

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF EAST KENTUCKY POWER	)	
COOPERATIVE, INC. FOR AN ORDER APPROVING	)	
THE ESTABLISHMENT OF REGULATORY ASSETS	)	CASE NO.
FOR THE DEPRECIATION AND ACCRETION	)	2014-00432
EXPENSES ASSOCIATED WITH ASSET RETIREMENT	)	
OBLIGATIONS	)	

COMMISSION STAFF'S REHEARING 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 eight copies of the following information, with a copy to all parties of record. The information requested herein is due on or before May 11, 2015. Responses to requests for information shall be appropriately bound, tabbed and indexed. Each response shall include the name of the witness responsible for responding to the questions related to the information provided.

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

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. When filing a paper containing personal information, EKPC shall, in accordance with 807 KAR 5:001, Section 4(10), encrypt or redact the paper so that personal information cannot be read.

1. Refer to EKPC's Petition for Rehearing ("Petition"), pages 7-8, specifically, the first sentence of the second full paragraph on page 7 and the last sentence of the partial paragraph which ends on the top of page 8.

a. To paraphrase, the sentence on page 7 states that the ARO-related depreciation and accretion expenses are separate from the accounting and ratemaking treatments authorized by the Commission in Case No. 2014-00252<sup>1</sup> for the project identified as Project 15. The sentence on page 8 reads, "The prescribed accounting treatment would not be impacted by the discretionary rate-making treatment ordered by the Commission in Case No. 2014-00252. . . ." Aside from the results, explain why EKPC believes that the accounting treatment for the ARO-related depreciation and

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<sup>1</sup> Case No. 2014-00252, *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 Removal of Impounded Ash from William C. Dale Station for Transport to J.K. Smith and Approval of a Compliance Plan Amendment for Environmental Surcharge Recovery* (Ky. PSC Mar. 6, 2015).

accretion expenses should not be impacted by the by the ratemaking treatment ordered by the Commission in Case No. 2014-00252.

b. Provide any accounting literature, regulatory commission orders, court orders, correspondence with auditors, etc., that support the response to part a. of this request.

2. Refer to EKPC's Petition, pages 12-13, regarding its concerns about the 10 percent threshold for increases in its Asset Retirement Obligation ("ARO") balances.

a. State what EKPC believes to be a reasonable threshold and the basis for that belief.

b. Clarify what EKPC believes the circumstances should be before it must seek further Commission approval regarding the ARO balances and potential changes thereto.



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Public Service Commission  
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DATED APR 27 2015

cc: Parties of Record

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