

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

IN THE MATTER OF:

APPLICATION OF EAST KENTUCKY POWER )  
COOPERATIVE, INC. FOR A CERTIFICATE OF PUBLIC )  
CONVENIENCE AND NECESSITY FOR CONSTRUCTION )  
OF AN ASH LANDFILL AT J. K. SMITH STATION, THE ) CASE NO.  
REMOVAL OF IMPOUNDED ASH FROM WILLIAM C. DALE ) 2014-00252  
STATION FOR TRANSPORT TO J. K. SMITH AND )  
APPROVAL OF A COMPLIANCE PLAN AMENDMENT FOR )  
ENVIRONMENTAL SURCHARGE RECOVERY )

COMMISSION STAFF'S SECOND REQUEST FOR INFORMATION  
TO EAST KENTUCKY POWER COOPERATIVE, INC.

East Kentucky Power Cooperative, Inc. ("EKPC") pursuant to 807 KAR 5:001, is to file with the Commission the original and ten copies of the following information, with a copy to all parties of record. The information requested herein is due no later than November 21, 2014. Responses to requests for information shall be appropriately bound, tabbed and indexed. Each response shall include the name of the witness responsible for responding to the questions related to the information provided.

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

EKPC shall make timely amendment to any prior response if it obtains information which indicates that the response was incorrect when made or, though

correct when made, is now incorrect in any material respect. For any request to which EKPC fails or refuses to furnish all or part of the requested information, it shall provide a written explanation of the specific grounds for its failure to completely and precisely respond.

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

1. Refer to EKPC's response to the Attorney General's First Request for Information, Item No. 11a. Refer also to EKPC's responses to Commission Staff's Initial Request for Information, Item No. 29(b). On the basis of the information in these responses, there will be 560,000 cubic yards of coal combustion residuals at a weight of approximately 567,000 tons that could be privately landfilled for \$16 per ton, for a total cost of \$9,072,000. Reconcile this calculation against the \$10,916,528 amount provided in EKPC's response to Commission Staff's Initial Request for Information, Item No. 9, page 3 of 3, reflecting the cost associated with trucking coal combustion residual to a private landfill.

2. Refer to EKPC's response to Commission Staff's Initial Request for Information, Item No. 25. Provide a summary of the feedback, comments and concerns expressed as a result of the public engagements that took place in 2012, 2013, and 2014. Include copies of all notes, letters, e-mails and any other documentation received or generated as a result of the public engagements.

3. Refer to EKPC's response to Commission Staff's Initial Request for Information, Item No. 30(a). Explain the listed expenditure for Temporary Closure Cap Maintenance for \$40,000 occurring in 2020.

4. Refer to EKPC's response to Commission Staff's Initial Requests for Information, Item No. 30(c).

a. Provide the derivation of the amount recorded as the Asset Retirement Obligation ("ARO") for the Dale Station ash ponds.

b. Assuming that the Commission approves EKPC's request to establish a regulatory asset for the ARO recorded for the Dale Station ash ponds, would the ARO as recorded remain in the current accounts? If not, provide the accounts in which the ARO would be reflected.

5. Refer to EKPC's response to Commission Staff's Initial Request for Information, Item No. 30(f), page 28 of 35. Explain why the property tax component of the fixed charge rate was based on Mason County and city of Maysville property tax rates rather than the rates of Clark County, where the Smith Station landfill will be located.

6. Provide the following journal entries, including account numbers, account descriptions and representative amounts of the transactions.

a. The monthly entry to record amortization once the ash pond transfer portion of the project is complete.

b. The entries to record the retirement of the Dale Station ash ponds.

7. Refer to page 6 of the Direct Testimony of Isaac S. Scott, at lines 7-8, regarding EKPC's belief that the proposed project, including the construction of a

special waste landfill at the Smith Station and the closure of the Dale Station ash ponds,“meets the requirements of KRS 278.183 and qualifies for environmental surcharge recovery.” Explain in detail the reasons for EKPC’s beliefs that the proposed project comports with the requirements of KRS 278.183, which was intended to promote the continued use of Kentucky coal,<sup>1</sup> given that the proposed project stems from the decision to decommission the Dale Station, a base-load coal-fired generating station.



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Jeff Derouen  
Executive Director  
Public Service Commission  
P.O. Box 615  
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Dated NOV 07 2014  
cc: Parties of Record

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<sup>1</sup> See, preamble to KRS 278.183, which provides in pertinent part as follows:

WHEREAS, it is hereby declared the policy of the General Assembly to foster and encourage the continued use of Kentucky coal by electric utilities serving the Commonwealth; and

WHEREAS, electric utilities should have incentive to use Kentucky coal in deciding how to best achieve and maintain compliance with the Federal Clean Air Act as amended and those environmental requirements which apply to coal combustion wastes and by-products from facilities utilized for production of energy from coal;

S.B. 341, 1992 Ky. Acts. ch. 102, § 1.

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