

Goss ■ Samford PLLC



Mark David Goss
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November 14, 2013

RECEIVED
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VIA AIR AND DELIVERY
PUBLIC SERVICE
COMMISSION

Mr. Jeff Derouen
Executive Director
Kentucky Public Service Commission
P.O. Box 615
Frankfort, Kentucky 40602

RE: Case No. 2013-00259

Dear Mr. Derouen:

Enclosed for filing, please find one original and ten copies of East Kentucky Power Cooperative, Inc. ("EKPC") responses to Sonia McElroy and Sierra Club's Supplemental Requests for Information dated November 4, 2013 in the above referenced case. Also enclosed is an original and ten copies of EKPC's Motion for Confidential Treatment ("Motion") regarding the response to Requests 18b, 18e and 19b. One unredacted copy of the designated confidential portion of the response to Requests 18b, 18e and 19b, which is the subject of the Petition, is enclosed in a sealed envelope.

If you have any questions or require additional information, please contact me.

Very truly yours,


on behalf of
Mark David Goss

Enclosures

cc: Hon. Michael L. Kurtz
Hon. Joe Childers
Hon. Kristin Henry
Hon. Shannon Fisk

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

IN THE MATTER OF:

| | | |
|---|---|--------------------------------|
| AN APPLICATION OF EAST KENTUCKY |) | |
| POWER COOPERATIVE, INC. FOR A |) | |
| CERTIFICATE OF PUBLIC CONVENIENCE |) | |
| AND NECESSITY FOR ALTERATION OF |) | PSC CASE NO. 2013-00259 |
| CERTAIN EQUIPMENT AT THE COOPER |) | |
| STATION AND APPROVAL OF A COMPLIANCE |) | |
| PLAN AMENDMENT FOR ENVIRONMENTAL |) | |
| SURCHARGE COST RECOVERY |) | |

MOTION FOR CONFIDENTIAL TREATMENT

Comes now East Kentucky Power Cooperative, Inc. (“EKPC”), by and through counsel, pursuant to KRS 61.878, 807 KAR 5:001, Section 13 and other applicable law, and for its Motion requesting that the Kentucky Public Service Commission (“Commission”) afford confidential treatment to a portion of a response to the Sierra Club’s Supplemental Request for Information in the above-captioned proceeding, respectfully states as follows:

1. EKPC’s Application requests the Commission to issue a Certificate of Public Convenience and Necessity (“CPCN”), pursuant to KRS 278.020(1), for an environmental compliance project that involves re-routing the existing duct work for EKPC’s Cooper Station Unit #1 (“Cooper #1”) such that its emissions are able to flow to the Cooper Station Unit #2 Air Quality Control System (“Cooper #2 AQCS”) (the “Project”). For a capital investment of approximately \$15 million, EKPC will be able to retain 116 MW of existing capacity, thereby reducing its need to procure new capacity from other sources. The Application also requests that

the Commission authorize EKPC to amend its Environmental Compliance Plan, pursuant to KRS 278.183, so that EKPC may recover the costs associated with the Project through its existing environmental surcharge mechanism.

2. On November 4, 2013, Sierra Club issued its “Supplemental Requests for Information” containing 47 requests, most containing multiple sub-parts. The public version of the responses to the Supplemental Requests have been contemporaneously filed in redacted form in order to protect and preserve the information for which EKPC had previously requested Confidential Treatment by Motions dated October 18, 2013 (Commission Staff’s Initial Request for Information), October 25, 2013 (Sierra Club’s Initial Requests for Information), November 7, 2013 (EKPC’s Supplemental Response to Sierra Club’s Initial Requests for Information), and November 12, 2013 (Commission Staff’s Second Request for Information).

3. In Supplemental Request 18b, Sierra Club referred to EKPC’s response to Commission Staff’s Initial Request for Information 7a and requested that EKPC confirm that a particular bidder’s bid contained the highest Net Present Value (“NPV”) in terms of dollars for MW-year for the analysis period presented in the response. Previously, EKPC asked that the response to Commission Staff 7a be afforded Confidential Treatment (October 18, 2013, Motion for Confidential Treatment). In response to Sierra Club 18b, EKPC merely confirms the identity of a bidder whose identity should be confidential since each bid received in the Request for Proposal along with other information concerning the bids is commercially sensitive and proprietary.

4. In Supplemental Request 18e, Sierra Club requested information pertaining to revisions to the numbers provided by bidders to the RFP which were used to update the analysis of those bids. EKPC’s Response to Supplemental Request 18e states that these revisions were

provided in EKPC's response to Commission Staff's Second Requests for Information, Response 1b. And, in addition, EKPC is providing a workbook on a CD which more specifically details the revisions to the numbers used to update the analysis. Previously, EKPC asked that the response to Commission Staff's Second Request for Information 1b be afforded Confidential Treatment (November 12, 2013, Motion for Confidential Treatment). Confidential Treatment is sought for the entirety of the information on the CD.

5. In Supplemental Request 19b, Sierra Club referred to page 12 of Confidential Exhibit 1a to the Application, which refers to a block of intermittent non-dispatchable generation. Supplemental Request 19b questions why that block of generation is essentially unusable by EKPC. EKPC's Response to Supplemental Request 19b responds to Sierra Club's question but maintains confidentiality for the size of the block of generation consistent with EKPC's Motion for Confidential Treatment filed on August 21, 2013 and simultaneously with the filing of the Application.

6. The responses to the foregoing requests contain information that identifies a specific bidder submitting a bid received in the RFP along with other information concerning the bid that is commercially sensitive and proprietary. This information also includes the evaluative information relied upon by EKPC. This information is so pervasive on the CD, that it cannot be reasonably or easily isolated and redacted so as to create a "public" version of the responses. The responsive work papers used in the RFP's evaluation processes and the summaries of those processes are filled with confidential and proprietary information.

7. The above-described information (the "Confidential Information") that is included in EKPC's responses to the foregoing Supplemental Requests is proprietary and commercially sensitive information that is retained by EKPC on a "need-to-know" basis and that is not publicly

available. If disclosed, the Confidential Information would give bidders and potential business partners a tremendous advantage in the course of ongoing negotiations to fulfill the balance of the anticipated future capacity need. Disclosure would also give participants in the broader energy market a material advantage in relations with EKPC as a result of knowing the business strategies being implemented by EKPC and the market assumptions made by EKPC or The Brattle Group, EKPC's retained consultant for managing the RFP and assisting with the evaluation of the bids received. These market advantages would very likely translate into higher costs for EKPC and, by extension, detrimentally higher rates for EKPC's Members.

8. The Kentucky Open Records Act exempts the Confidential Information from public disclosure. *See* KRS 61.878(1)(c). As set forth above, disclosure of the Confidential Information would permit an unfair advantage to third parties. Moreover, the Kentucky Supreme Court has stated, "information concerning the inner workings of a corporation is 'generally accepted as confidential or proprietary'" *Hoy v. Kentucky Industrial Revitalization Authority*, 907 S.W.2d 766, 768 (Ky. 1995). Because the Confidential Information is critical to EKPC's effective execution of business decisions and strategy, it satisfies both the statutory and common law standards for affording confidential treatment.

9. EKPC does not object to limited disclosure of the Confidential Information described herein, pursuant to an acceptable confidentiality and nondisclosure agreement, to Gallatin Steel or the Sierra Club or any other intervenors with a legitimate interest in reviewing the same for the purpose of participating in this case.

10. In accordance with the provisions of 807 KAR 5:001, Section 13(2), EKPC is filing one copy of the unredacted response to the Supplemental Request (with the Confidential

Information highlighted) separately under seal. Redacted copies of the responses to the Supplement Request are attached to EKPC's responses.

11. In accordance with the provisions of 807 KAR 5:001, Section 13(3), EKPC respectfully requests that the Confidential Information be withheld from public disclosure for a period of ten years. This will assure that the Confidential Information – if disclosed after that time – will no longer be commercially sensitive so as to likely impair the interests of EKPC if publicly disclosed.

WHEREFORE, on the basis of the foregoing, EKPC respectfully requests the Commission to enter an Order granting this Motion for Confidential Treatment and to so afford such protection from public disclosure to the Confidential Information, which are filed herewith under seal, for a period of ten (10) years from the date of entry of such an Order.

This 14th day of November 2013.

Respectfully submitted,



Mark David Goss
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david@gosssamfordlaw.com

Counsel for East Kentucky Power Cooperative, Inc.

CERTIFICATE OF SERVICE

This is to certify that a true and correct copy of the foregoing was deposited in the custody and care of the U.S. Mail, postage prepaid, on this the 14th day of November 2013, addressed to the following:

Mr. Mike Kurtz
Boehm, Kurtz & Lowry
36 East Seventh Street
Suite 510
Cincinnati, OH 45202

Shannon Fisk
Earthjustice
1617 JFK Boulevard, Suite 1675
Philadelphia, PA 19103

Joe Childers
Joe F. Childers & Associates
300 Lexington Building
201 West Short Street
Lexington, KY 40507

Kristen Henry
Sierra Club
85 Second Street
San Francisco, CA 94105



Counsel for East Kentucky Power Cooperative, Inc.

