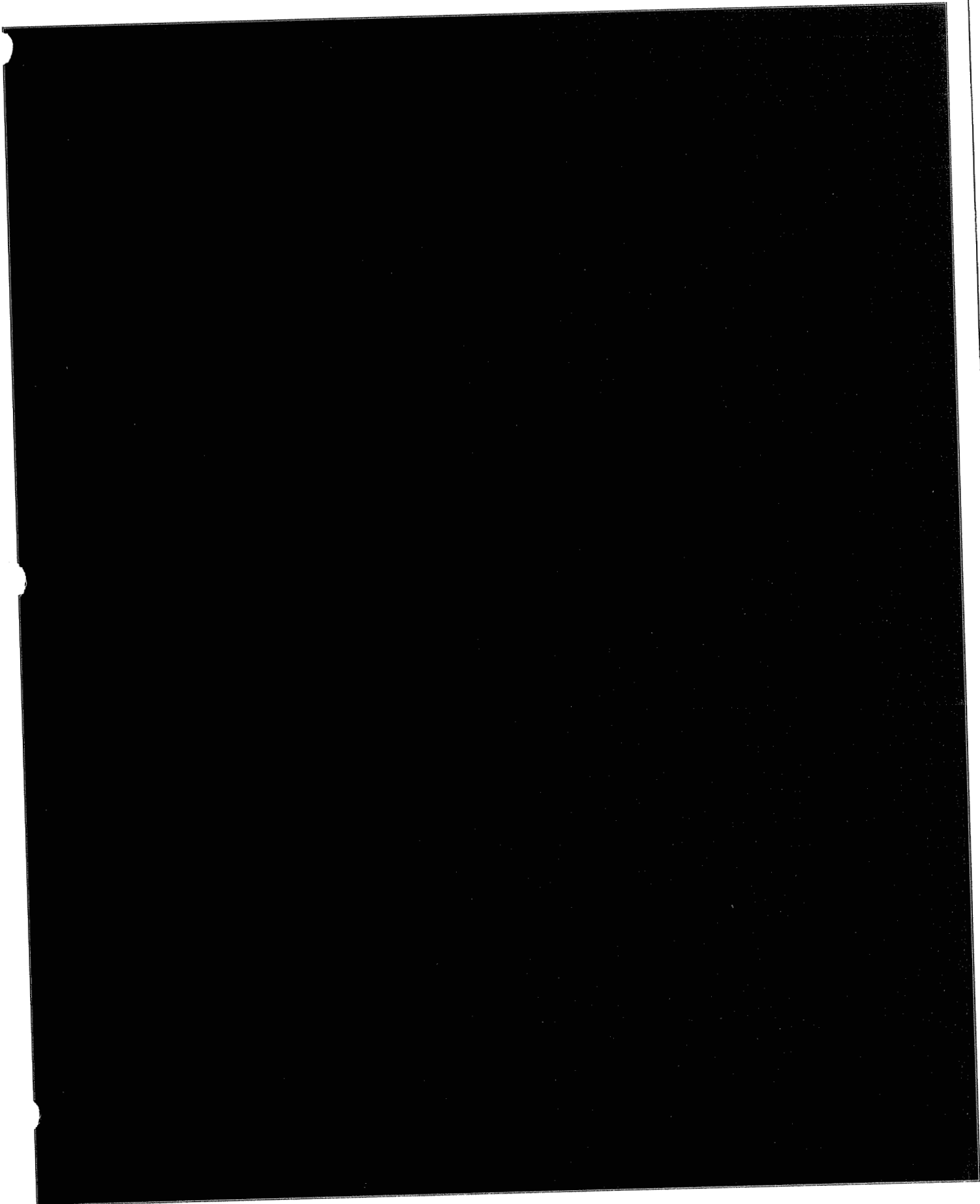
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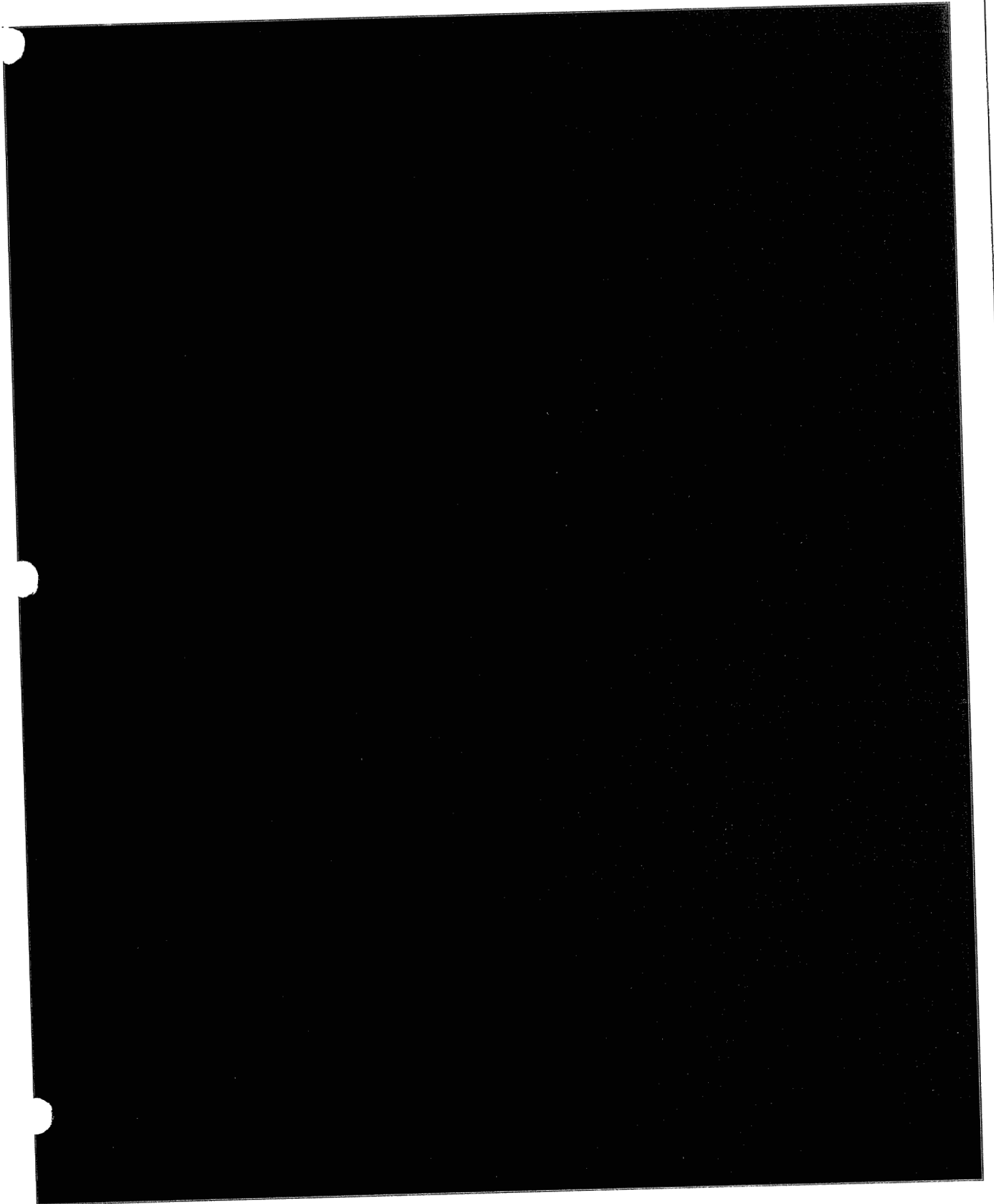
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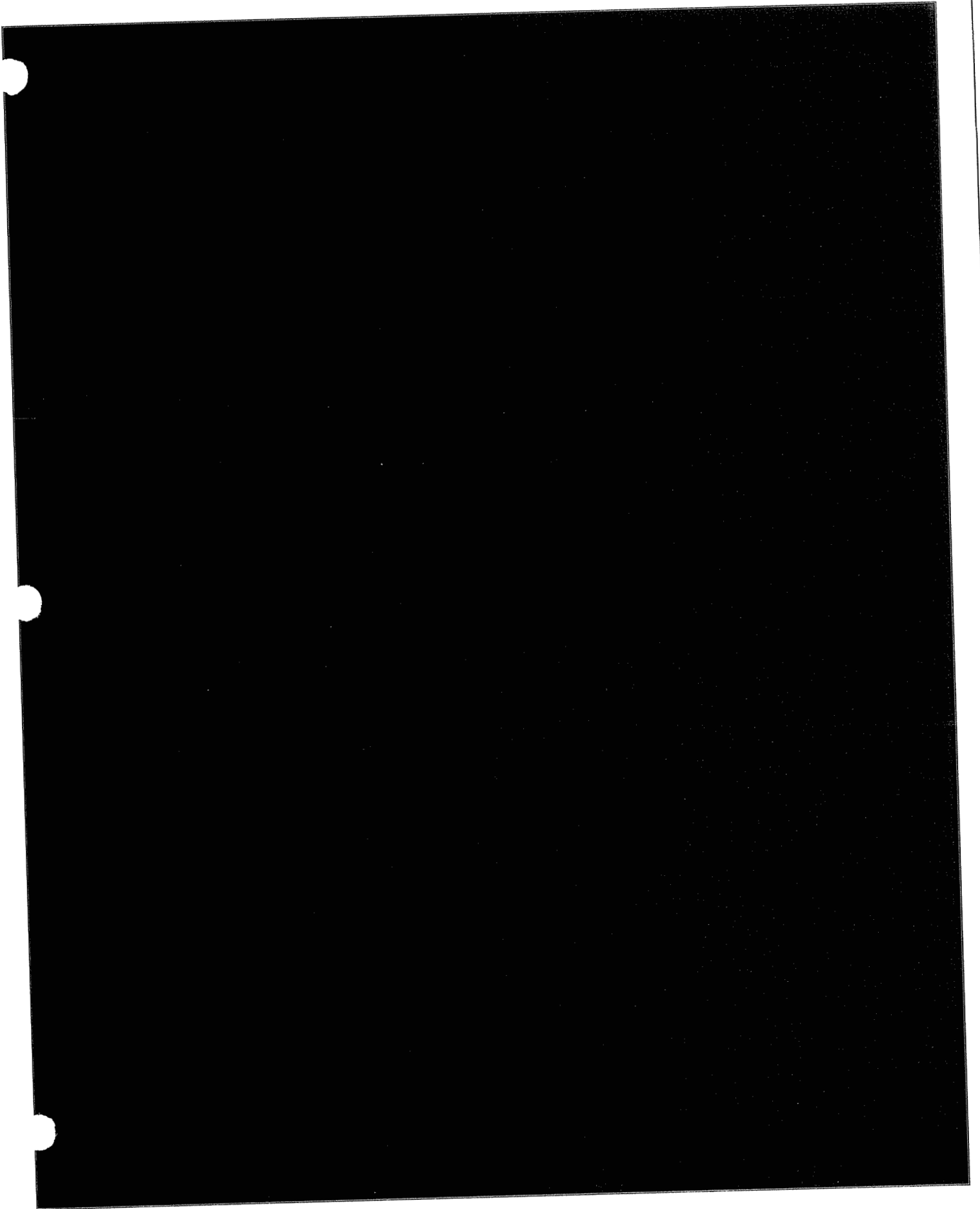
