

# Goss ■ Samford PLLC



Attorneys at Law

October 19, 2012

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PUBLIC SERVICE  
COMMISSION

Mr. Jeff Derouen  
Executive Director  
Public Service Commission  
211 Sower Boulevard  
Frankfort, Kentucky 40602

Re: PSC Case No. 2012-00149

Dear Mr. Derouen:

Please find enclosed for filing with the Commission in the above-referenced case an original and ten copies of the responses of East Kentucky Power Cooperative, Inc. to Sonia McElroy and Sierra Club's Second Supplemental Requests for Information, dated October 5, 2012.

Very truly yours,

Mark David Goss

CC: Parties of Record

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

**In the Matter of:**

**2012 INTEGRATED RESOURCE PLAN OF EAST  
KENTUCKY POWER COOPERATIVE, INC.**

**) CASE NO.  
) 2012-00149**

**RESPONSES TO SONIA MCELROY AND SIERRA CLUB “MOVANTS”  
SECOND SUPPLEMENTAL REQUESTS FOR INFORMATION TO  
EAST KENTUCKY POWER COOPERATIVE, INC.  
DATED OCTOBER 5, 2012**

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

2012 INTEGRATED RESOURCE PLAN OF EAST ) CASE NO.  
KENTUCKY POWER COOPERATIVE, INC. ) 2012-00149

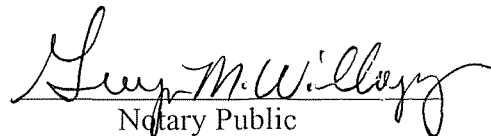
CERTIFICATE

STATE OF KENTUCKY )  
 )  
COUNTY OF CLARK )

Darrin Adams, being duly sworn, states that he has supervised the preparation of the responses of East Kentucky Power Cooperative, Inc. to Sonia McElroy and Sierra Club's Second Supplemental Requests for Information in the above-referenced case dated October 5, 2012, 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 19<sup>th</sup> day of October, 2012.

  
Notary Public

MY COMMISSION EXPIRES NOVEMBER 30, 2013  
NOTARY ID #409352

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

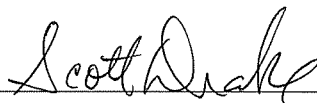
In the Matter of:

2012 INTEGRATED RESOURCE PLAN OF EAST ) CASE NO.  
KENTUCKY POWER COOPERATIVE, INC. ) 2012-00149

CERTIFICATE

STATE OF KENTUCKY )  
 )  
COUNTY OF CLARK )

Scott Drake, being duly sworn, states that he has supervised the preparation of the responses of East Kentucky Power Cooperative, Inc. to Sonia McElroy and Sierra Club's Second Supplemental Requests for Information in the above-referenced case dated October 5, 2012, 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.

  
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Subscribed and sworn before me on this 19<sup>th</sup> day of October, 2012.

  
Notary Public

MY COMMISSION EXPIRES NOVEMBER 30, 2013  
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COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

2012 INTEGRATED RESOURCE PLAN OF EAST	)	CASE NO.
KENTUCKY POWER COOPERATIVE, INC.	)	2012-00149

CERTIFICATE

STATE OF KENTUCKY     )  
                                       )  
 COUNTY OF CLARK     )

Ann F. Wood, being duly sworn, states that she has supervised the preparation of the responses of East Kentucky Power Cooperative, Inc. to Sonia McElroy and Sierra Club's Second Supplemental Requests for Information in the above-referenced case dated October 5, 2012, and that the matters and things set forth therein are true and accurate to the best of her knowledge, information and belief, formed after reasonable inquiry.

*Ann F. Wood*

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Subscribed and sworn before me on this 19<sup>th</sup> day of October, 2012.

*Greg M. Wilkerson*  
 Notary Public

MY COMMISSION EXPIRES NOVEMBER 30, 2013  
 NOTARY ID #409352

**EAST KENTUCKY POWER COOPERATIVE, INC.**

**PSC CASE NO. 2012-00149**

**MOVANTS' SECOND SUPPLEMENTAL REQUESTS FOR INFORMATION  
DATED 10/05/12**

East Kentucky Power Cooperative, Inc. ("EKPC") hereby submits responses to the information requests of Sonia McElroy and Sierra Club ("Movants") in this case dated October 5, 2012. Each response with its associated supportive reference materials is individually tabbed.



**EAST KENTUCKY POWER COOPERATIVE, INC.**

**PSC CASE NO. 2012-00149**

**SECOND SUPPLEMENTAL REQUEST FOR INFORMATION RESPONSE**

**MOVANTS' SECOND SUPPLEMENTAL REQUESTS FOR INFORMATION  
DATED 10/05/12**

**REQUEST 1**

**RESPONSIBLE PERSON: Darrin Adams**

**COMPANY: East Kentucky Power Cooperative, Inc.**

**Request 1.** Refer to your August 10, 2012 response to Sierra Club requests 26f, 26h, and 26i, and Appendix A to the December 2007 Power Plant Assessment Study prepared by Burns & McDonnell Engineering Company and submitted in Case No. 2008-0472.

**Request 1a.** State whether the “Voltage Violations with 00MW of Total Generation Output at Dale Station” identified in Table 2A of Appendix A to the Power Plant Assessment Study would still be expected to occur if the Dale Station were retired, deactivated, or otherwise ceased generating power.

i. If not, identify and produce any analysis or document supporting as such.