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

In the Matter of:

**AN APPLICATION OF EAST KENTUCKY POWER)
POWER COOPERATIVE, INC. FOR A CERTIFICATE)
OF PUBLIC CONVENIENCE AND NECESSITY FOR)
ALTERATION OF CERTAIN EQUIPMENT AT THE)
COOPER STATION AND APPROVAL OF A)
COMPLIANCE PLAN AMENDMENT FOR)
ENVIRONMENTAL SURCHARGE COST)
RECOVERY)**

**CASE NO.
2013-00259**

**RESPONSES TO SONIA MCELROY AND SIERRA CLUB'S SUPPLEMENTAL
REQUESTS FOR INFORMATION TO
EAST KENTUCKY POWER COOPERATIVE, INC.
DATED NOVEMBER 4, 2013**

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

AN APPLICATION OF EAST KENTUCKY POWER)
POWER COOPERATIVE, INC. FOR A CERTIFICATE)
OF PUBLIC CONVENIENCE AND NECESSITY FOR)
ALTERATION OF CERTAIN EQUIPMENT AT THE)
COOPER STATION AND APPROVAL OF A)
COMPLIANCE PLAN AMENDMENT FOR)
ENVIRONMENTAL SURCHARGE COST)
RECOVERY)

CASE NO.
2013-00259

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
Supplemental Requests for Information contained in the above-referenced case dated November
4, 2013, 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.

[Handwritten signature of Darrin Adams]

Subscribed and sworn before me on this 14th day of November, 2013.

[Handwritten signature of Notary Public]
Notary Public
MY COMMISSION EXPIRES NOVEMBER 30, 2013
NOTARY ID #409352

OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

AN APPLICATION OF EAST KENTUCKY POWER)
POWER COOPERATIVE, INC. FOR A CERTIFICATE)
OF PUBLIC CONVENIENCE AND NECESSITY FOR)
ALTERATION OF CERTAIN EQUIPMENT AT THE)
COOPER STATION AND APPROVAL OF A)
COMPLIANCE PLAN AMENDMENT FOR)
ENVIRONMENTAL SURCHARGE COST)
RECOVERY)

CASE NO.
2013-00259

CERTIFICATE

~~Commonwealth~~
~~STATE OF Massachusetts~~
COUNTY OF ~~Middlesex~~

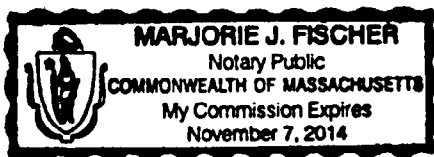
James Read, being duly sworn, states that he has supervised the preparation of the responses of East Kentucky Power Cooperative, Inc. to Sonia McElroy and Sierra Club's Supplemental Requests for Information contained in the above-referenced case dated November 4, 2013, and that the matters and things set forth therein are true and accurate to the best of his knowledge, information and belief, formed after reasonable inquiry.

James Read

Subscribed and sworn before me on this 12th day of November, 2013.

Marjorie J. Fischer

Notary Public



COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

AN APPLICATION OF EAST KENTUCKY POWER)
POWER COOPERATIVE, INC. FOR A CERTIFICATE)
OF PUBLIC CONVENIENCE AND NECESSITY FOR)
ALTERATION OF CERTAIN EQUIPMENT AT THE)
COOPER STATION AND APPROVAL OF A)
COMPLIANCE PLAN AMENDMENT FOR)
ENVIRONMENTAL SURCHARGE COST)
RECOVERY)

CASE NO.
2013-00259

CERTIFICATE

STATE OF KENTUCKY)
)
COUNTY OF CLARK)

Isaac S. Scott, 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
Supplemental Requests for Information contained in the above-referenced case dated November
4, 2013, 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.

Isaac S. Scott

Subscribed and sworn before me on this 14th day of November, 2013

Guyn M. Wilkey
Notary Public

MY COMMISSION EXPIRES NOVEMBER 30, 2013
NOTARY ID #409352

EAST KENTUCKY POWER COOPERATIVE, INC.

PSC CASE NO. 2013-00259

RESPONSE TO INFORMATION REQUEST

**INTERVENORS' SUPPLEMENTAL REQUESTS FOR INFORMATION DATED 11/04/13
REQUEST 1**

RESPONSIBLE PARTY: Julia J. Tucker

Request 1. Please provide EKPC's annual off-system sales in kWhs, and off-system sales revenues in dollars, from 2002 to 2012.

Request 1. This information has no relevance to the Cooper CPCN. Historical off-system sales were not used in the RFP selection process.

From 2002 to 2012 EKPC was a Balancing Authority and sold excess energy in the bilateral market and into PJM. EKPC joined PJM in June of 2013. Historical sales data related to EKPC's off system sales in a bilateral market (prior to 06/13) will not predict the dispatch of the Cooper 1 Plant in PJM (post 06/13).

When EKPC evaluated offers from it RFP, the offers were judged against forward market prices. The forward curve EKPC used in the RFP evaluation has been provided in the Brattle responses.

EAST KENTUCKY POWER COOPERATIVE, INC.

PSC CASE NO. 2013-00259

RESPONSE TO INFORMATION REQUEST

**INTERVENORS' SUPPLEMENTAL REQUESTS FOR INFORMATION DATED 11/04/13
REQUEST 2**

RESPONSIBLE PARTY: Julia J. Tucker

Request 2. Please provide any forecasts of annual off-system sales or off-system sales revenues performed or commissioned by EKPC in 2010 or later.

Response 2. EKPC believes that any forecast of any off system sale and off-system sales revenue is not relevant due to EKPC's membership in PJM. As of June 1, 2013, EKPC is a full member of PJM and participates in PJM's energy market. All EKPC generation is offered for sale into the PJM energy market and all EKPC load is purchased from the PJM energy market. Traditional "off-system" sales are no longer a relevant measure.

EAST KENTUCKY POWER COOPERATIVE, INC.

PSC CASE NO. 2013-00259

RESPONSE TO INFORMATION REQUEST

**INTERVENORS' SUPPLEMENTAL REQUESTS FOR INFORMATION DATED 11/04/13
REQUEST 3**

RESPONSIBLE PARTY: Isaac S. Scott

Request 3. Please explain the current sharing mechanism or provision for EKPC's off-system sales revenue distribution.

Response 3. EKPC objects to this request on grounds that the rate-making treatment of off-systems sales is not relevant to the determination of whether or not EKPC should be granted a CPCN for the proposed Cooper Unit 1 project. The pending CPCN application is not a base rate case. Consequently questions concerning revenue distribution or revenue sharing mechanisms are not relevant to determining the reasonableness of the Cooper Unit 1 project.

EAST KENTUCKY POWER COOPERATIVE, INC.

PSC CASE NO. 2013-00259

RESPONSE TO INFORMATION REQUEST

**INTERVENORS' SUPPLEMENTAL REQUESTS FOR INFORMATION DATED 11/04/13
REQUEST 4**

RESPONSIBLE PARTY: Isaac S. Scott

Request 4. Please provide the EKPC's cost of debt and supporting analyses and/or workbooks showing this calculation.

Request 4. Please see the table below for the cost of debt from 2009 to the present.

| Period | Outstanding Debt | Interest Expense | Average Cost of Debt |
|--------------------|------------------|------------------|----------------------|
| Calendar Year 2009 | \$2,607,054,917 | \$113,319,764 | 4.347% |
| Calendar Year 2010 | \$2,662,509,060 | \$116,088,987 | 4.360% |
| Calendar Year 2011 | \$2,714,403,999 | \$116,881,159 | 4.306% |
| Calendar Year 2012 | \$2,750,522,647 | \$114,128,388 | 4.149% |
| Year to Date 2013 | \$2,759,896,778 | \$112,105,648 | 4.062% |

The information for calendar years 2009 through 2012 can be found in EKPC's FERC Form 1 report. The Year to Date 2013 comes from EKPC's accounting records.

EAST KENTUCKY POWER COOPERATIVE, INC.
PSC CASE NO. 2013-00259
RESPONSE TO INFORMATION REQUEST

INTERVENORS' SUPPLEMENTAL REQUESTS FOR INFORMATION DATED 11/04/13
REQUEST 5

RESPONSIBLE PARTY: David Crews

Request 5. Please provide a breakdown of EKPC's historical annual costs from 2002 through 2013 associated with each plant including:

- a. Variable O&M
- b. Fixed O&M
- c. Fuel Costs
- d. Depreciation
- e. Interest
- f. Capital additions
- g. Other costs

Responses 5a-g. EKPC objects to providing the historical annual costs for its plants because the analysis is not germane to the determination of whether or not EKPC should be granted a CPCN for the proposed Cooper Unit 1 project. The historic annual costs for the plants have no bearing on determining the reasonableness of the Cooper Unit 1 project.

Any analysis related to the CPCN should be performed on a forward-looking basis based on the bids received.

EAST KENTUCKY POWER COOPERATIVE, INC.

PSC CASE NO. 2013-00259

RESPONSE TO INFORMATION REQUEST

**INTERVENORS' SUPPLEMENTAL REQUESTS FOR INFORMATION DATED 11/04/13
REQUEST 6**

RESPONSIBLE PARTY: David Crews

Request 6. Please provide EKPC's projected annual costs for each year of the NPV analysis associated with each plant including:

- a. Variable O&M
- b. Fixed O&M
- c. Fuel Costs
- d. Depreciation
- e. Interest
- f. Capital additions
- g. Other costs

Response 6a-g. EKPC objects to providing the projected annual costs for its plants because the analysis is not germane to the determination of whether or not EKPC should be granted a CPCN for the proposed Cooper Unit 1 project. The projected annual costs for its plants have no bearing on determining the reasonableness of the Cooper Unit 1 project.

Any analysis related to the CPCN should be performed on a forward looking basis based on the bids received. The relevant Cooper 1 costs have been provided in EKPC's response to the Staff's Initial Request, Response 5.

EAST KENTUCKY POWER COOPERATIVE, INC.