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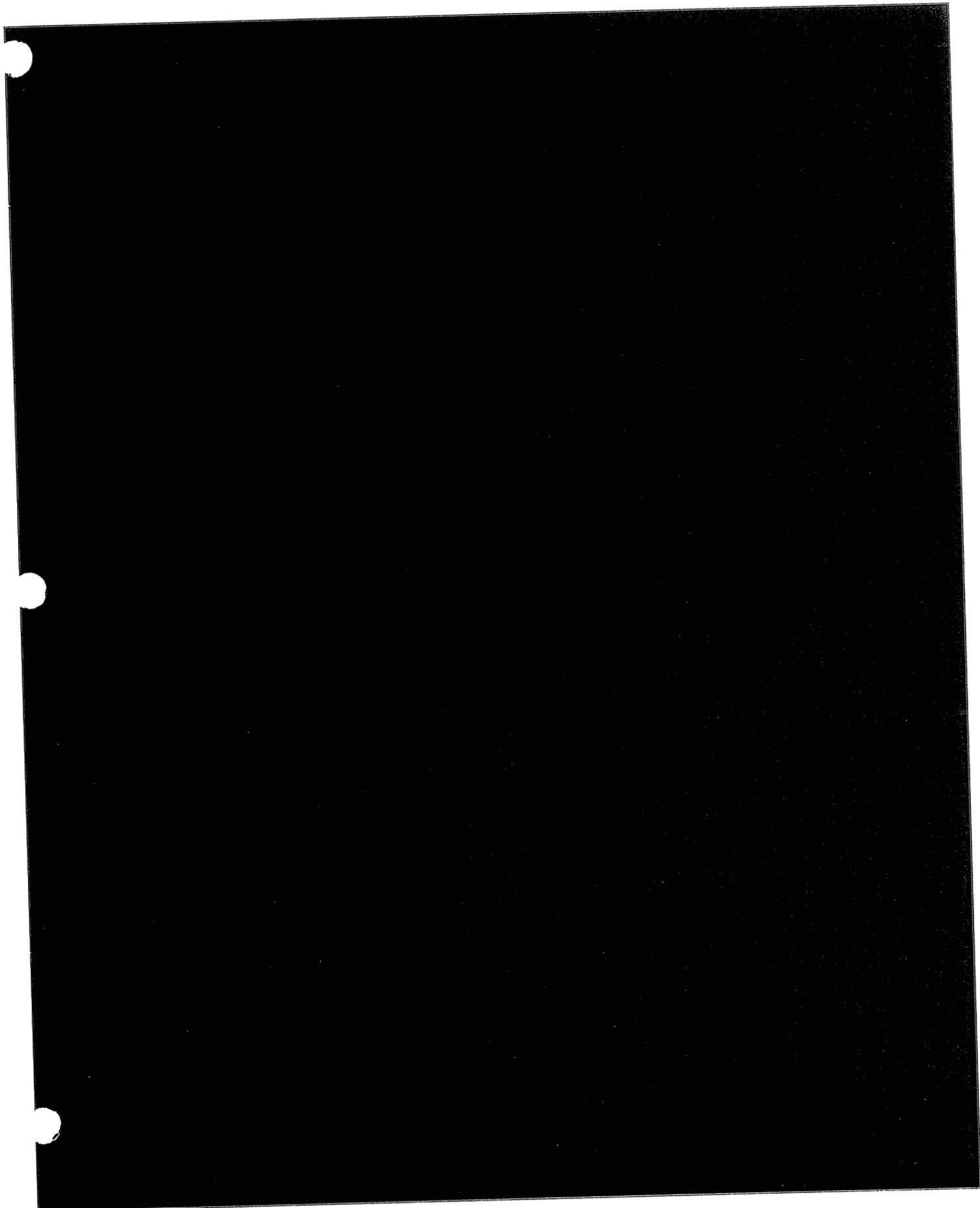
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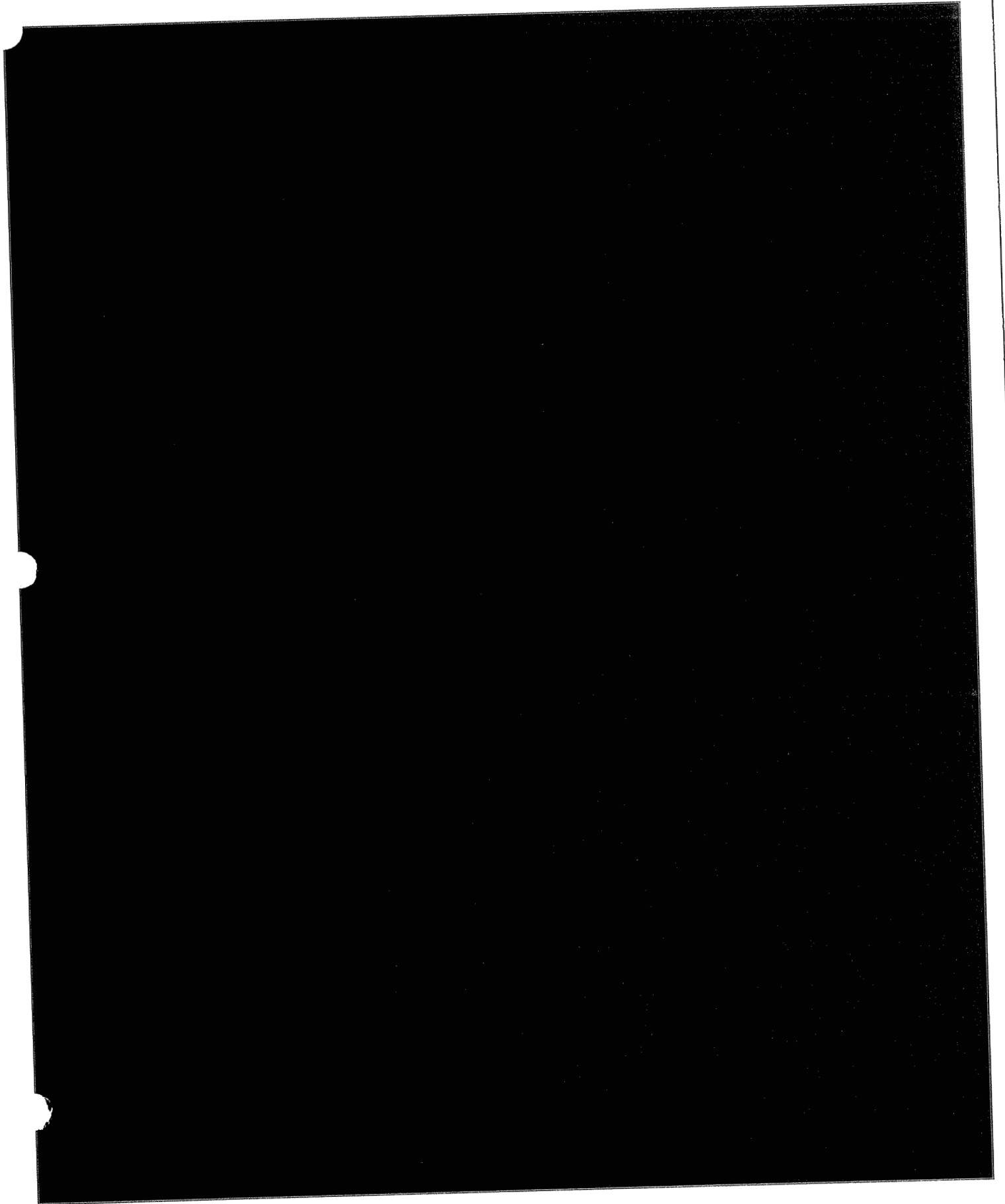
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