

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF EAST KENTUCKY POWER)	
COOPERATIVE, INC. FOR AN ORDER)	
DECLARING THE GLASGOW LANDFILL GAS)	
TO ENERGY PROJECT TO BE AN ORDINARY)	
EXTENSION OF EXISTING SYSTEMS IN THE)	
USUAL COURSE OF BUSINESS AND A JOINT)	CASE NO.
APPLICATION OF FARMERS RURAL)	2014-00292
ELECTRIC COOPERATIVE CORPORATION)	
AND EAST KENTUCKY POWER)	
COOPERATIVE, INC. FOR APPROVAL TO)	
ENTER INTO A TEN YEAR PURCHASED)	
POWER AGREEMENT AND APPROVAL OF A)	
SPECIAL CONTRACT)	

COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION
TO EAST KENTUCKY POWER COOPERATIVE, INC. AND
FARMERS RURAL ELECTRIC COOPERATIVE CORPORATION

East Kentucky Power Cooperative, Inc. ("EKPC"), and Farmers Rural Electric Cooperative Corporation ("Farmers"), pursuant to 807 KAR 5:001, are 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 on or before October 27, 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 and Farmers shall make timely amendment to any prior response if they obtain 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 or Farmers fails or refuses to furnish all or part of the requested information, EKPC or Farmers shall provide a written explanation of the specific grounds for its failure to completely and precisely respond.

Careful attention should 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 applicable, the requested information shall be separately provided for total company operations and jurisdictional operations.

1. Provide a copy of Amendment No. 3 to the Wholesale Power Contract between EKPC and Farmers.

2. State whether Farmers will receive electric power and energy from persons other than EKPC under the proposed special contract. If so, identify the person(s).

3. State why the sale of power and energy under the special contract between EKPC and Farmers should be considered as a transaction separate and distinguishable from the sale of power and energy under the Wholesale Power Contract between EKPC and Farmers.

4. State whether EKPC has any other landfill-gas-to-energy (“LFGTE”) facilities that sell power and energy under a special contract to a single member. If so, identify the location of each such LFGTE facility, the generating capacity of the facility, and the name of the member.

5. State whether EKPC undertook an analysis of the impact that the sale of power and energy under this special contract will have on the 5 percent coincident peak demand limitation applicable to the aggregate amount of all members’ elections pursuant to Amendment No. 3. If so, provide the analysis.

6. State whether EKPC undertook an analysis of the impact that the sale of power and energy under this special contract will have on the 15 percent coincident peak demand limitation applicable to Farmers’ individual amount of election pursuant to Amendment No. 3. If so, provide the analysis.

7. Refer to page 4 of the Application, paragraph 7. State how the improvement of the Glasgow Regional Landfill and the Glasgow LFGTE Facility create a larger tax base for the city of Glasgow and Barren County.

8. Identify the electric utility that provides power to the Glasgow Regional Wastewater Treatment Plant. If more than one utility provides power, identify the facilities served and the quantity of power supplied by each utility.

9. State whether the Glasgow Regional Wastewater Treatment Plant is located within Farmers’ certified territory.

10. State the actions that EKPC must take under the special contract in order to supply Farmers with power and energy during a scheduled outage of the LFGTE Facility.

11. State the actions that EKPC must take under the special contract in order to supply Farmers with power and energy during an unplanned outage of the LFGTE Facility.

12. Explain why it is appropriate for EKPC to design, construct and interconnect the LFGTE Facility at EKPC's expense when Farmers is the only member of EKPC that will receive power and energy from the LFGTE Facility.

13. Refer to page 6 of the EKPC Feasibility Study located in Application, Exhibit 5. The study states that "[a]lthough LFG-to-electric projects have a successful history, they are not without risk to the entity that develops the project." State the risks to EKPC associated with this project.

14. Identify the party that will:
- a. Have responsibility for maintaining an active gas-collection system.
 - b. Have responsibility for controlling water levels in the landfill.
 - c. Have responsibility for expanding the future gas collection into new MSW disposal areas.
 - d. Have responsibility for paying the costs of the LFGTE Facility if it is unable to generate electricity on a temporary or permanent basis.

15. Refer to page 3 of the Application, paragraph 5, which states, "The cost of the capacity, energy, and environmental attributes sold to Farmers under the Agreement is priced below the cost of the bundled wholesale rate charged by EKPC to Farmers pursuant to the Wholesale Power Agreement." Provide the calculations supporting this statement.

16. Refer to page 4 of the application, paragraph 7, which states, "This will allow the City of Glasgow to assure the availability of reliable emergency power. . . ."

Provide the 2013 capacity factors for each of EKPC's existing landfill units.

17. Refer to page 26 of the Application, Schedule A, which shows the rates to be charged to Farmers for power purchased from the Glasgow LFGTE facility. Provide a monthly sample bill which includes the breakdown of the billing components.

18. Refer to Exhibit 6 of the application, page 1.

a. Explain the wide variance between the generation costs for EKPC's existing landfill units.

b. Explain why the generation costs for the Glasgow LFGTE facility differ significantly from the generation costs of EKPC's existing landfill units.

c. Provide the generation costs for each of EKPC's existing generating units, including its coal and natural gas units.

19. Refer to Exhibit 8 of the Application. Explain how the 90 percent capacity factor was determined.



Jeff Derouen
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Public Service Commission
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DATED OCT 09 2014

cc: Parties of Record

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