PSC CASE NO. 2013-00259

RESPONSE TO INFORMATION REQUEST

**INTERVENORS' SUPPLEMENTAL REQUESTS FOR INFORMATION DATED 11/04/13
REQUEST 7**

RESPONSIBLE PARTY: James Read and Julia J. Tucker

Request 7. Please refer to the NPVs for the projects submitted in response to the RFP.

Request 7a. Please list the 5 highest NPVs in terms of dollars, for each of the following analysis periods:

- i. 10 years
- ii. 15 years
- iii. 20 years
- iv. 25 years

Response 7a. The NPVs (and NPVs per MW-year) were calculated for analysis periods equal either to (a) the term of proposed power purchase agreements or to (b) 25 years for proposals to build, purchase, or remediate generation assets. The Proposal_Evaluation_Energy_Production workbook also calculates NPVs (and NPVs per MW-year) for alternative analysis periods equal to 10, 15, and 20 years. The ability to calculate NPVs for these alternative analysis periods was incorporated to examine proposals for generation assets—in particular, proposals to remediate the Cooper Unit 1 and Dale generating units—because the economic lives of the assets underlying those proposals are uncertain and depend in part on future discretionary capital investments. The economic lives of proposed power purchase agreements, in contrast, are contractually specified. Mr. Read sees no purpose to ranking proposals on the basis of arbitrary analysis periods.

Request 7b. Please list the 5 highest NPVs in terms of dollars per MW-year, for each of the following analysis periods:

- i. 10 years
- ii. 15 years
- iii. 20 years
- iv. 25 years

Response 7b. See Response 7a above.

Request 7c. Please list the NPV for the 6 proposals on the short list (other than the ductwork project) over a 10-year time horizon.

Response 7c. See Response 7a above.

EAST KENTUCKY POWER COOPERATIVE, INC.

PSC CASE NO. 2013-00259

RESPONSE TO INFORMATION REQUEST

**INTERVENORS' SUPPLEMENTAL REQUESTS FOR INFORMATION DATED 11/04/13
REQUEST 8**

RESPONSIBLE PARTY: Michelle K. Carpenter

Request 8. Refer to EKPC's response to Sierra Club request 1.4c. Please provide workbooks showing the calculations of book value and net book value for Cooper and Dale stations.

Responses 8. Please see pages 2 and 3 of this response for the calculation of the book value and net book value for Cooper and Dale stations.

Summary of Book Value and Net Book Value-Cooper Station (Excluding Land)

| Account | Balance 9/30/13 |
|---|--|
| 311 Structures & Improvements | \$ 8,508,973.73 |
| 312 Boiler Plant Equipment | 96,437,256.43 |
| 314 Turbogenerator Unit | 16,558,800.07 |
| 315 Accessory Electric Equipment | 3,237,347.40 |
| 316 Miscellaneous Power Plant Equipment | 2,070,383.65 |
| 317 Asset Retirement Costs | 255,674.40 |
| 106 Completed Construction Not Classified | <u>228,179,463.70</u> |
| Total | <u>355,247,899.38</u> |
| 108130 Accumulated Depreciation | (106,423,074.91) |
| 108913 Accumulated Depreciation-Asset Retire | (321,292.20) |
| 108902 Accumulated Depreciation-Asset Retire Obligation | <u>(10,957.50)</u> |
| Net Book Value (NBV) | <u><u>\$ 248,492,574.77</u></u> |
| Number of Months Remaining to Depreciate | <u>201</u> |
| Monthly Depreciation | <u><u>\$ 1,236,281.47</u></u> |
| Annualized Depreciation | <u><u>\$ 14,835,377.60</u></u> |

Summary of Book Value and Net Book Value-Dale Station (Excluding Land)

| Account | Balance 9/30/13 |
|---|--|
| 311 Structures & Improvements | \$ 5,700,894.09 |
| 312 Boiler Plant Equipment | 48,769,326.75 |
| 314 Turbogenerator Unit | 37,485,923.46 |
| 315 Accessory Electric Equipment | 2,028,537.34 |
| 316 Miscellaneous Power Plant Equipment | 727,252.77 |
| 317 Asset Retirement Costs | <u>4,619,823.40</u> |
| Total | <u>99,331,757.81</u> |
| 108120 Accumulated Depreciation | (89,415,099.16) |
| 108912 Accumulated Depreciation-Asset Retire | (11,191.91) |
| 108902 Accumulated Depreciation-Asset Retire Obligation | <u>(903,852.98)</u> |
| Net Book Value (NBV) | \$ <u><u>9,001,613.76</u></u> |
| Number of Months Remaining to Depreciate | <u>69</u> |
| Monthly Depreciation | \$ <u><u>130,458.17</u></u> |
| Annualized Depreciation | \$ <u><u>1,565,498.05</u></u> |

EAST KENTUCKY POWER COOPERATIVE, INC.

PSC CASE NO. 2013-00259

RESPONSE TO INFORMATION REQUEST

INTERVENORS' SUPPLEMENTAL REQUESTS FOR INFORMATION DATED 11/04/13
REQUEST 9

RESPONSIBLE PARTY: Julia J. Tucker

Request 9. Refer to EKPC's response to Sierra Club request 1.13.

Request 9a.

[REDACTED]

[REDACTED]

- Labels and underlying calculations for [REDACTED]
- Please provide sources and supporting workpapers for coal and gas

price data.

Response 9a. Please see EKPC's Supplemental Response to the Sierra Club's Initial Requests for Information filed with the Commission on November 7, 2013, Response 13c.ii and iii.

Request 9b.

[REDACTED]

- Please provide data for Cooper Unit 1.
- Please provide underlying calculations for data in [REDACTED]
- Please provide the data for [REDACTED]

[REDACTED]

[REDACTED]

█ Please provide any analyses or workpapers █
█
█

Response 9b. 9 b.i Please see EKPC's Supplemental Response to the Sierra Club's Initial Requests for Information filed with the Commission on November 7, 2013, Response 13c.vii and xii.

9 b ii Please see response 9 b. i above

9 b iii All scenario data is provided with the bid specific information. All common information has been provided with the market and commodity price forecasts.

9 b iv There are no workpapers to provide.

Request 9c. █

█ Please provide this data for Cooper Units 1 and 2, annually and for each EKPC compliance plan.

Response 9c. Any analysis related to the CPCN should be performed on a forward looking basis based on the bids received. The relevant Cooper 1 and other bid costs have been provided in EKPC's response to the Staff's Initial Request, Response 5.

Request 9d. █

█ Please provide this data for Cooper Units 1 and 2, annually and for each EKPC compliance plan.

Response 9d. Please see EKPC's Supplemental Response to the Sierra Club's Initial Requests for Information filed with the Commission on November 7, 2013, Response 13c.ix.

EAST KENTUCKY POWER COOPERATIVE, INC.

PSC CASE NO. 2013-00259

RESPONSE TO INFORMATION REQUEST

**INTERVENORS' SUPPLEMENTAL REQUESTS FOR INFORMATION DATED 11/04/13
REQUEST 10**

RESPONSIBLE PARTY: Julia J. Tucker

Request 10. Refer to EKPC's response to Sierra Club request 1.15d which does not provide "annual capacity factor or annual generation" for Cooper Unit 1. Please provide the annual capacity factor and generation assumed for Cooper 1 throughout the analysis period.

Response 10. Please see EKPC's Supplemental Response to the Sierra Club's Initial Requests for Information filed with the Commission on November 7, 2013, Response 15d.

EAST KENTUCKY POWER COOPERATIVE, INC.

PSC CASE NO. 2013-00259

RESPONSE TO INFORMATION REQUEST

**INTERVENORS' SUPPLEMENTAL REQUESTS FOR INFORMATION DATED 11/04/13
REQUEST 11**

RESPONSIBLE PARTY: James Read

Request 11. Refer to EKPC's response to Sierra Club request 1.21h. Please confirm that EKPC has provided all of the input files that they previously provided to Brattle Group to carry out their NPV analysis.

a. If not, please provide the remaining input files.

Responses 11. All the input files provided by EKPC and utilized by The Brattle Group in the NPV analysis have been provided.

EAST KENTUCKY POWER COOPERATIVE, INC.

PSC CASE NO. 2013-00259

RESPONSE TO INFORMATION REQUEST

INTERVENORS' SUPPLEMENTAL REQUESTS FOR INFORMATION DATED 11/04/13
REQUEST 12

RESPONSIBLE PARTY: **Julia J. Tucker**

Request 12. Refer to EKPC's response to Sierra Club request 1.24h.

Request 12a. Please provide EKPC's historical annual generation since 2002, by unit.

Response 12a. EKPC objects to providing the historical annual generation for its plants because the analysis is not germane to the determination of whether or not EKPC should be granted a CPCN for the proposed Cooper Unit 1 project. The historic annual generation for the plants has no bearing on determining the reasonableness of the Cooper Unit 1 project.

Any analysis related to the CPCN should be performed on a forward looking basis based on the bids received.

Request 12b. Please provide EKPC's historical annual capacity since 2002, by unit.

Response 12b. See response to 12a.

Request 12c. Please provide EKPC's projected annual generation, by unit, for each of the years of the NPV analysis.

Response 12c. Please see EKPC's Supplemental Response to the Sierra Club's Initial Requests for Information filed with the Commission on November 7, 2013, Response 15d for the Cooper 1 data.

Request 12d. Please provide EKPC's projected annual capacity (ICAP and UCAP), by unit, for each of the years of the NPV analysis.