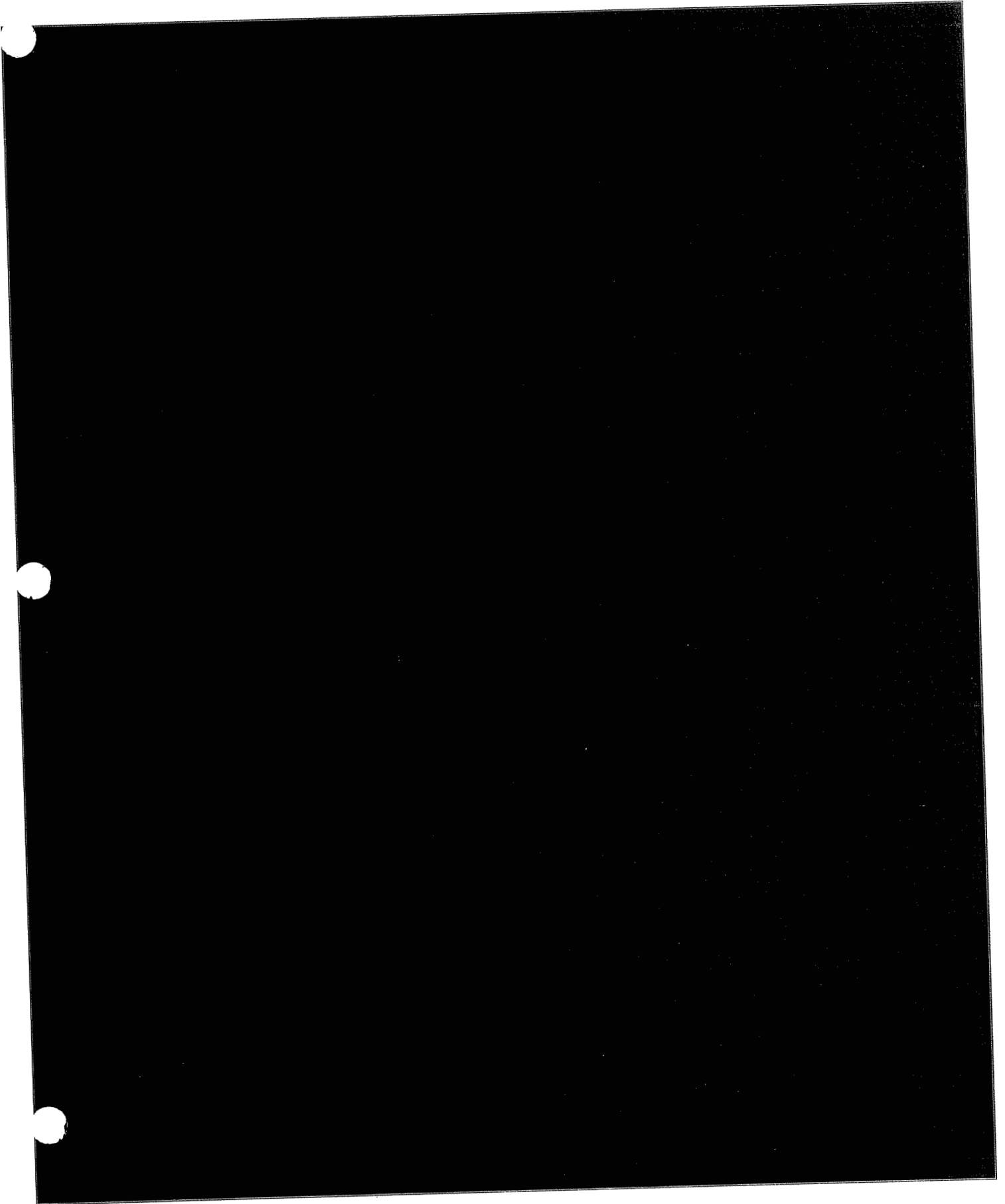
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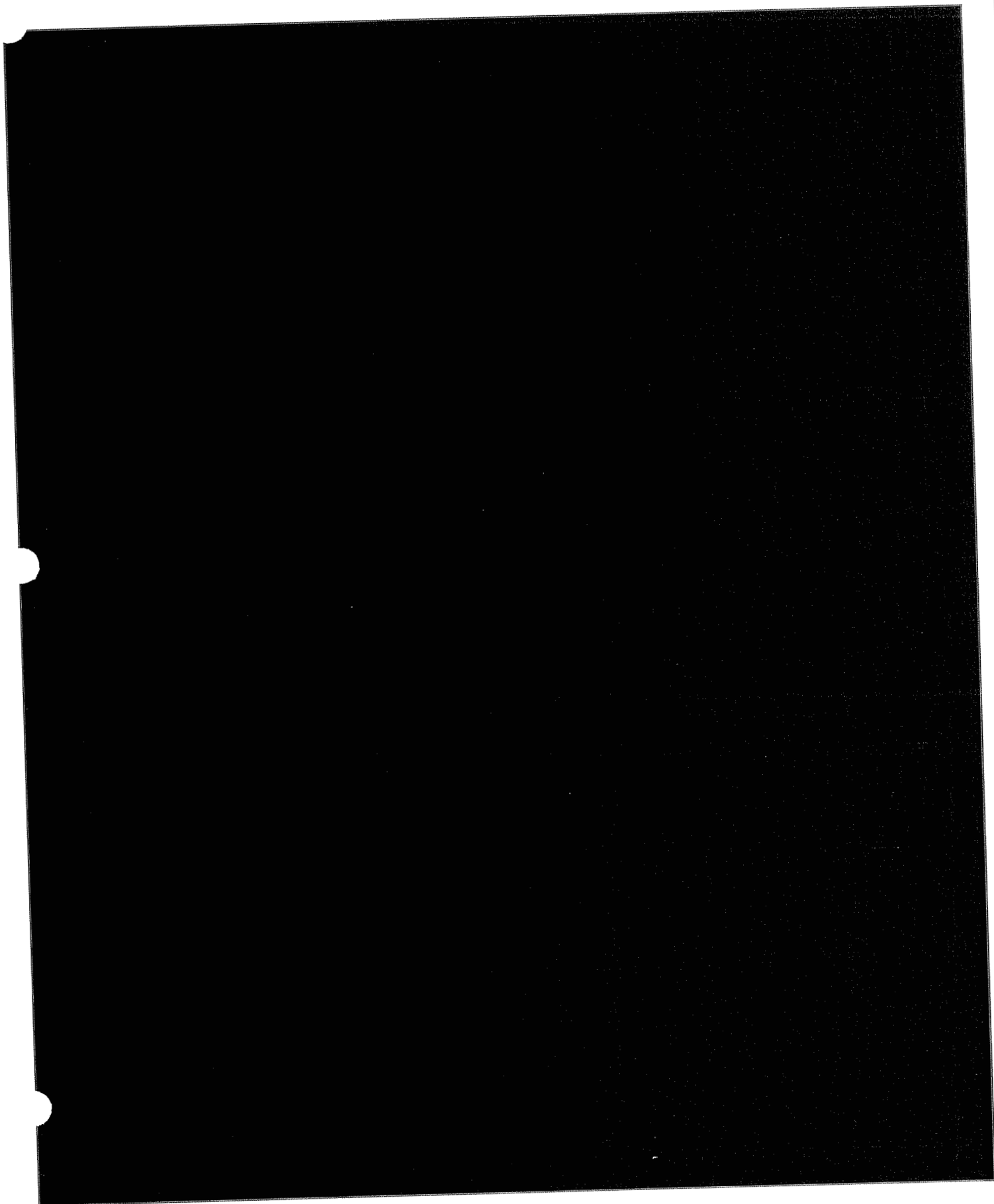
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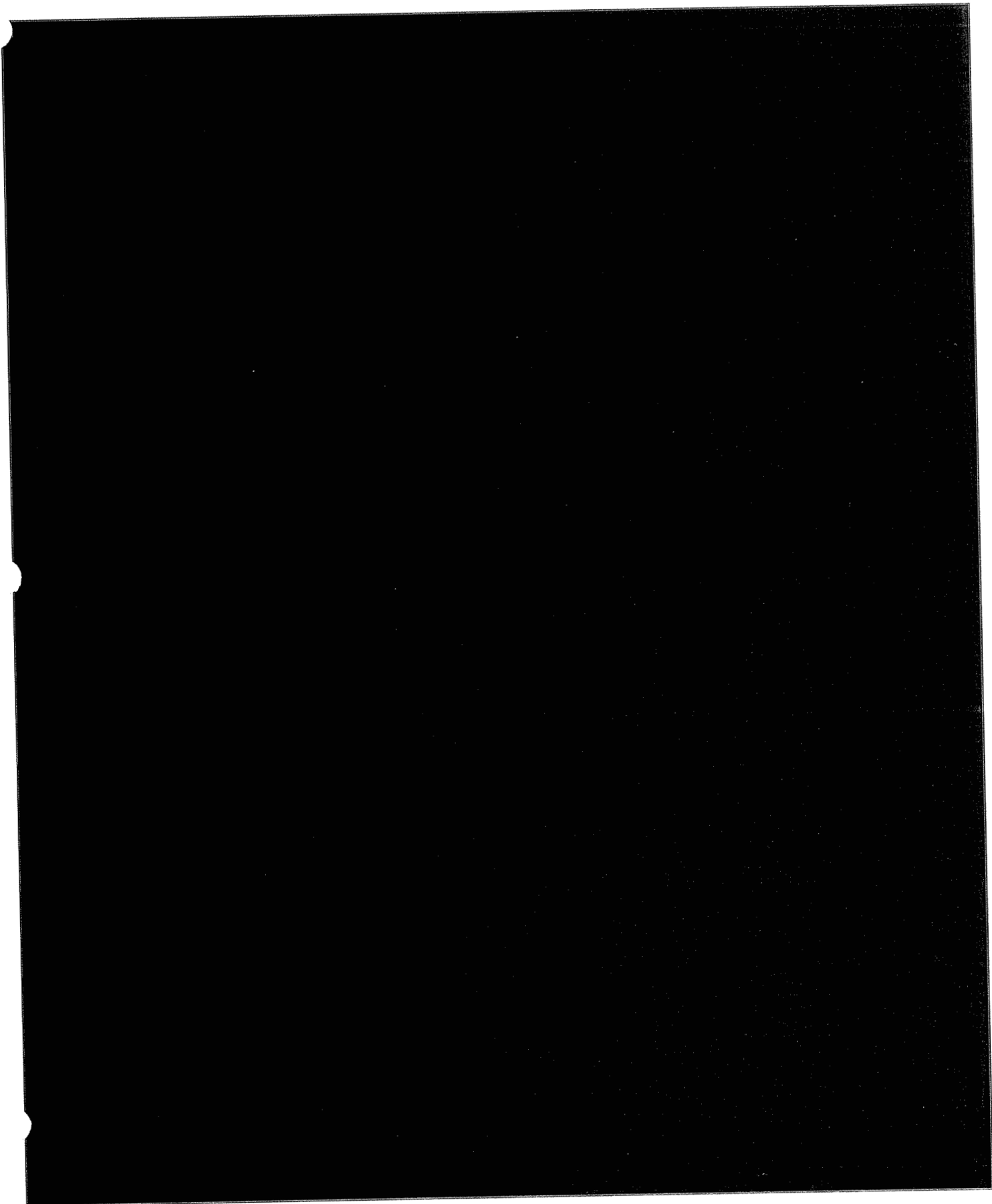
