

Goss ■ Samford PLLC



Attorneys at Law

RECEIVED

APR 14 2015

PUBLIC SERVICE
COMMISSION

April 14, 2015

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

HAND DELIVERED

Re: PSC Case No. 2014-00451

Dear Mr. Derouen:

Please find enclosed for filing with the Commission in the above-referenced case an original and ten copies of the response of East Kentucky Power Cooperative, Inc. ("EKPC"), to the Commission Staff's Information Request at the Hearing on April 7, 2015.

Also enclosed are an original and ten copies of EKPC's Motion for Confidential Treatment ("Motion") regarding the responses to Request 1. One unredacted copy of the designated confidential portions of this response, which is the subject of the Motion, is enclosed in a sealed envelope.

Very truly yours,

David S. Samford

Enclosures

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

IN THE MATTER OF:

AN EXAMINATION OF THE APPLICATION)	
OF THE FUEL ADJUSTMENT CLAUSE OF)	
EAST KENTUCKY POWER COOPERATIVE,)	CASE NO. 2014-00451
INC. FROM NOVEMBER 1, 2012 THROUGH)	
OCTOBER 31, 2014)	

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 responses to a request for information in the above-captioned proceeding, respectfully states as follows:

1. A hearing was held in this matter of April 7, 2015. During that hearing Commission Staff requested information to be filed in the form of Post-Hearing Data Requests.

2. Post-Hearing Data Request No. 1 from the April 7 hearing states as follows:

Refer to the response to the Commission Staff's First Request for Information dated February 5, 2015 ("Staff's First Request"), Request 11. Provide documentation concerning the purchase commitments which occurred outside of the review period in this proceeding.

3. In its response to Post-Hearing Data Request No. 1, EKPC is providing documentation pertaining to its purchase commitments which occurred outside of the review period, which includes information that is responsive to the request for information.

4. The information and documents tendered by EKPC in response to Post-Hearing Data Request No. 1 are being tendered in redacted form in the public version of EKPC's filing and in an unredacted form filed under seal herewith. Collectively, this information and these documents are hereinafter referred to as the "Confidential Information."

5. The Confidential Information contains extensive information that describes the details pertaining to energy purchases between EKPC and the named companies. This information specifically contains pricing information, the amount of energy purchased and delivery points for the energy. The Confidential Information is retained by EKPC on a "need-to-know" basis and is not publicly available. If disclosed, the Confidential Information would give potential vendors and competitors a tremendous competitive advantage in the course of ongoing and future negotiations to procure energy. These market advantages would likely translate into higher costs for EKPC and, by extension, detrimentally higher rates for EKPC's Members. Thus, disclosure of the Confidential Information would be highly prejudicial to EKPC, EKPC's Members and those Members' retail customers.

6. 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 being afforded confidential treatment.

7. EKPC does not object to limited disclosure of the Confidential Information, pursuant to an acceptable confidentiality and nondisclosure agreement, to the Attorney General or any other intervenors with a legitimate interest in reviewing the same for the sole purpose of participating in this case.

8. In accordance with the provisions of 807 KAR 5:001, Section 13(2), EKPC is filing one copy of the Confidential Information separately under seal. Due to the pervasive nature of the confidential and proprietary information included in the purchase confirmation sheets, confidential treatment is sought for the entirety of the Confidential Information.

10. 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 be less likely to include information that continues to be commercially sensitive so as to impair the interests of EKPC if publicly disclosed. However, EKPC reserves the right to seek an extension of the grant of confidential treatment if it is necessary to do so at that time.

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 unredacted copies of Confidential Information, which is filed herewith under seal, for a period of ten years from the date of entry of such an Order.

This 14th day of April 2015.

Respectfully submitted,



Mark David Goss
David S. Samford
GOSS SAMFORD, PLLC
2365 Harrodsburg Road, Suite B325
Lexington, KY 40504
(859) 368-7740
mdgoss@gosssamfordlaw.com
david@gosssamfordlaw.com

Counsel for East Kentucky Power Cooperative, Inc.

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

In the Matter of:

**AN EXAMINATION OF THE APPLICATION OF)
THE FUEL ADJUSTMENT CLAUSE OF EAST)
KENTUCKY POWER COOPERATIVE, INC.) CASE NO. 2014-00451
FROM NOVEMBER 1, 2012 THROUGH)
OCTOBER 31, 2014)**

**RESPONSE OF EAST KENTUCKY POWER COOPERATIVE, INC.
TO COMMISSION STAFF'S INFORMATION REQUEST FROM
HEARING HELD ON APRIL 7, 2015**

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

IN THE MATTER OF:

AN EXAMINATION OF THE APPLICATION OF)
 THE FUEL ADJUSTMENT CLAUSE OF EAST)
 KENTUCKY POWER COOPERATIVE, INC.) CASE NO. 2014-00451
 FROM NOVEMBER 1, 2012 THROUGH)
 OCTOBER 31, 2014)

CERTIFICATE

STATE OF KENTUCKY)
)
 COUNTY OF CLARK)

Mark Horn, being duly sworn, states that he has supervised the preparation of the responses of East Kentucky Power Cooperative, Inc. to the Public Service Commission Staff's Post Hearing Request for Information from hearing held on April 7, 2015 in the above referenced case, 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.