Response 12d. EKPC objects to providing the projected annual capacity for its plants other than Cooper 1 because the analysis is not germane to the determination of whether or not EKPC should be granted a CPCN for the proposed Cooper Unit 1 project. The projected annual capacity for its plants has no bearing on determining the reasonableness of the Cooper Unit 1 project.

Any analysis related to the CPCN should be performed on a forward looking basis based on the bids received. The relevant Cooper 1 and other bid capacities have been provided in EKPC's response to the Staff's Initial Request, Response 5.

EAST KENTUCKY POWER COOPERATIVE, INC.

PSC CASE NO. 2013-00259

RESPONSE TO INFORMATION REQUEST

**INTERVENORS' SUPPLEMENTAL REQUESTS FOR INFORMATION DATED 11/04/13
REQUEST 13**

RESPONSIBLE PARTY: Block Andrews

Request 13. Refer to EKPC's response to Sierra Club request 1.38:

Request 13a. For EKPC's response to Sierra Club request 1.38a which states "Burns & McDonnell looked at Mercury controls and Dry Sorbent Injection in combination with either a new full fabric filter system, polishing fabric filter, conversion of existing ESP to a fabric filter system, ESP upgrades, or using ESP units 1 and 2 in series."

 i. Please provide the results, analyses, and workpapers (in electronic, machine-readable format) related to the analysis of the above options.

 ii. Please confirm if EKPC or Burn & McDonnell analyzed the possibility of an alternative location for the Unit 1 flue tie-in (i.e. upstream of Unit 2's SCR).

Response 13a. a.i. EKPC objects to this Request and the production of the "results, analyses and workpapers" related to Burns and McDonnell's consideration of the various options listed in EKPC's response to Sierra Club's First Request for Information 1.38 a., on the basis that all such information was prepared at the request of counsel to EKPC in order to allow EKPC counsel to provide legal advice to EKPC and as such is subject to and protected by the Attorney-Client Privilege and/or the Work-Product Doctrine.

 a.ii. The intent of tie-in at the current location was based on compliance with known, final regulations. At this time, there are no NOx reduction requirements for Unit 1. Tie-in at upstream of the SCR would require additional costs that may not be required in future regulations.

Request 13b. For EKPC's response to Sierra Club request 1.38b. Confirm that EKPC would be able to achieve MATS compliance at both Cooper Units 1 and 2 through emissions averaging.

i. If confirmed or denied, provide supporting analysis and workpapers in electronic, machine readable format.

ii. Confirm that utilizing an "emissions averaging strategy" EKPC would not require any capital additions to achieve MATS compliance.

Response 13b. MATS mercury compliance allows a unit rate of 1.2 lb/TBtu or an averaged rate of 1.0 lb/TBtu for Units 1 & 2. EKPC has not yet decided which compliance plan it is planning to adhere to, but will be compliant with whichever strategy it chooses for compliance.

b i. MATS mercury compliance allows a unit rate of 1.2 lb/TBtu or an averaged rate of 1.0 lb/TBtu for Units 1 & 2. EKPC has not yet decided which compliance plan it is planning to adhere to but will be compliant with whichever strategy it chooses for compliance.

b ii Additional testing will be required for both units before a strategy is finalized.

Request 13c. For EKPC's response to Sierra Club request 1.38c ii which states that "hydrated lime injected upstream of the DSI will not meet the MATS removal requirements." Please confirm that the response should state that "hydrated lime injected upstream of the ESP will not meet the MATS removal requirements."

Response 13c. Please see EKPC's Supplemental Response to the Sierra Club's Initial Requests for Information filed with the Commission on November 7, 2013, Response 38c(ii).

Request 13d. For EKPC's response to Sierra Club request 1.38d.

i. Confirm that EKPC would not be able to achieve MATS compliance at Cooper Unit 1 by switching to a coal type with lower mercury and sulfur content.

1. If confirmed or denied, provide supporting analysis and workpapers in electronic, machine readable format.

2. If denied, confirm that by switching to a coal with lower sulfur and mercury content, EKPC would not need to make any capital additions to achieve MATS compliance at Cooper.

Response 13d.

d i. Yes, this statement is correct. Burns & McDonnell has not found a consistent coal supply that would simultaneously meet the mercury, acid gas and particulate MATS requirements without air pollution controls for one or more of the pollutants.

1. See answer in d 1. above

2. See answer in d 1. Above

REDACTED

INTERVENORS Request 14

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REQUEST 14

RESPONSIBLE PARTY: James Read

Request 14.

[REDACTED]

Request 14a.

[REDACTED]

Response 14a.

The risk premium is an expected rate of return over and above the rate of return on fixed income securities of very high credit quality. The sum of the risk premium and the interest rate (see Response 14b below) is a proxy for the expected rate of return on investments with market risk comparable to the uncertain cash flows associated with the power supply proposals. The market risk of the uncertain cash flows associated with the power supply proposals is not directly observable. Market risk premiums are not directly observable either. The 2 percent p.a. figure used to compute the NPVs is a judgment based on my experience. For some alternative estimates of the expected rate of return on investments in investor-owned electric utilities, see, e.g., Ibbotson Cost of Capital, 2012 Yearbook, Chicago: Morningstar, 2012.

Request 14b.

[REDACTED]

Response 14d. See response to 14c.

Request 14e.

[REDACTED]

Response 14e. See response to 14c.

Request 14f.

[REDACTED]

[REDACTED]

Response 14f. The data in the “Energy Data” worksheet were produced using the RTSim generation simulation software.

Request 14g.

[REDACTED]

[REDACTED]

Response 14g. The data underlying the “Case Ratio” worksheet were produced using the RTSim generation simulation software.

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INTERVENORS' SUPPLEMENTAL REQUESTS FOR INFORMATION DATED 11/04/13
REQUEST 15

RESPONSIBLE PARTY: James Read

Request 15. [REDACTED]
[REDACTED]
[REDACTED]

Request 15a. [REDACTED]
[REDACTED]

Response 15a. The energy price forecasts were provided to EKPC by ACES Power Marketing.

Request 15b. [REDACTED]
[REDACTED]

Response 15b. See response to 15a.

Request 15c. [REDACTED]
[REDACTED]

Response 15c. EKPC uses market data and analysis provided by ACES Power Marketing in the ordinary course of business.

Request 15d.

[REDACTED]

Response 15d.

See response to 15a.

Request 15e.

[REDACTED]

Response 15e.

These price forecasts were used to screen proposals received in response to the 2012 RFP. The proposals were received on or about August 30, 2012. The date of the price forecasts was chosen to align with the timing of the proposals.

- i. EKPC objects to providing an update given all of the analysis were completed on the forecast provided.

Request 15f.

[REDACTED]

Response 15f.

The “quote date” is the date on which the forward prices that comprise the front end of the market price forecasts were observed.

- i. The date of the price forecasts was chosen to align with the timing of the proposals.

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INTERVENORS' SUPPLEMENTAL REQUESTS FOR INFORMATION DATED 11/04/13
REQUEST 16

RESPONSIBLE PARTY: **Julia J. Tucker**

Request 16. Refer to page 5 of Exhibit 1a to the Application. With regards to the natural gas commodity price forecast that EKPC used in its NPV analyses:

Request 16a. Identify the forecasted price of natural gas for each year through 2050.

Response 16a. The forecasted price of natural gas has been provided in EKPC's response to the Staff's Initial Request, Response 5.

Request 16b. Identify the source or sources for the natural gas price forecast.

Response 16b. ACES provided the natural gas price forecast to EKPC.

Request 16c. Identify the date of the natural gas price forecast.

Response 16c. The date of the natural gas price forecast is August 29, 2012.

Request 16d. Provide the inputs, analysis, and workpapers supporting the natural gas price forecast.

Response 16d. ACES provided the natural gas price forecast to EKPC.

REDACTED

INTERVENORS Request 16

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Request 16e. Explain the basis for redacting, rather than publicly disclosing, the fact that such natural gas price forecast came from [REDACTED].

Response 16e. The reference to ACES Power Marketing was inadvertently redacted.

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INTERVENORS' SUPPLEMENTAL REQUESTS FOR INFORMATION DATED 11/04/13
REQUEST 17

RESPONSIBLE PARTY: **Julia J. Tucker**

Request 17. Refer to page 5 of Exhibit 1a to the Application. With regards to the coal commodity price forecast that EKPC used in its NPV analyses:

Request 17a. Identify the forecasted price of coal for each year through 2050.

Response 17a. The forecasted price of coal has been provided in EKPC's response to the Staff's Initial Request, Response 5.

Request 17b. Identify the source or sources for the coal price forecast.

Response 17b. ACES provided the coal price forecast to EKPC.

Request 17c. Identify the date of the coal price forecast.

Response 17c. The date of the coal price forecast is September 5, 2012.

Request 17d. Provide the inputs, analysis, and workpapers supporting the coal price forecast.

Response 17d. ACES provided the coal price forecast to EKPC.

REDACTED

INTERVENORS Request 17

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Request 17e. Explain the basis for redacting, rather than publicly disclosing, the fact that such coal price forecast came from [REDACTED]

Response 17e. The reference to ACES Power Marketing was inadvertently redacted.

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INTERVENORS' SUPPLEMENTAL REQUESTS FOR INFORMATION DATED 11/04/13
REQUEST 18

RESPONSIBLE PARTY: James Read

Request 18. Refer to EKPC's response to PSC request 1.7a.

Request 18a. Please list the NPV analysis period for each of the bids listed in this response.

Response 18a. The analysis periods for the Short List proposals, in the order presented in Response 7a, were 25, 20, 20, 20, 5, and 25 years.