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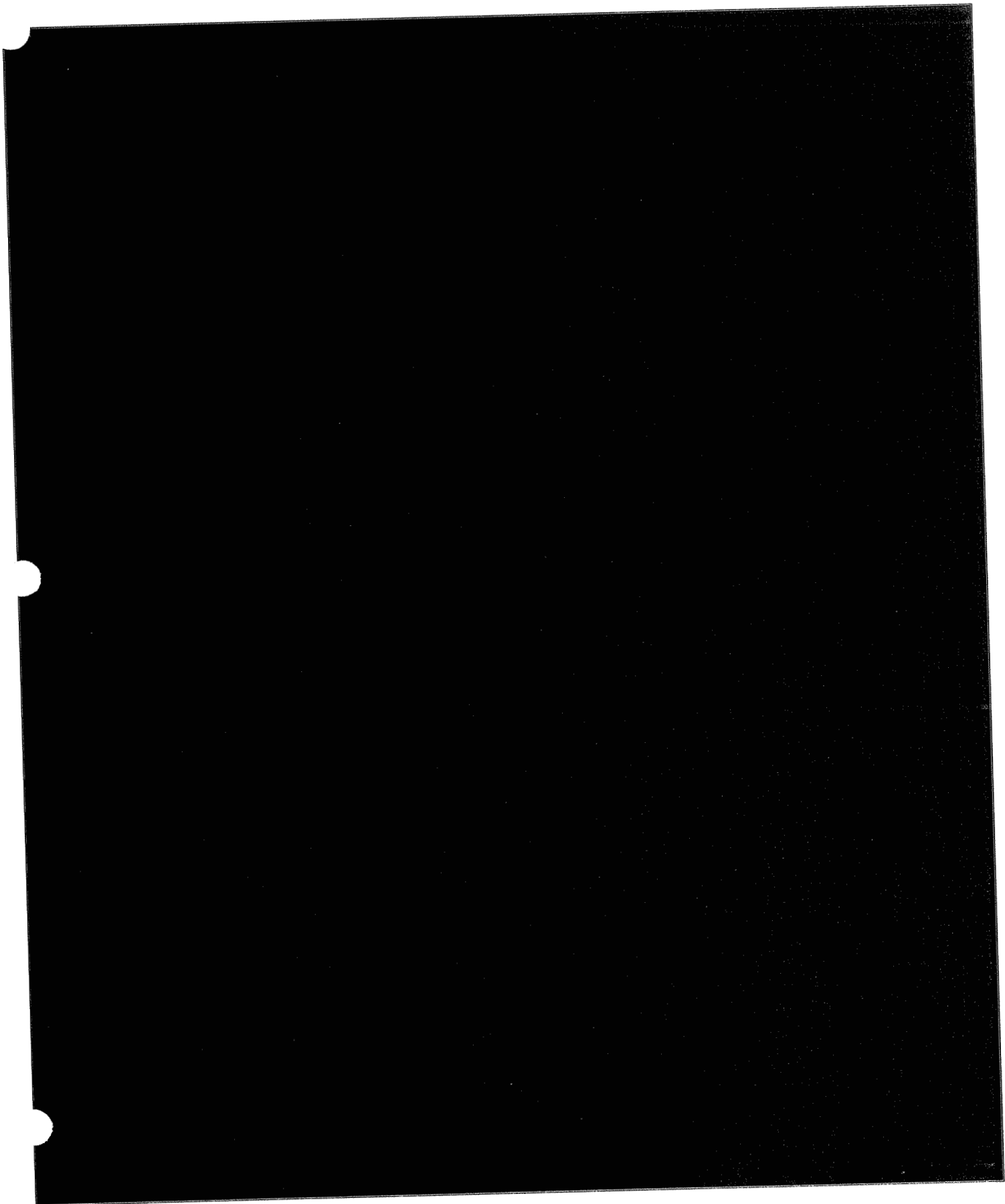
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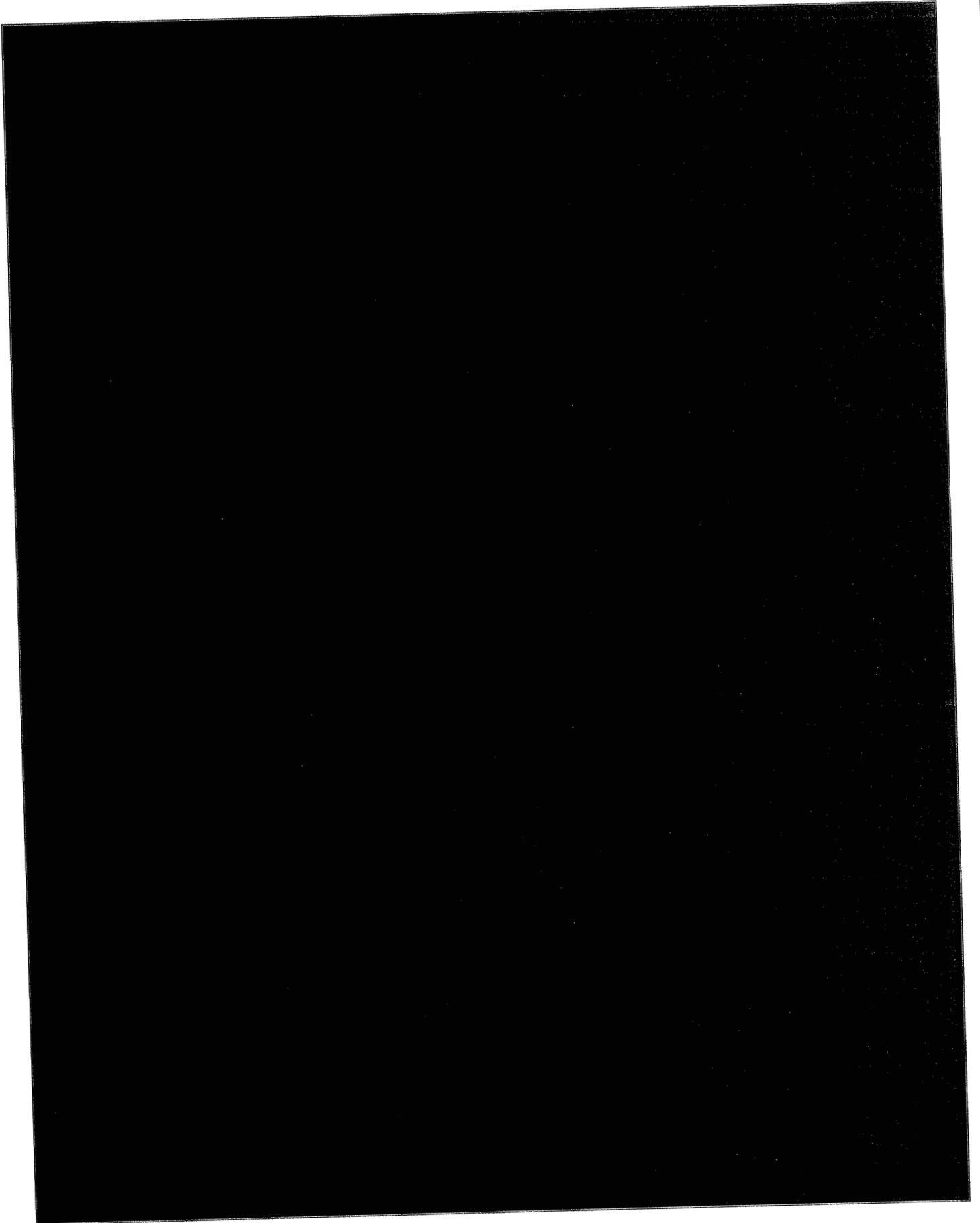