**Response 1a.** These voltage violations are still expected to occur if Dale Station is not operational.

**Request 1b.** State whether each of the transmission expansion projects identified in Table 2B of Appendix A to the Power Plant Assessment Study have been completed.

i. If not, explain why not and how long it would take to complete each such project.



**Response 1b.** None of the projects listed in Table 2B have been completed. EKPC has not made a final determination regarding the future of Dale Station. Therefore, it would be premature to invest in transmission reinforcements that are only necessary if Dale Station ceases operations. As stated in Appendix A to the December 2007 Power Plant Assessment Study, the transmission plan shown in Table 2B represents a reasonable and viable solution to the problems identified if all generation is removed at Dale. However, a more detailed, thorough analysis is required to evaluate potential alternative plans. A recommended plan will be developed based on this analysis, and will be implemented if and when EKPC makes the decision to retire Dale Station.

The estimated time to complete the capacitor banks listed in Table 2B (at Dale, Hope, and Stanton) is approximately 12 to 18 months for each installation. The estimated time to complete the new 138/69 kV substation at Newby is 24 to 36 months.

**Request 1c.** State whether EKPC has completed any other transmission analysis for any of its coal-fired generating units similar to that found in Appendix A to the Power Plant Assessment Study since the completion of the analysis found in Appendix A.

**Response 1c.** EKPC has not completed any other such transmission analysis since the analysis documented in Appendix A to the referenced Power Plant Assessment Study.



**EAST KENTUCKY POWER COOPERATIVE, INC.**

**PSC CASE NO. 2012-00149**

**SECOND SUPPLEMENTAL REQUEST FOR INFORMATION RESPONSE**

**MOVANTS' SECOND SUPPLEMENTAL REQUESTS FOR INFORMATION  
DATED 10/05/12**

**REQUEST 2**

**RESPONSIBLE PERSON:** Ann F. Wood

**COMPANY:** East Kentucky Power Cooperative, Inc.

**Request 2.** Refer to your August 10, 2012 response to Sierra Club request 26c.  
Explain the basis for contending that EKPC's generating units have no salvage value.

**Response 2.** EKPC has historically considered its generating units to have no salvage value. Please refer to EKPC's response to Commission Staff's First Data Request in Case No. 2006-00236 (depreciation study) filed with the Commission on August 16, 2006. Request 6b asked: "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, provided by EKPC's depreciation consultant, stated: "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."

Please note that on November 29, 2006, the Commission approved the depreciation rates proposed in Case No. 2006-00236.



**EAST KENTUCKY POWER COOPERATIVE, INC.**

**PSC CASE NO. 2012-00149**

**SECOND SUPPLEMENTAL REQUEST FOR INFORMATION RESPONSE**

**MOVANTS' SECOND SUPPLEMENTAL REQUESTS FOR INFORMATION  
DATED 10/05/12**

**REQUEST 3**

**RESPONSIBLE PERSON:**           **Scott Drake**

**COMPANY:**                       **East Kentucky Power Cooperative, Inc.**

**Request 3.**                       Refer to your August 10, 2012 response to Sierra Club request 44.

**Request 3a.**                     State whether EKPC requested the underlying data for the EPRI DSM technical potential study. If not, explain why not. If so, explain why such data was not provided.

**Response 3a.**                 EKPC did not request EPRI's underlying data or assumptions. The following is a chronology of events which led to EKPC's EPRI DSM technical potential study. In 2009, EPRI published a study entitled the "Assessment of Achievable Potential from Energy Efficiency and Demand Response Programs in the U.S. (2010-2030) 101687." Please note that this study is also referred to as the "EPRI National Study." After reading this study, EKPC requested that EPRI perform a potential study specific to the EKPC system. As stated in the EKPC report provided in the response to Movants' Request 18, page 6 of 36, filed with the Commission on August 20, 2012: "This study indicates that the approach used in the EPRI National Study can be adapted to individual utilities to support utility-specific resource planning and energy efficiency program design. The approach is robust and can readily be updated as more efficient technologies and measures emerge." EKPC provided certain assumptions to EPRI in the development of the EKPC potential study as reflected in the response to Movants' Request 18, page 18 of 36, filed with the Commission on August 20, 2012. EKPC did not participate in

the EPRI National Study; therefore, EKPC could not request EPRI's broad underlying data or assumptions that were used in the development of the EKPC potential study. Nevertheless, EKPC recognized EPRI as an expert in the field of electric research and analysis, accepted the methodology and the resulting conclusions, and used the report for the intent of evaluating the reasonableness of its existing DSM plan.

**Request 3b.** Explain what steps EKPC took to try to “verify EPRI’s assumptions and underlying data.”

**Response 3b.** Please see response to Request 3a. EKPC was not a participant in the National Study; therefore, the underlying data and assumptions were not available.

**Request 3c.** Explain how EKPC “utilized the EPRI report as an overall reasonableness test.”

**Response 3c.** EKPC compared the EPRI results to the DSM plan residential class savings by category: energy efficiency and demand response.

**Request 3d.** Confirm whether any other DSM potential studies, besides the EPRI study, were performed by or for EKPC in the last five years. If so, produce such studies.

**Response 3d.** EKPC did not perform any other DSM potential studies, besides the EPRI study, in the last five years.