Request 18b. [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

Response 18b. EKPC confirms that the [REDACTED] bid had the highest NPV in terms of dollars per MW-year for the analysis period presented in this response. However, this NPV did not reflect transmission cost and deliverability risks subsequently identified.

Request 18c. Please identify and explain the revisions from bidders that are discussed in the response.

Response 18c. There were two revisions based on discussions with Short List bidders: (1) the evaluation team had misunderstood the fixed payments under one of the proposed power purchase agreements on the Short List. When the corrected fixed payment was incorporated in the evaluation, the economics of the proposal were no longer attractive; (2) the evaluation team received a corrected estimate of O&M costs for a facility acquisition proposal on the Short List which, when taken into account, resulted in a decline in the proposal NPV.

Request 18d. State whether any revisions of numbers from bidders change the ranking of the bids.

i. If so, please explain and provide supporting analysis and workpapers.

Response 18d. See response to 18c. In one case the analysis based on the corrected data indicated that the proposal was not economically attractive. In the other case the proposal NPV based on the corrected estimate declined but the proposal remained at the top of its category.

Request 18e.

[REDACTED]

[REDACTED]

i. If not, why not?

ii. If so, please provide the updated analysis and workpapers.

Response 18e. The revisions to the numbers used to update the analysis have been provided in EKPC's response to the Commission Staff's Second Request for Information, Response 1b. In addition, please see the workbook provided on the attached CD, the entirety of which is filed under seal and subject to confidential treatment.

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INTERVENORS' SUPPLEMENTAL REQUESTS FOR INFORMATION DATED 11/04/13
REQUEST 19

RESPONSIBLE PARTY: Julia J. Tucker

Request 19.

[REDACTED]

Request 19a.

Please provide all documents, workpapers, and calculations supporting this conclusion.

Response 19a.

See response 19b.

Request 19b.

[REDACTED]

Response 19b.

Given EKPC's minimum load is in the 800 MW range, a [REDACTED] block of intermittent non-dispatchable generation poses an unacceptable financial risk.

Request 19c.

[REDACTED]

Response 19c.

The compatibility of a wind project with EKPC's supply portfolio is determined based on the specific location and expected LMPs of each project.

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**INTERVENORS' SUPPLEMENTAL REQUESTS FOR INFORMATION DATED 11/04/13
REQUEST 20**

RESPONSIBLE PARTY: Julia J. Tucker

Request 20. Please refer to pages 5, 8-9 of Exhibit 1a to the Application discussing the evaluation and final selection of proposals.

Request 20a. Is it EKPC's position that the proposed duct work project has the highest benefit to cost ratio of all the RFP responses?

Response 20a. Yes, it is EKPC's position that the proposed duct work project has the highest benefit to cost ratio of all the RFP responses

Request 20b. If no, which alternatives have higher benefit to cost ratios?

Response 20b. N/A

Request 20c. Is it EKPC's position that the proposed duct work project is the least-cost option of all the RFP responses for each time horizon considered, i.e., on a time horizon of 10 years, 15 years, 20 years, and 25 years? If so, please explain.

Response 20c. It is EKPC's position that the proposed duct work project is the least-cost option of all the RFP responses when each is evaluated over the relevant time horizon.

Request 20d. Is it EKPC's position that the proposed duct work project provides the greatest benefits for ratepayers, as measured by the NPV? If so, please explain.

Response 20d. Yes. As stated on page 14 of Exhibit 1a and page 1 of Exhibit 1b, "the proposed Cooper 1 retrofit would add very substantial value for a modest investment and is the proposal with the highest value added for EKPC".

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REQUEST 21

RESPONSIBLE PARTY: **James Read**

Request 21. Please refer to page 10, lines 3-5, of the direct testimony of Mr. James Read, which states that “[t]herefore, comparing the proposals on the basis of NPVs—even when normalized for size and duration—would amount to comparing apples and oranges.”

Request 21a. Did EKPC select the duct work project as the final project because it had the highest NPV relative to all other projects?

Response 21a. I presume that “duct work project” refers to the proposed remediation of Cooper Unit No. 1. The NPV was one of the factors that influenced the decision to remediate Cooper Unit No. 1.

Request 21b. Did EKPC select the duct work project because it is the least-cost option?

Response 21b. Our analysis indicated that (i) remediation is a lower cost (higher net benefit) option than retiring Cooper Unit No. 1 and (ii) the remediation proposal described in the Application is a lower cost (higher net benefit) than the other remediation proposal put forward by EKPC’s Production Engineering & Construction group. Remediation also had the highest value added of the proposals remaining on the Short List. See my response to (d) below.

Request 21c. Please confirm that EKPC did not compare the projects on the short list based solely on their respective NPVs.

Response 21c. EKPC confirms that EKPC did not compare the projects on the short list based solely on their respective NPVs.

Request 21d. Please list all factors EKPC considered in evaluating the projects on the short list and identify the weight EKPC gave to each factor.

Response 21d. Many factors were considered, among which were: EKPC's strategic objectives, the size of proposed contracts and generation resources, the term of power purchase contracts and potential economic life of generation resources, required capital investment, generation feedstock, heat rate, and ownership and status of the underlying asset. The evaluation team did not assign "weights" to these factors. See Exhibit 1a of the Application [Letter from James Read to David Crews dated January 28, 2012].

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**INTERVENORS' SUPPLEMENTAL REQUESTS FOR INFORMATION DATED 11/04/13
REQUEST 22**

RESPONSIBLE PARTY: Mary Jane Warner

Request 22. Other than the engineering studies included in its application and exhibits, has EKPC initiated or completed any engineering or construction work relating to the duct work project for which EKPC seeks a CPCN?

Response 22. EKPC has initiated limited engineering design and no construction.

Request 22a. To date, how much money has EKPC spent on the duct work project?

Response 22a. To date, EKPC has spent \$343,881 on the duct work project.

Request 22b. Does EKPC anticipate spending any money, beyond what has been spent to date, on the duct work project before the Commission issues a decision in this case?

Response 22b. Yes, EKPC anticipates spending additional money, beyond what has been spent to date, on the duct work project before the Commission issues a decision in this case.

Request 22c. If so, please identify the estimated amounts and the work to be done.

Response 22c. Estimated \$250,000 for Engineering, Estimated \$21,000 for EKPC labor for project development and support, Estimated \$82,790 for Scrubber Modification Design.

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INTERVENORS' SUPPLEMENTAL REQUESTS FOR INFORMATION DATED 11/04/13
REQUEST 23

RESPONSIBLE PARTY: Mary Jane Warner

Request 23. Please refer to page 4 of the direct testimony of Mr. Anthony Campbell.

Request 23a. Did EKPC and/or its contractors design the air quality control systems (“AQCS”) on Cooper Unit 2 to preserve the possibility that the exhaust gases from Cooper Unit 1 could be run through the AQCS at Cooper 2?

i. If so, how much did such added capacity increase the capital cost of the AQCS on Cooper Unit 2?

ii. If not, explain why the AQCS on Cooper Unit 2 has sufficient capacity to handle the exhaust gases from both Cooper Unit 2 and Unit 1.

Response 23a. No. Please see EKPC’s response to the Commission Staff’s Initial Request for Information, Response 17. Testing and commissioning, then subsequent operational experience with the Cooper Unit 2 AQCS demonstrated excellent performance and potential for additional removal capacity due to the following circumstances related to initial design considerations for the system:

Fuel Flexibility

The Cooper Unit 2 AQCS was designed for the highest sulfur coal that could be delivered from the markets EKPC can reasonably access for Cooper Station. This particular fuel might never be the most economic choice, but if during the life of the scrubber a fuel switch would be

advantageous on an evaluated basis, the dry scrubber was designed so it would not limit the fuels that could be considered.

New Technology

Since at the time of design & construction, dry scrubbers were relatively new to the United States and during the design period the Cooper Unit 2 AQCS was to be the largest dry scrubber constructed to date in this country, both EKPC and the scrubber OEM were conservative in their estimates and calculations for design. There was very little tolerance for risk in achieving the system effectiveness necessary to meet the requirements of the EPA NSR Consent Decree.

Another key contributor to creating this opportunity was the continued use of the existing Unit 1 Precipitator. This made the additional particulate loading minimal when Unit 1 flue gas was combined with Unit 2 flue gas. Consequently, only minor modifications to the new baghouse were required to handle the small amount of particulate matter remaining after the Unit 1 flue gas leaves the existing precipitator.

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**INTERVENORS' SUPPLEMENTAL REQUESTS FOR INFORMATION DATED 11/04/13
REQUEST 24**

RESPONSIBLE PARTY: Julia J. Tucker

Request 24. Please refer to pages 3-4 of the RFP, Exhibit JJT-1, which states that “[p]reference will be given to renewable projects in the state of Kentucky.”

Request 24a. Did EKPC state in the RFP that preference would be given to conventional generation projects in the state of Kentucky?

i. If not, why not?

ii. If not, why did EKPC state that preference will be given to renewable projects in the state of Kentucky but not state that preference would be given to conventional generation projects in the state of Kentucky?

Responses 24a. No.

i. EKPC did not see a need to promote conventional generation projects in any one location over another.

ii. EKPC stated that a preference would be given to renewable projects in the state of Kentucky in an effort to help promote economically feasible renewable projects within the State. Conventional generation projects are generally able to withstand economic feasibility analyses without being given any locational preferences.

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**INTERVENORS' SUPPLEMENTAL REQUESTS FOR INFORMATION DATED 11/04/13
REQUEST 25**

RESPONSIBLE PARTY: James Read

Request 25. Please refer to the testimony of Mr. James Read.