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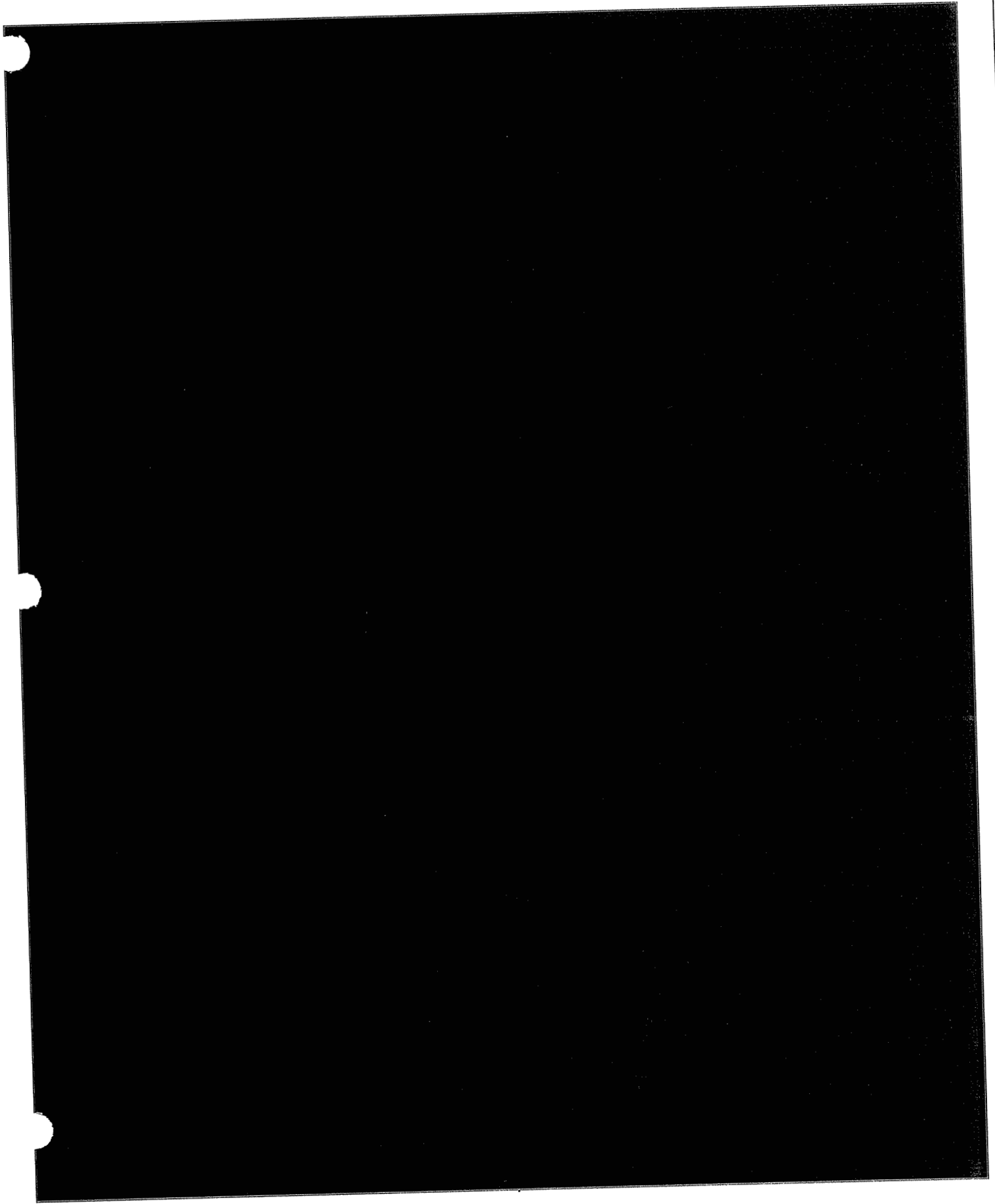
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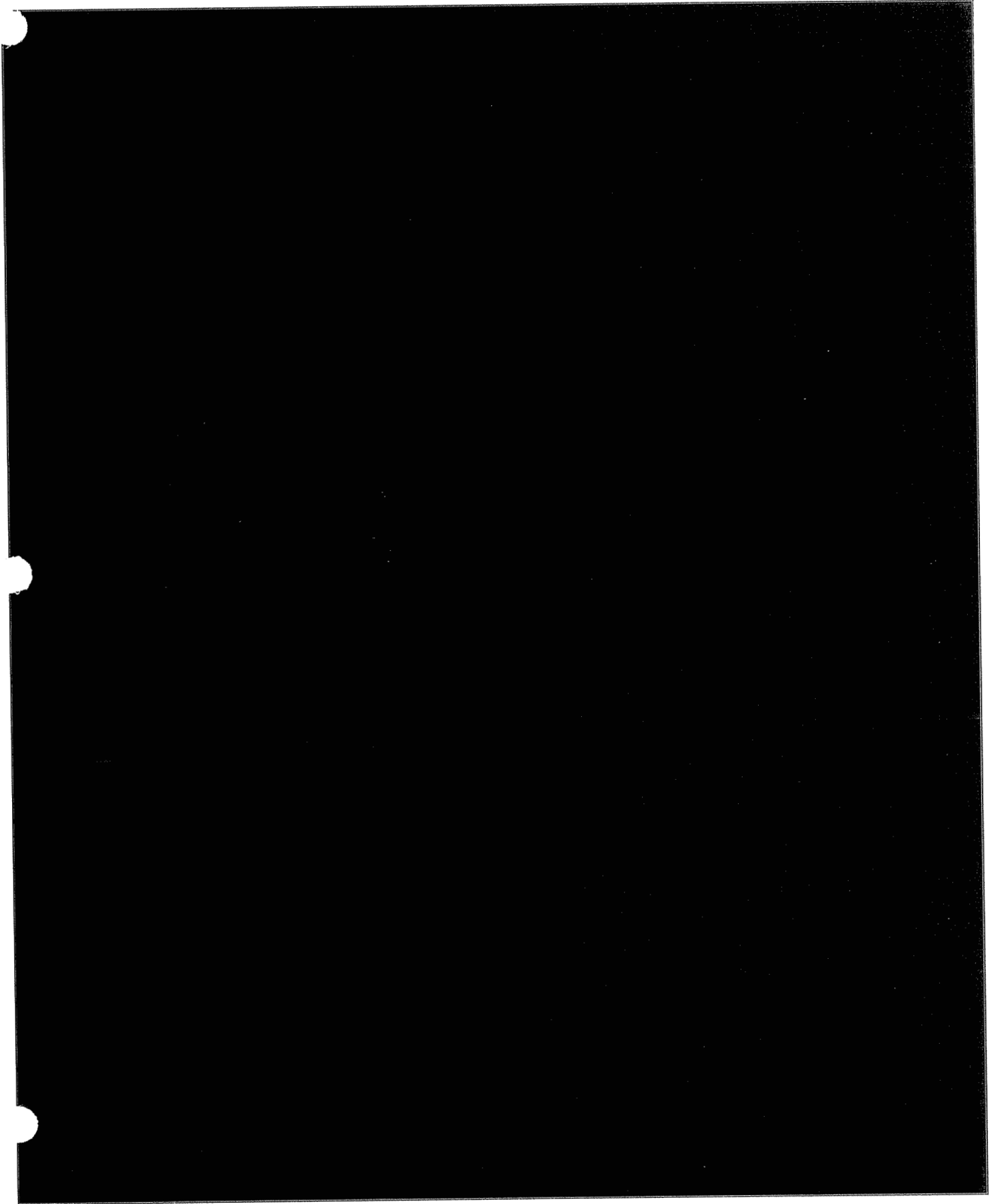
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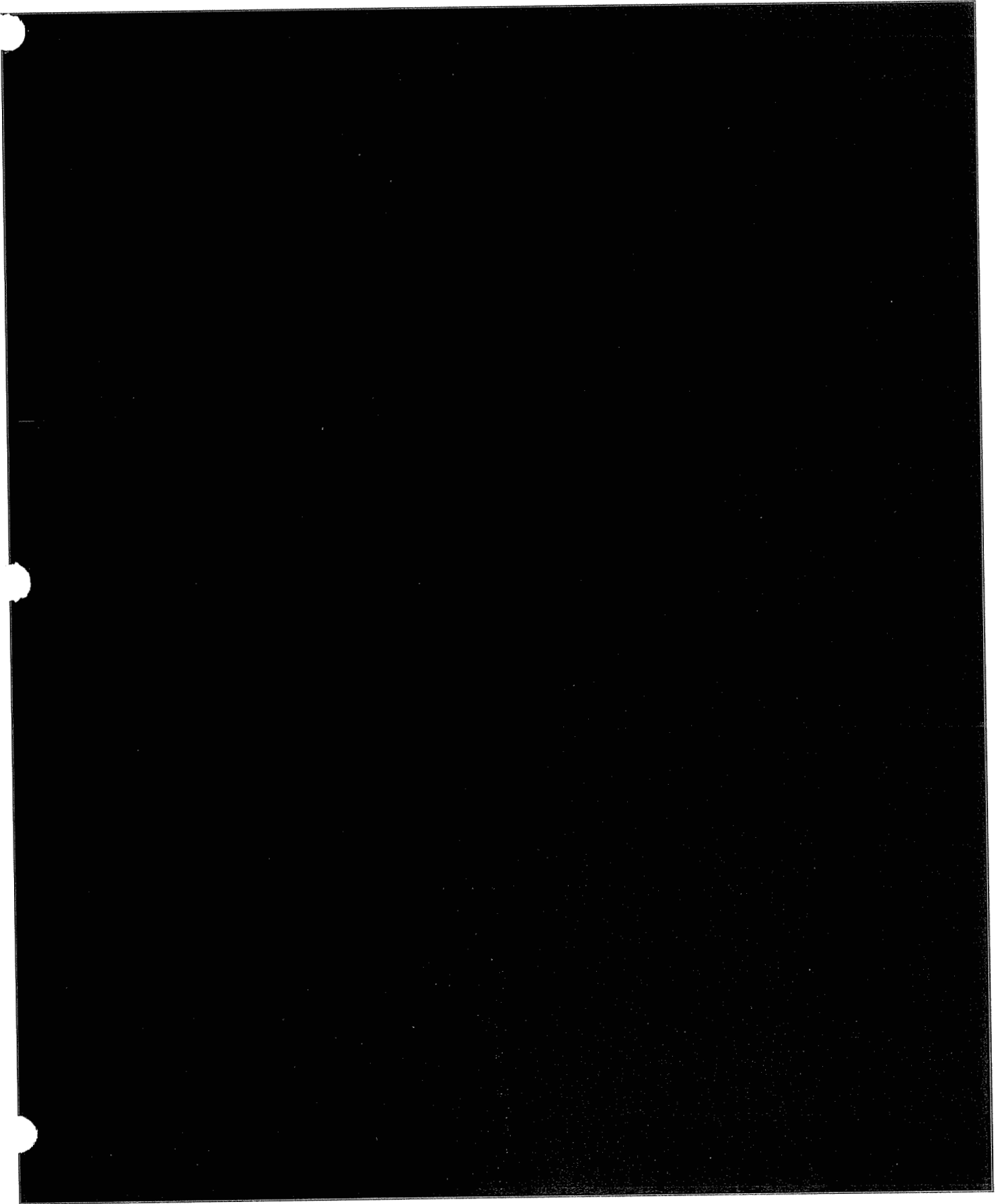
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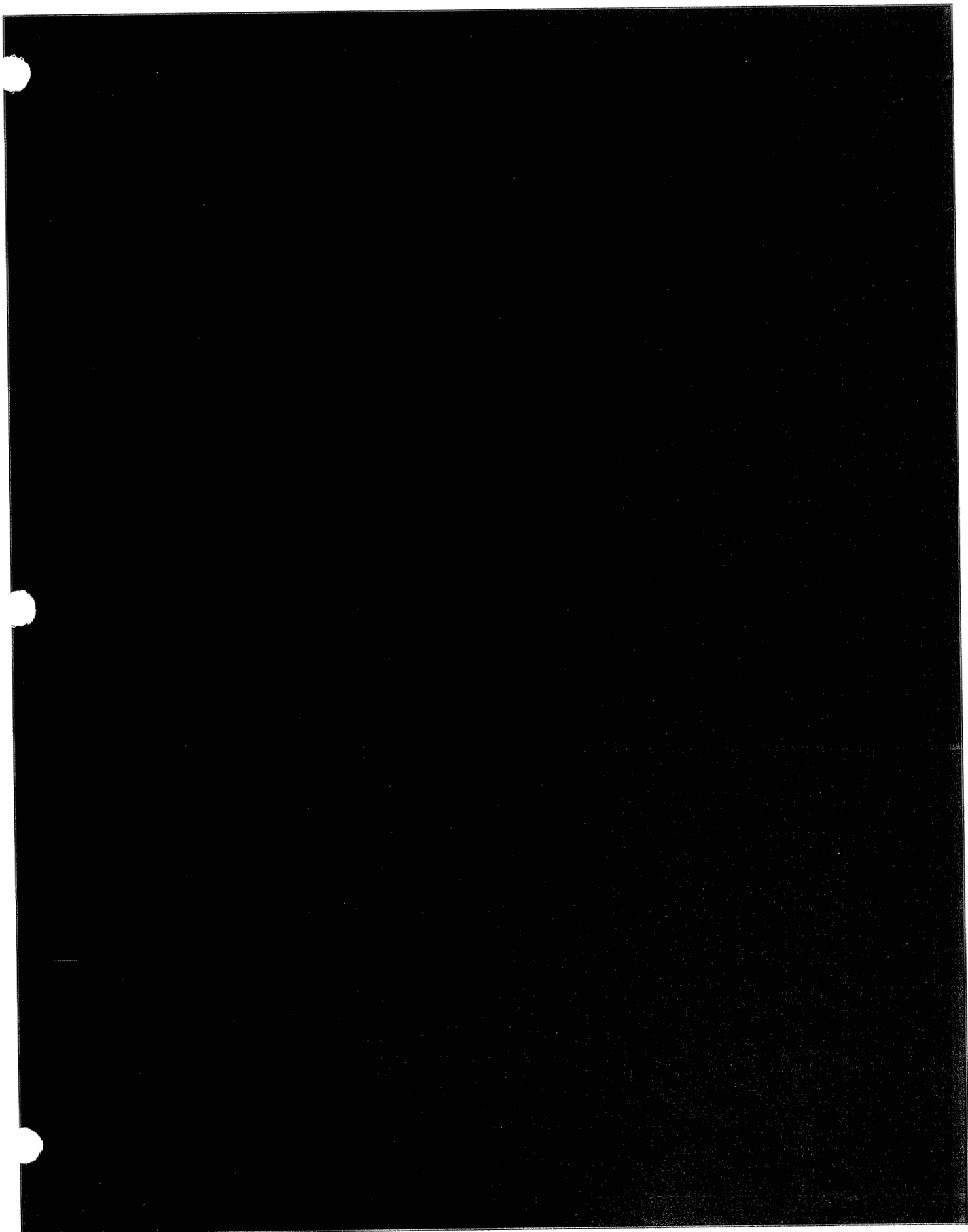
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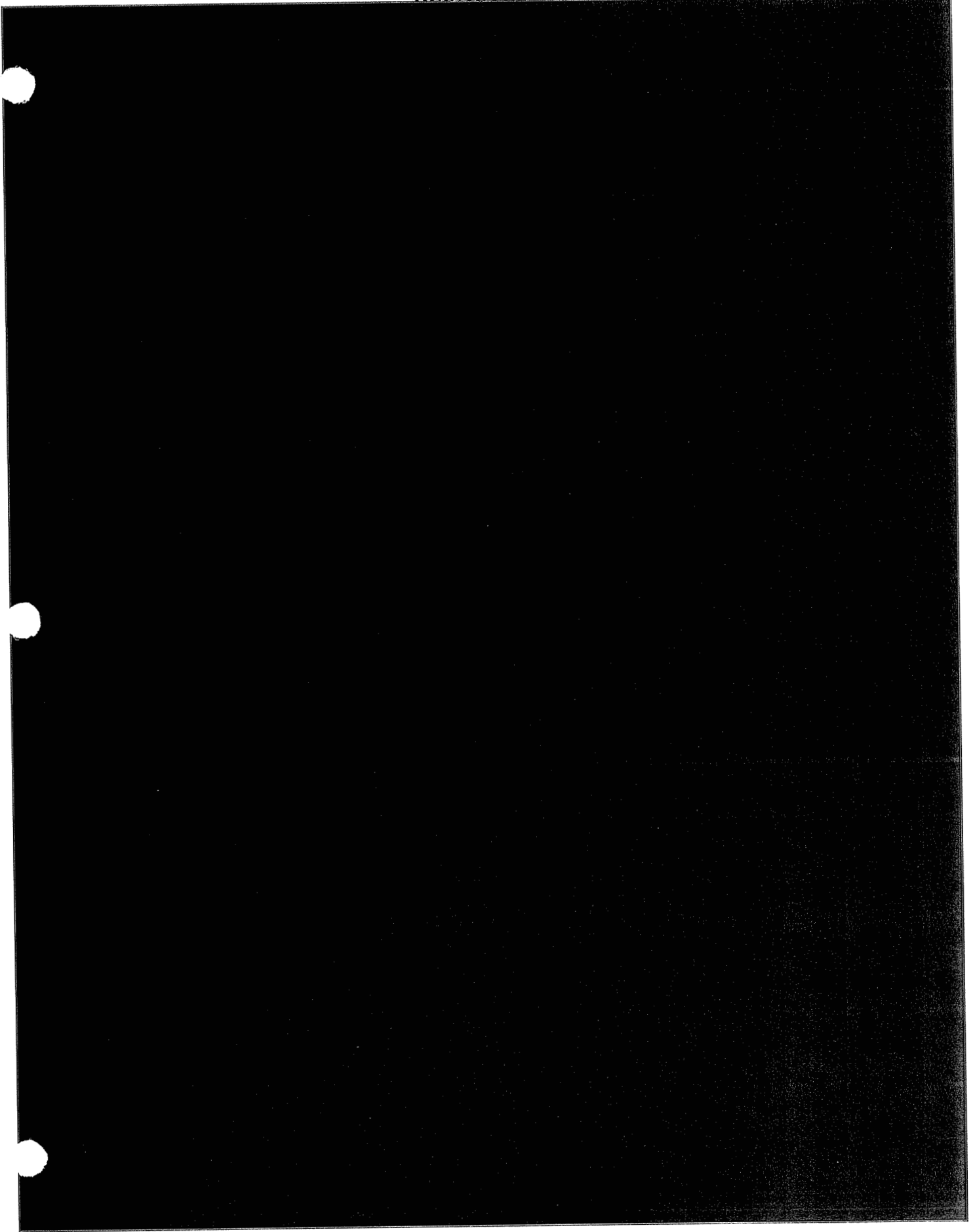
REDACTED