Request 25a. Did Mr. Read advise EKPC on how to calculate the NPV for the RFP responses?

Response 25a. Yes, Mr. Read advised EKPC on how to calculate the NPV for the RFP responses.

Request 25b. Did Mr. Read advise EKPC that the NPV calculations should include no cost to comply with the forthcoming 316(b), CCR, and ELG rules, as well as any potential carbon regulations?

Response 25b. Mr. Read did not advise EKPC that the NPV calculations should include no cost to comply with the forthcoming 316(b), CCR, and ELG rules, as well as any potential carbon regulations.

Request 25c. Did Mr. Read advise EKPC to conduct any sensitivity analyses in which the NPV calculations would include estimates of the cost to comply with the forthcoming 316(b), CCR, and ELG rules, as well as any potential carbon regulations?

Response 25c. Mr. Read did not advise EKPC to conduct any sensitivity analyses in which the NPV calculations would include estimates of the cost to comply with the forthcoming 316(b), CCR, and ELG rules, as well as any potential carbon regulations.

Request 25d. Is it Mr. Read's position that it is appropriate to calculate the NPV for potential projects by omitting estimates of the capital and O&M costs of complying with the 316(b), CCR, and ELG rules, as well as any potential carbon regulations?

Response 25d. These questions apparently refer to prospective rules pertaining to carbon dioxide, water, and solid waste streams from power plants. Mr. Read's understanding is that the rules have not been finalized and, therefore, the amount and timing of expenditures required to comply with the rules are currently unknown.

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REQUEST 26

RESPONSIBLE PARTY: Block Andrews

Request 26. Please provide a list of all cases, with the appropriate jurisdiction, case name, and number, in which Mr. Block Andrews has provided testimony.

Response 26. Case ER-2007-0004, Missouri Public Service Commission, Aquila Networks-MPS and Aquila Networks L&P.

Request 26a. Produce a copy of any written testimony that Mr. Andrews sponsored in each such case.

Response 26a. Please see the CD for a copy of the testimony before the Missouri Public Service Commission.

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**INTERVENORS' SUPPLEMENTAL REQUESTS FOR INFORMATION DATED 11/04/13
REQUEST 27**

RESPONSIBLE PARTY: James Read

Request 27. Please provide a list of all cases, with the appropriate jurisdiction, case name, and number, in which Mr. James Read has provided testimony.

Request 27. It's Mr. Read's presumption that "cases" refers to public utility regulatory proceedings. In the last ten years Mr. Read has testified in the following regulatory matters: (1) Rebuttal Testimony on behalf of National Grid, plc and Keyspan Corporation, State of New York Public Service Commission, Case 06-M-0878, March 7, 2007; and (2) Prepared Direct Testimony in Enron Power Marketing, Inc. and Enron Energy Services, Inc., Federal Energy Regulatory Commission, Docket No. EL03-180-000 et al., February 27, 2004 and January 31, 2005.

Request 27a. Produce a copy of any written testimony that Mr. Read sponsored in each such case.

Response 27a. Mr. Read's written testimony in these cases is included on the enclosed CD.

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**INTERVENORS' SUPPLEMENTAL REQUESTS FOR INFORMATION DATED 11/04/13
REQUEST 28**

RESPONSIBLE PARTY: Block Andrews

Request 28. Please refer to page 9, lines 5-9, of the direct testimony of Mr. Block Andrews.

Request 28a. Is the potential de-rate of Cooper unit 1 reflected in the NPV of the proposed retrofit project?

Response 28a. No, the potential de-rate of Cooper 1 was not reflected in the NPV of the proposed retrofit project. As stated in the referenced text, “the net capacity could be slightly impacted (less than 1 percent de-rate)”. Less than 1 percent would be less than 1 MW and negligible in the NPV analysis.

Request 28b. If so, please explain how and provide all supporting calculations.

Responses 28b. N/A

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REQUEST 29

RESPONSIBLE PARTY: James Read

Request 29. In calculating the NPV of projects that would replace Cooper Unit 1, what is the date on which EKPC assumed that Cooper Unit 1 would retire and the other projects would come online?

Response 29. The base case was to retire Cooper Unit No. 1 on April 1, 2015. The proposal in-service dates were proposal-specific.

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**INTERVENORS' SUPPLEMENTAL REQUESTS FOR INFORMATION DATED 11/04/13
REQUEST 30**

RESPONSIBLE PARTY: Darrin Adams

Request 30. Please refer to EKPC's response to Sierra Club's request 1.8. Has EKPC evaluated the transmission reliability impacts of retiring only Cooper Unit 1 but continuing to operate Cooper Unit 2? If so, produce all supporting studies.

Response 30 No, EKPC has not specifically performed a study to determine the transmission reliability impacts of retiring only Cooper Unit 1. As was previously stated in EKPC's response to Sierra Club's request 1.8, in 2012 EKPC began considering a simultaneous outage of both Cooper Units 1 and 2 in conjunction with the outage of a transmission facility (line or transformer) in its routine transmission studies, and has used the results of those studies to ascertain what problems might occur if Cooper Unit 1 is retired. By making this change in its transmission-planning process, the problems that would need to be addressed if Cooper Unit 1 is retired become evident, since it is no longer relevant from a transmission-analysis standpoint whether Cooper Unit 1 is retired, or whether it is still operational but part of a common-mode failure scenario with Unit 2.

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**INTERVENORS' SUPPLEMENTAL REQUESTS FOR INFORMATION DATED 11/04/13
REQUEST 31**

RESPONSIBLE PARTY: Jerry B. Purvis

Request 31. Has EKPC reviewed any documents relating to the potential costs at Cooper Unit 1 and/or Cooper Unit 2 to comply with the forthcoming Clean Water Act section 316(b) regulation of cooling water intake structures?

Response 31. Yes.

Request 31a. If so, produce all such documents and state when they were reviewed.

Response 31a. EKPC objects to this request on the grounds that it is overly broad and will not result in relevant evidence concerning the reasonableness of the proposed Cooper Unit 1 project. As noted in EKPC response to the Sierra Club's Initial Request for Information, Response 60a, the EPA has not promulgated the final rule for the Clean Water Act Section 316(b). Any documents discussing the potential costs of compliance would be speculative in nature. Requesting copies of EKPC's research on a yet to be finalized regulation has no bearing on the determination of whether the proposed Cooper Unit 1 project should be granted a Certificate of Public Convenience and Necessity ("CPCN").

Request 31b. If not, explain why not.

Response 31b. See response to 31a.

Request 31c. Has EKPC prepared or caused to be prepared any estimates of the range of costs that Cooper unit 1 and/or Cooper unit 2 may face to comply with the forthcoming 316(b) rule?

- i. If so, produce all such documents.
- ii. If not, explain why not.

Response 31c. See response to the Sierra Club's Initial Request for Information, Response 60a.

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INTERVENORS' SUPPLEMENTAL REQUESTS FOR INFORMATION DATED 11/04/13
REQUEST 32

RESPONSIBLE PARTY: **Jerry B. Purvis**

Request 32. Has EKPC reviewed any documents relating to the potential costs at Cooper unit 1 and/or Cooper unit 2 to comply with the forthcoming Resource Conservation and Recovery Act regulations regarding coal combustion residuals?

Responses 32. Yes.

Request 32a. If so, produce all such documents and state when they were reviewed.

Response 32a. EKPC objects to this request on the grounds that it is overly broad and will not result in relevant evidence concerning the reasonableness of the proposed Cooper Unit 1 project. As noted in EKPC's response to the Sierra Club's Initial Request for Information, Response 61b, the EPA has not promulgated the final regulations for handling of coal combustion residuals under the Resource Conservation and Recovery Act. Any documents discussing the potential costs of compliance would be speculative in nature. Requesting copies of EKPC's research on a yet to be finalized regulation has no bearing on the determination of whether the proposed Cooper Unit 1 project should be granted a CPCN.

Request 32b. If not, explain why not.

Response 32b. N/A.

Request 32c. Has EKPC prepared or caused to be prepared any estimates of the range of costs that Cooper unit 1 and/or Cooper unit 2 may face to comply with the forthcoming CCR rule?

i. If so, produce all such documents.

ii. If not, explain why not.

Response 32c. Please see EKPC's response to the Sierra Club's Initial Request for Information, Response 61b.

Request 32d. Please provide any analyses or documents prepared or caused to be prepared by EKPC regarding the current and/or future handling of coal combustion residuals at Cooper units 1 and 2.

Response 32d. EKPC objects to this request as it is overly broad and is not designed to provide relevant evidence concerning the determination of whether a CPCN should be granted for the proposed Cooper Unit 1 project. EKPC is currently in compliance with all existing rules and regulations concerning the handling of coal combustion residuals. The future handling of coal combustion residuals will be dependent on an evaluation of the requirements contained in as yet to be promulgated rules and regulations. Any analysis or documents concern such future handling and compliance would be speculative at best. Consequently, analysis or documents concerning the current or future handling of coal combustion residuals is not relevant to the determination of the reasonableness of the proposed Cooper Unit 1 project.

Request 32e. Please explain how coal combustion residuals are currently handled and/or disposed of at the Cooper plant.

Response 32e. Coal combustion residuals are being disposed of in accordance with our existing landfill permit provided by the Kentucky Division of Waste Management, Solid Waste Permit # SW10000015.

Request 32f. Please explain how coal combustion residuals are currently handled and/or disposed of at the Dale plant.