REDACTED



REDACTED



EAST KENTUCKY POWER COOPERATIVE, INC.
PSC CASE NO. 2010-00449
INFORMATION REQUEST RESPONSE

**PUBLIC SERVICE COMMISSION STAFF'S INITIAL INFORMATION REQUEST
DATED DECEMBER 22, 2010
REQUEST 3**

RESPONSIBLE PERSON: Michael A. McNalley/David K. Mitchell

COMPANY: East Kentucky Power Cooperative, Inc.

Request 3. Refer to Exhibit G, Summary of Smith 1 Costs to September 30, 2010, including estimated contract unwinding costs and asset disposal costs.

Request 3a. Provide an update of the costs of Smith I based on the most recent information available using the same classifications as in Exhibit G. Include the date on which the updated costs are based.

Response 3a. Page 3 of this response contains an update of the costs of Smith 1 as of November 30, 2010, which is the most recent information available.

Request 3b. Provide a detailed analysis of the components of the contract unwinding costs and asset disposal costs. Provide an update of the estimate for the contract unwinding costs and asset disposal costs based on the most recent information available. Include the date on which the updated costs are based.

Response 3b. Exhibit G contains a line item for contract unwinding costs and asset disposal costs estimated at \$10 million. As of December 1, 2010 EKPC's updated costs for

contract unwinding costs and asset disposal costs are estimated at \$6.4 million. Costs associated with handling and transporting materials for liquidation will be netted against the liquidation value. [REDACTED]

[REDACTED]

Request 3c. Refer to Project lines SM135-Smith#I_Equipment Whse and SM136-Smith#I_Add'l Land. Explain why an equipment warehouse and additional land should be considered abandoned and included in the amount of the regulatory asset.