Response 32f. EKPC objects to this request on the grounds that the handling and disposal of coal combustion residuals for the Dale plant is not relevant to the determination of whether or not EKPC should be granted a CPCN for the proposed Cooper Unit 1 project. The operation of the Dale plant is not the subject of this proceeding and has no bearing on the reasonableness of the proposed Cooper Unit 1 project.

Request 32g. Please confirm that outside consultant AMEC performed an assessment of the coal combustion surface impoundments at the Dale plant.

i. Please provide any progress on upgrading the ponds to a “satisfactory” level and the associated or estimated costs to do so.

Response 32g. EKPC objects to this request on the grounds that any assessments performed for coal combustion surface impoundments at the Dale plant are not relevant to the determination of whether or not EKPC should be granted a CPCN for the proposed Cooper Unit 1 project. The assessments of coal combustion surface impoundments at the Dale plant is not the subject of this proceeding and has no bearing on the reasonableness of the proposed Cooper Unit 1 project.

Request 32h. If there are coal combustion surface impoundments at the Cooper plant, state whether EKPC has performed or had performed any assessment of such impoundments.

i. If so, produce such assessment

ii. If not, explain why an assessment was performed for the Dale plant but not for the Cooper plant.

Response 32h. EKPC Cooper Power Plant has an active landfill permit at this facility.

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**INTERVENORS' SUPPLEMENTAL REQUESTS FOR INFORMATION DATED 11/04/13
REQUEST 33**

RESPONSIBLE PARTY: Jerry B. Purvis

Request 33. Has EKPC reviewed any documents relating to the potential costs at Cooper Unit 1 and/or Cooper Unit 2 to comply with the forthcoming Clean Water Act ELGs for steam electric power plants?

Response 33. Yes.

Request 33a. If so, produce all such documents and state when they were reviewed.

Response 33a. EKPC objects to this request on the grounds that it is overly broad and will not result in relevant evidence concerning the reasonableness of the proposed Cooper Unit 1 project. As noted in EKPC's response to the Sierra Club's Initial Request for Information, Response 59b, the EPA has not promulgated the final rule for the Clean Water Act ELGs for steam electric power plants. Any documents discussing the potential costs of compliance would be speculative in nature. Requesting copies of EKPC's research on a yet to be finalized regulation has no bearing on the determination of whether the proposed Cooper Unit 1 project should be granted a CPCN.

Request 33b. If not, explain why not.

Response 33b. N/A

Request 33c. Has EKPC prepared or caused to be prepared any estimates of the range of costs that Cooper unit 1 and/or Cooper unit 2 may face to comply with the forthcoming ELG rule?

i. If so, produce all such documents.

ii. If not, explain why not.

Response 33c. Please see EKPC's response to the Sierra Club's Initial Request for Information, Response 59b.

Request 33d. Please provide analyses or documents prepared or cause to be prepared by EKPC regarding the current and/or future handling at Cooper Unit 1 or 2 of all liquid waste streams that EPA has proposed to be regulated under the ELGs.

Response 33d. EKPC objects to this request as it is overly broad and is not designed to provide relevant evidence concerning the determination of whether a CPCN should be granted for the proposed Cooper Unit 1 project. EKPC is currently in compliance with all existing rules and regulations concerning the handling of liquid waste streams. The future handling of liquid waste streams proposed to be regulated under the ELGs will be dependent on an evaluation of the requirements contained in as yet to be promulgated rules and regulations. Any analysis or documents concern such future handling and compliance would be speculative at best. Consequently, analysis or documents concerning the current or future handling of liquid waste streams is not relevant to the determination of the reasonableness of the proposed Cooper Unit 1 project.

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**INTERVENORS' SUPPLEMENTAL REQUESTS FOR INFORMATION DATED 11/04/13
REQUEST 34**

RESPONSIBLE PARTY: Jerry B. Purvis

Request 34. Has EKPC reviewed any documents relating to the costs at Cooper Unit 1 and/or Cooper Unit 2 and/or the Dale Station to comply with any potential regulation of carbon emissions from existing electric power plants, including but not limited to regulations issued under Clean Air Act section 111(d)?

Response 34. No. The President issued the Climate Action Plan in June of this year. Along with the Climate Action Plan the President issued a memorandum to the EPA directing the agency to issue regulations under Sections 111(b) and 111(d) of the Clean Air Act. The President's memorandum sets a schedule for the issuance of regulations with respect to carbon emissions from existing sources. EPA has not issued any public guidance with regards to GHG or carbon regulation as it pertains to existing electric generating units (EGUs). In addition, EKPC objects to the portion of this request concerning the Dale Station on the grounds that any review of documents relating to the cost of potential regulations for the Dale plant are not relevant to the determination of whether or not EKPC should be granted a CPCN for the proposed Cooper Unit 1 project. The cost of compliance for potential regulations of carbon emissions from the Dale plant is not the subject of this proceeding and has no bearing on the reasonableness of the proposed Cooper Unit 1 project.

Request 34a. If so, produce all such documents and state when they were reviewed.

Response 34a. N/A

Request 34b. If not, explain why not.

Response 34b. EPA has not proposed any greenhouse gas or carbon guidance for existing sources to the states.

Request 34c. Has EKPC prepared or caused to be prepared any estimates of the range of costs that Cooper unit 1 and/or Cooper unit 2 may face to comply with any potential regulation of carbon emissions from existing electric power plants?

i. If so, produce all such documents.

ii. If not, explain why not.

Response 34c. No. See response to 34b.

Request 34d. Please confirm that EKPC has not used estimated costs to comply with any future greenhouse gas regulations in calculating the NPV for the ductwork project or any other project considered as part of the RFP process.

Response 34d. EKPC has not used estimated costs to comply with any future greenhouse gas regulations in calculating the NPV for the ductwork project or any other project considered as part of the RFP process.

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**INTERVENORS' SUPPLEMENTAL REQUESTS FOR INFORMATION DATED 11/04/13
REQUEST 35**

RESPONSIBLE PARTY: Jerry B. Purvis

Request 35. Is EKPC aware of the decision from the District Court for the District of Columbia issued on October 29, 2013 in case number 12-0523 ordering the Environmental Protection Agency to file with the court within 60 days a schedule for issuing a final CCR rule?

Response 35. Yes.

Request 35a. If so, has EKPC reviewed that court decision?

Response 35a. No.

Request 35b. In light of that court decision, does EKPC believe that Cooper Unit 1 will face any non-zero costs to comply with a final CCR rule over the next 10, 15, 20, or 25 years?

i. If so, what level of costs does EKPC believe Cooper Unit 1 will face and when?

ii. If not, why not?

Response 35b. N/A

Request 35c. Is EKPC aware of the proposed CCR rule, 75 Federal Register 35,128, issued on June 21, 2010?

i. If so, please identify which of the regulatory options set forth in the proposed CCR rule would, if finalized, lead Cooper unit 1 to incur zero compliance costs.

Response 35c. EKPC is aware of the proposed CCR rule. However, as the rule has not been finalized, EKPC objects to identifying a regulatory compliance option to be employed as it requires speculation about the future final CCR rule.

i. If so, please identify which of the four preferred regulatory options set forth in the proposed ELG rule would, if finalized, lead Cooper unit 1 to incur zero compliance costs.

Response 36b. EKPC is aware of the proposed ELG rule. However, as the rule has not been finalized, EKPC objects to identifying a regulatory compliance option to be employed as it requires speculation about the future ELG rule.

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**INTERVENORS' SUPPLEMENTAL REQUESTS FOR INFORMATION DATED 11/04/13
REQUEST 37**

RESPONSIBLE PARTY: Jerry B. Purvis

Request 37. Is EKPC aware of the settlement agreement, as modified, in cases 93-0314 and 06-12987 obligating the Environmental Protection Agency to issue final regulations by November 4, 2013 governing cooling water intake structures under Clean Water Act section 316(b)?

Response 37. Yes

Request 37a. In light of that settlement agreement, does EKPC believe that Cooper unit 1 will face any non-zero costs to comply with the final 316(b) rule in the next 10, 15, 20, or 25 years?

i. If so, what level of costs does EKPC believe Cooper Unit 1 will face and when?

ii. If not, why not?

Response 37a. Please see the response to 31a, as noted the final 316(b) rules have not been issued.

Request 37b. Is EKPC aware of the proposed 316(b) rule, 76 Federal Register 22174, issued on April 20, 2011?

i. If so, please identify which of the proposed regulatory options set forth in the proposed 316(b) rule would, if finalized, lead Cooper unit 1 to incur zero compliance costs.

Responses 37b. EKPC is aware of the proposed 316(b) rule as issued on April 20, 2011. However, as the rule has not been finalized, EKPC objects to identifying regulatory compliance options when the applicable rule has yet to be finalized.

Responses 38b. Since the directive at this time is only a memorandum and final regulations for existing sources will not be forthcoming until after 2015, EKPC objects to identifying any level of compliance costs as it requires speculation concerning the future rule-making.

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INTERVENORS' SUPPLEMENTAL REQUESTS FOR INFORMATION DATED 11/04/13
REQUEST 39

RESPONSIBLE PARTY: **Julia J. Tucker**

Request 39. Please refer to EKPC's response to Sierra Club request 1.54.

Request 39a. Given that EKPC used the [REDACTED] energy price forecast in its NPV analyses, explain how the potential future cost of carbon dioxide emissions "are appropriately reflected in the future expected market prices."

Response 39a. EKPC received its energy price forecast from ACES.

Request 39b. State whether EKPC asked [REDACTED] or any other forecaster for a market energy price projection that included carbon costs.

- i. If so, produce any such projection that was received.
- ii. If not, explain why not.

Response 39b. EKPC received its energy price forecast from ACES and did not specifically request any carbon cost assumptions.

Request 39c. Is it EKPC's position that the capital and O&M costs to Cooper 1 from proposed or likely future environmental rules are reflected in "future expected market prices"?

- i. If so,
 - 1. Identify what costs are so reflected

2. Identify which future expected market prices used in the NPV analysis include such capital and O&M costs

3. Explain how those costs are reflected in such prices.

ii. If not, explain how such capital and O&M costs are reflected in the NPV analysis.

Response 39c. The capital and O&M costs required to make Cooper 1 compliant with the known and specified MATS rules are included in the economic analysis. No additional costs to make Cooper 1 compliant with undetermined environmental rules were included. As stated on page 12 of Exhibit 1a, “over a ten-year time horizon – that is, assuming that the plant would not provide energy margins or capacity revenues more than ten years after completion – the retrofit has an NPV of over \$50 million.” It would not be unusual for new environmental rules to take ten years or longer to be fully vetted prior to becoming operational realities. The Cooper 1 project is an advantageous project.

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**INTERVENORS' SUPPLEMENTAL REQUESTS FOR INFORMATION DATED 11/04/13
REQUEST 40**

RESPONSIBLE PARTY: Julia J. Tucker

Request 40. Please refer to EKPC's response to Sierra Club's discovery request 1.58.

Request 40a. Please explain why demand response and/or energy efficiency proposals could not have been received and evaluated on the same basis as the other proposals submitted in response to the RFP.

Response 40a. EKPC evaluated the appropriate levels of demand response and/or energy efficiency in its 2012 Integrated Resource Plan. The levels identified in that plan will be sought regardless of the current CPCN request.

Request 40b. Is it EKPC's position that demand response beyond what is currently being planned in EKPC's service territory cannot reduce the capacity needs currently served by Cooper Unit 1?

i. If so, explain why and produce any analysis supporting that position.

Response 40b. EKPC will seek cost effective and beneficial demand response. That cost effectiveness will be driven by the PJM market prices, not EKPC's capacity resources.

Request 40c. Is it EKPC's position that energy efficiency beyond what is currently being planned in EKPC's service territory cannot reduce the demand for any of the energy currently produced by Cooper unit 1?

i. If so, explain why and produce any analysis supporting that position.

Responses 40c. EKPC will seek cost effective and beneficial energy efficiency. That cost effectiveness will be driven by the PJM market prices, not EKPC's capacity resources.

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**INTERVENORS' SUPPLEMENTAL REQUESTS FOR INFORMATION DATED 11/04/13
REQUEST 41**

RESPONSIBLE PARTY: Jerry B. Purvis

Request 41. Please refer to EKPC's response to Sierra Club's discovery request 1.62. Is it EKPC's position that Clean Air Act section 111(d) cannot be used lawfully to regulate greenhouse gas emissions from existing electric generating units such as Cooper Unit 1?

Response 41. It is not EKPC's decision to decide whether or not Section 111(d) is the path forward to regulate greenhouse gases from existing sources.

REDACTED

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INTERVENORS' SUPPLEMENTAL REQUESTS FOR INFORMATION DATED 11/04/13
REQUEST 42

RESPONSIBLE PARTY: Julia J. Tucker

Request 42. [REDACTED]
[REDACTED]
[REDACTED]

Request 42a. [REDACTED]

Response 42a. There were no specific proposed standards referenced.

Request 42b. [REDACTED]
[REDACTED]

Response 42b. N/A

Request 42c. [REDACTED]
[REDACTED]
[REDACTED]

Response 42c. No.

REDACTED

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Request 42d.

[REDACTED]

Response 42d.

N/A

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**INTERVENORS' SUPPLEMENTAL REQUESTS FOR INFORMATION DATED 11/04/13
REQUEST 43**

RESPONSIBLE PARTY: Isaac S. Scott

Request 43. Please refer to page 4, lines 9-13, of the direct testimony of Mr. Isaac Scott and EKPC's response to Staff request 30.

Request 43a. Is the existing RUS loan (AL-8 loan) the only loan from the Rural Utilities Service that EKPC intends to use to finance the duct work project?

i. If not, please state when EKPC intends to apply for additional loan(s) from RUS.

Response 43a. EKPC plans on only utilizing the existing AL-8 loan from the RUS.

Request 43b. Please produce the contract referred to as the "existing Rural Utilities Service guaranteed loan (the AL-8 loan)."

Response 43b. EKPC objects to providing the promissory note for the existing RUS AL-8 loan on the grounds that the loan is an existing loan already approved by the RUS. The terms and conditions of the loan were established in 2010. 807 KAR 5:001, Section 15(2)(e) requires applicants for CPCNs to describe the manner in which new construction is to be financed. EKPC has complied with that requirement. The pending application does not include a request for the approval of new financing for the Cooper Unit 1 project. In addition, financing from

RUS is not subject to the approval of the Commission. Consequently, the request for the existing promissory note is not relevant to the determination of the reasonableness of the Cooper Unit 1 project.

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**INTERVENORS' SUPPLEMENTAL REQUESTS FOR INFORMATION DATED 11/04/13
REQUEST 44**

RESPONSIBLE PARTY: Julia J. Tucker

Request 44. Excluding the RFP and RFP responses, please identify and produce any evaluation created or reviewed by EKPC of the cost, feasibility, or availability in the EKPC service territory, Kentucky, or any neighboring state of any of the following supply side

resources:

- a. Wind
- b. Solar
- c. Hydro
- d. Landfill gas to energy
- e. Existing natural gas combined cycle capacity
- f. New natural gas combined cycle capacity

Responses 44. The question is not relevant to this case. The analysis under consideration is based on bids received in the RFP process.

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**INTERVENORS' SUPPLEMENTAL REQUESTS FOR INFORMATION DATED 11/04/13
REQUEST 45**

RESPONSIBLE PARTY: James Read

Request 45. Please refer to EKPC's response to Sierra Club's discovery request 1.13(d). Please identify the source of each input and the date on which the input was created.

Responses 45. The source of the market price forecasts was ACES Power Marketing. The date of the price forecasts was September 4, 2012. Other inputs were obtained from the proposals received in response to the 2012 RFP. The proposal due date was August 30, 2012.

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**INTERVENORS' SUPPLEMENTAL REQUESTS FOR INFORMATION DATED 11/04/13
REQUEST 46**

RESPONSIBLE PARTY: Block Andrews

Request 46. Please refer to EKPC's response to Sierra Club's discovery request 1.39.

Request 46a. Please produce the contract in which Andritz guarantees that "the modified FGD system . . . will meet or exceed certain emissions limits and performance levels specific in the contract."

Response 46a. Please see EKPC's response to the Staff's Initial Request, Response 20.

Request 46b. Identify any penalties that Andritz would incur, or remediation that Andritz is required to provide, under the contract in the event that the emissions limits or performance levels are not met.

Response 46b. If Andritz does not meet performance guarantees specifically related to lime consumption, the contract provides for predetermined liquidated damages. Should Andritz fail to meet other performance guarantees for specific system and emissions requirements, the contract requires that they repair or replace any or all components or parts to achieve the guaranteed level of performance, at their cost. In the event Andritz fails to meet the Mercury removal performance Guarantee, the contract requires them to provide a separate treatment system specifically for that purpose, at no cost to EKPC.

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INTERVENORS' SUPPLEMENTAL REQUESTS FOR INFORMATION DATED 11/04/13
REQUEST 47

RESPONSIBLE PARTY: **Scott Drake**

Request 47. Refer to EKPC's response to Sierra Club request 1.55 in this proceeding and Sierra Club request 2.24 in the 2012 IRP proceeding, Case No. 2012-00149

Request 47a. With regards to the failure to EKPC's current DSM programs to perform at a mature level, if "incentive levels for some programs are too low to drive participation levels to a mature level as compared to similar programs at other utilities," does EKPC believe that it should increase the incentive levels in its DSM programs?

- i. If so, what steps has EKPC taken to do so?
- ii. If not, explain why not.

Response 47a. Yes, EKPC received approval from the Kentucky Public Service Commission on January 1, 2013 for increasing the participant incentives for three (3) energy efficiency programs:

- Button-up Weatherization – the participant incentive was doubled from \$20/1,000 MBTUs saved to \$40/1,000 MBTUs saved and the program expanded to provide a higher total dollar amount the participants could receive if they completed more energy efficiency improvements.
- Heat Pump Retrofit – the participant incentive was increase from \$500 for a 14 SEER or higher heat pump to \$500 for a 13 SEER, \$750 for a 14 SEER, and \$1,000 for a 15 SEER or higher heat pump.

- Touchstone Energy Home (new home construction) – the participant incentive was increased from \$250 to \$750 per home.

Request 47b. Identify all other factors, besides incentive levels, that contribute to EKPC's existing DSM programs not performing to a mature level. i. For each such factor, identify any steps that EKPC is taking to address such factor.

Response 47b. Please see pages 2 through 4 of EKPC's Response to Comments of Intervenor Sierra Club on the 2012 Integrated Resource Plan, Case No. 2012-00149, dated February 11, 2013. As the factors identified in that response are beyond the control of EKPC, no steps have been taken to address those factors.

Request 47c. State whether EKPC has developed and begun implementing the "new localized marketing strategy . . . to promote new DSM incentives."

i. If not, explain why not. Identify the specific experience referenced therein.

Response 47c. Yes, In January 2013, EKPC implemented the new local marketing strategy. EKPC has developed a new campaign and is cost-sharing the advertising costs with the owner-member cooperatives in their local markets.