Response 3c. The equipment warehouse will be used in EKPC's combustion turbine operations and should not be included in the amount of the regulatory asset. Please see the adjustment provided on page 3 of the response to Request 3a. The expenditures for additional land actually involve the acquisition by EKPC of options for the purchase of land downstream from the planned Smith 1 reservoir. This proposed land purchase was necessary for 404 permit compliance purposes. These options have already been purchased. In light of the Smith 1 cancellation, these options will not be exercised and EKPC cannot receive a refund. These land option costs should be considered abandoned and included in the amount of the regulatory asset.

Account	Bdgt Cd	Project	Descr	Sum Total Amt
107200	1000	SM100	Smith #1_EKP Labor & Expenses	14,975.00
107200	1400	SM100	Smith #1_EKP Labor & Expenses	2,685.95
107200	1800	SM100	Smith #1_EKP Labor & Expenses	7,341.37
107200	2200	SM100	Smith #1_EKP Labor & Expenses	6,816.38
107200	4801	SM100	Smith #1_EKP Labor & Expenses	591,218.87
107200	7400	SM100	Smith #1_EKP Labor & Expenses	121,811.57
107200	9000	SM100	Smith #1_EKP Labor & Expenses	101,655.43
107200	9100	SM100	Smith #1_EKP Labor & Expenses	186,552.07
			SM100 Total	1,033,056.64
107200	4801	SM101	Smith #1_Stanley-Engineering	7,797,794.32
107200	7400	SM101	Smith #1_Stanley-Engineering	236,999.48
			SM101 Total	8,034,793.80
107200	1000	SM102	Smith #1_Site Prep	267.49
107200	1800	SM102	Smith #1_Site Prep	80.41
107200	2200	SM102	Smith #1_Site Prep	7.96
107200	4801	SM102	Smith #1_Site Prep	692,515.77
107200	7400	SM102	Smith #1_Site Prep	102,729.87
107200	9000	SM102	Smith #1_Site Prep	346,109.38
			SM102 Total	1,141,710.88
107200	4801	SM103	Smith #1_GE-Turbine/Generator	510,000.00
107200	7400	SM103	Smith #1_GE-Turbine/Generator	775,352.95
107200	9000	SM103	Smith #1_GE-Turbine/Generator	26,838,225.04
107200	9100	SM103	Smith #1_GE-Turbine/Generator	752,760.00
			SM103 Total	28,876,337.99
107200	7400	SM104	Smith #1_Boiler_Alstom	367,400.52
107200	9000	SM104	Smith #1_Boiler_Alstom	100,235,780.91
107200	9100	SM104	Smith #1_Boiler_Alstom	379,796.89
			SM104 Total	100,982,978.32
107200	7400	SM105	Smith #1_Alloy Piping-Bend Tec	21,414.48
107200	9000	SM105	Smith #1_Alloy Piping-Bend Tec	3,216,231.30
			SM105 Total	3,237,645.78
107200	1000	SM106	Smith #1_Environmental	89,099.34
107200	1400	SM106	Smith #1_Environmental	6,255.13
107200	1800	SM106	Smith #1_Environmental	38,874.25
107200	2200	SM106	Smith #1_Environmental	3,928.39
107200	4801	SM106	Smith #1_Environmental	1,350,316.30
107200	7400	SM106	Smith #1_Environmental	9,567.57
			SM106 Total	1,498,040.98
107200	9000	SM107	Smith #1_Boiler Feed Pumps	2,962,371.00
			SM107 Total	2,962,371.00
107200	9000	SM110	Smith #1_Feedwater Heaters	1,684,665.00
			SM110 Total	1,684,665.00
107200	7400	SM112	Smith #1_Condenser	2,997.27
107200	9000	SM112	Smith #1_Condenser	2,661,835.00
			SM112 Total	2,664,832.27
107200	9000	SM135	Smith #1_Equipment Whse	2,645,321.10
			SM135 Total	2,645,321.10
107200	7400	SM136	Smith #1_Addt'l Land	46.00
107200	9200	SM136	Smith #1_Addt'l Land	67,500.00
			SM136 Total	67,546.00
			Grand Total	154,829,299.76
Less:		AFUDC		(1,482,362.18)
Less:		Equipment Warehouse		(2,645,321.10)
				150,701,616.48

EAST KENTUCKY POWER COOPERATIVE, INC.
PSC CASE NO. 2010-00449
INFORMATION REQUEST RESPONSE

PUBLIC SERVICE COMMISSION STAFF'S INITIAL INFORMATION REQUEST
DATED DECEMBER 22, 2010
REQUEST 4

RESPONSIBLE PERSON: David K. Mitchell

COMPANY: East Kentucky Power Cooperative, Inc.

Request 4. State whether EKPC carries any type of insurance to cover costs incurred related to early contract terminations and, if so, the amount it could expect to be reimbursed for payments of contract unwinding costs.

Response 4. EKPC does not carry any type of insurance to cover costs incurred related to early contract terminations.

EAST KENTUCKY POWER COOPERATIVE, INC.
PSC CASE NO. 2010-00449
INFORMATION REQUEST RESPONSE

**PUBLIC SERVICE COMMISSION STAFF'S INITIAL INFORMATION REQUEST
DATED DECEMBER 22, 2010
REQUEST 5**

RESPONSIBLE PERSON: David K. Mitchell

COMPANY: East Kentucky Power Cooperative, Inc.

Request 5. If EKPC has an estimate of the equipment and materials that it expects to retain as inventory for its other circulating fluidized bed units, provide a detailed listing and the cost of the identified items.

Response 5. A detailed listing of equipment and related costs that could be retained as capital spares in EKPC's other circulating fluidized bed units is provided on page 2 of this response. Please note that EKPC will need to evaluate the carrying charges associated with retaining these items as capital spares prior to making a decision to keep these as part of plant in service/inventory.

Component values are based on the booked cost from Spurlock 4

Turbine Spares	
Description	Amount
Turbine, LP Rotor	\$5,500,000
Turbine, IP Diaphragms	\$2,000,000
Turbine, HP Diaphragms	\$1,400,000
Turbine, HP/IP Rotor and ASS'Y	\$3,000,000
Stop Valve, Main Steam	\$200,000 *
Stop Valve, Combined Reheat	\$800,000 *
Control Valves	\$300,000 *
Generator Rotor	\$1,000,000
Gear, Turning	\$100,000
Excitation System	\$400,000
Excitation Power Potential Transformer	\$150,000
Transformer, Generator Terminal & Current	\$100,000

Components of other property units such as generator hydrogen coolers, actuators for main stop valves, reheat stop valves, intercept valves and control valves, and various pumps, blowers, motors and instrumentation off of auxiliary skids.

\$750,000

\$15,700,000

Items marked ("*") should be disassembled for individual parts but not maintained as capital spares as this would create an unrealistic number of valve bodies in inventory.

Subtotal Turbine Spares \$14,400,000

Boiler Feed Pump Spares	
Description	Amount
Fluid Coupling	\$245,000
Motor, Boiler Feed Pumps	\$225,000
Pump, Boiler Feed Booster	\$140,000
Pump, Main BFW Casing and Rotating Element	\$510,000
Subtotal Boiler Feed Pump Spares	\$1,120,000
Total Capital Spares	\$15,520,000

**EAST KENTUCKY POWER COOPERATIVE, INC.
PSC CASE NO. 2010-00449
INFORMATION REQUEST RESPONSE**

**PUBLIC SERVICE COMMISSION STAFF'S INITIAL INFORMATION REQUEST
DATED DECEMBER 22, 2010
REQUEST 6**

RESPONSIBLE PERSON: David K. Mitchell

COMPANY: East Kentucky Power Cooperative, Inc.

Request 6. If EKPC has an estimate of the resale or salvage value of the items it will not retain, provide a detailed listing and the value that EKPC believes it might receive from the sale or scrapping of these items.

Response 6. The summary provided on page 2 of this response contains a range of values that could be expected from the liquidation of each Smith 1 contract. The actual scrap or resale values cannot be determined with certainty as the scrap market routinely experiences great volatility and the performance of the resale market is unknown.

REDACTED

PSC Request 6

Page 2 of 2