Mark Horn

Subscribed and sworn before me on this 14th day of April 2015.

Gwyn M. Willoughby #570144
 Notary Public



COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

IN THE MATTER OF:

AN EXAMINATION OF THE APPLICATION OF)
 THE FUEL ADJUSTMENT CLAUSE OF EAST)
 KENTUCKY POWER COOPERATIVE, INC.) CASE NO. 2014-00451
 FROM NOVEMBER 1, 2012 THROUGH)
 OCTOBER 31, 2014)

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 the Public Service Commission Staff's Post Hearing Request for Information from hearing held on April 7, 2015 in the above referenced case, 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 April 2015.

Gwyn M. Willoughby #580144
 Notary Public



COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

IN THE MATTER OF:

AN EXAMINATION OF THE APPLICATION OF)
 THE FUEL ADJUSTMENT CLAUSE OF EAST)
 KENTUCKY POWER COOPERATIVE, INC.) CASE NO. 2014-00451
 FROM NOVEMBER 1, 2012 THROUGH)
 OCTOBER 31, 2014)

CERTIFICATE

STATE OF KENTUCKY)
)
 COUNTY OF CLARK)

Julia J. Tucker, being duly sworn, states that she has supervised the preparation of the responses of East Kentucky Power Cooperative, Inc. to the Public Service Commission Staff's Post Hearing Request for Information from hearing held on April 7, 2015 in the above referenced case, and that the matters and things set forth therein are true and accurate to the best of her knowledge, information and belief, formed after reasonable inquiry.

Julia J. Tucker

Subscribed and sworn before me on this 14th day of April 2015.

Gwyn M. Willoughby #501146

 Notary Public



EAST KENTUCKY POWER COOPERATIVE, INC.

PSC CASE NO. 2014-00451

FUEL ADJUSTMENT CLAUSE

RESPONSE TO INFORMATION REQUEST

**COMMISSION STAFF'S INFORMATION REQUEST FROM HEARING HELD
ON 04/07/15**

REQUEST 1

RESPONSIBLE PARTY: Julia J. Tucker

Request 1. Refer to the response to the Commission Staff's First Request for Information dated February 5, 2015 ("Staff's First Request"), Request 11. Provide documentation concerning the purchase commitments which occurred outside of the review period in this proceeding.

Response 1. Request 11 of Staff's First Request stated "List all firm power commitments for East Kentucky for the years 2015 and 2016 for (a) purchases and (b) sales." EKPC provided the list of all firm purchases for that requested time period in its original response. Please see pages 2 through 12 of 12 of this response for the documentation for the purchases that had been listed from AEP, EDF and Cargill.

AEP Number:

AEP Energy Partners, Inc.
Suite 500
155 W. Nationwide Blvd.
Columbus, OH 43215



LETTER OF CONFIRMATION



TERMS

Seller: [REDACTED]
ATTN: [REDACTED]
Tel: [REDACTED]
Fax: [REDACTED]

Buyer: [REDACTED]
ATTN: [REDACTED]
Tel: [REDACTED]
Fax: [REDACTED]

APPLICABLE AGREEMENT(S):



TRANSACTION TYPE:

[REDACTED]

QUANTITY, PRODUCT AND PRICE:

Energy Quantity: [REDACTED]

Total MWH [REDACTED]

Contract Price: [REDACTED]

DELIVERY PERIOD:



DELIVERY POINT(S):

[REDACTED]

STANDARD OF REVIEW:

[REDACTED]

SPECIAL PROVISIONS:

[REDACTED]

Article Two

Transaction Terms and Conditions

[REDACTED]

Article Four

[REDACTED]

[REDACTED]

Article Five

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

Other Entity: _____

Cross Default Amount \$ _____

5.1(g) Cross Default for Party B:

Party B: _____

Cross Default Amount \$ _____

[REDACTED]

Cross Default Amount

[REDACTED]

5.6 Closeout Setoff

[REDACTED]

[REDACTED]

[REDACTED]

REDACTED

Article 8

Credit and Collateral Requirements

8.1 Party A Credit Protection:

(a) Financial Information:

[REDACTED]

8.1 Party A Credit Protection (cont.):

(b) Credit Assurances:

[REDACTED]

(c) Collateral Threshold:

[REDACTED]

If applicable, complete the following:

[REDACTED]

If applicable, complete the following:

[REDACTED]

8.2 Party B Credit Protection:

(a) Financial Information:

[REDACTED]

8.2 Party B Credit Protection (cont.):

(b) Credit Assurances:

[REDACTED]

(c) Collateral Threshold:

[REDACTED]

If applicable, complete the following:

[REDACTED]

If applicable, complete the following:

[REDACTED]

[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]

Article 10

[REDACTED] [REDACTED] [REDACTED]

X: Other Changes: _____ Specify, if any:

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

REDACTED

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

PARTY B's BANK (Wire Transfer) INFORMATION:

Bank: [REDACTED]
ABA Number: [REDACTED]
Account Number: [REDACTED]

Name: East Kentucky Power Cooperative,
Inc. ("EKPC") ("Party A")

[REDACTED]

All Notices:
[REDACTED]
[REDACTED]

All Notices:
[REDACTED]
[REDACTED]

REDACTED

Attn: [REDACTED]
Phone: [REDACTED]
Facsimile: [REDACTED]
Duns: [REDACTED]
Federal Tax ID Number: [REDACTED]

Attn: [REDACTED]
Phone: [REDACTED]
Facsimile: [REDACTED]
Duns: [REDACTED]
Federal Tax ID Number: [REDACTED]

Invoices:
Attn: [REDACTED]
Phone: [REDACTED]
Facsimile: [REDACTED]

Invoices:
Attn: [REDACTED]
Phone: [REDACTED]
Facsimile: [REDACTED]

Scheduling:
Attn: [REDACTED]
Phone: [REDACTED]
Facsimile: [REDACTED]

Scheduling:
Attn: [REDACTED]
Phone: [REDACTED]
Facsimile: [REDACTED]

Confirmations:
Attn: [REDACTED]
Phone: [REDACTED]
Facsimile: [REDACTED]

Confirmations:
Attn: [REDACTED]
Phone: [REDACTED]
Facsimile: [REDACTED]

Payments:
Attn: [REDACTED]
Phone: [REDACTED]
Facsimile: [REDACTED]

Payments:
Attn: [REDACTED]
Phone: [REDACTED]
Facsimile: [REDACTED]

Wire Transfer:
BNK: [REDACTED]
ABA: [REDACTED]
ACCT: [REDACTED]

Wire Transfer:
BNK: [REDACTED]
ABA: [REDACTED]
ACCT: [REDACTED]

Credit and Collections:
Attn: [REDACTED]
Phone: [REDACTED]
Facsimile: [REDACTED]

Credit and Collections:
Attn: [REDACTED]
Phone: [REDACTED]
Facsimile: [REDACTED]

With additional Notices of an Event of Default
or Potential Event of Default to:
Attn: [REDACTED]
Phone: [REDACTED]
Facsimile: [REDACTED]

With additional Notices of an Event of Default
or Potential Event of Default to:
Attn: [REDACTED]
Phone: [REDACTED]
Facsimile: [REDACTED]

NOTICE: IF RECIPIENT DISAGREES WITH ANY OF THE TERMS CONTAINED WITHIN THIS LETTER OF CONFIRMATION, RECIPIENT SHALL PROMPTLY NOTIFY THE SENDING PARTY IN WRITING PURSUANT TO THE MASTER AGREEMENT.

IN WITNESS WHEREOF, the Parties have caused their duly authorized representatives to execute this Letter of Confirmation on their behalf as of the date first above written.

[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]

Name: [REDACTED]	Name: [REDACTED]
Title: [REDACTED]	Title: [REDACTED]

REDACTED



MASTER POWER PURCHASE AND SALE AGREEMENT
CONFIRMATION LETTER

EDF Trading North America, LLC

EXHIBIT A

Date Generated: September 17, 2014
Counterparty: East Kentucky Power Cooperative, Inc.
Attention: Vice President, Finance
Telephone: 859-744-4812
Fax: (919) 654-8297
Ref: Transaction ID: [REDACTED]
Trader's Name: [REDACTED]

[REDACTED]

Seller: [REDACTED]
Buyer: [REDACTED]
Trade Date: [REDACTED]
Contract Quantity: [REDACTED]
Total Quantity: [REDACTED]
Product: [REDACTED]
Delivery Point: [REDACTED]
Energy Price: [REDACTED]
Start Date: [REDACTED]
End Date: [REDACTED]
Delivery Period: [REDACTED]

[REDACTED]

[REDACTED]

EDF Trading North America, LLC

East Kentucky Power Cooperative, Inc.

[REDACTED]

[REDACTED]

Authorized Signature

This Fax is intended only for the addressee and may contain information that is legally privileged, confidential and/or exempt from disclosure under applicable law. Any review, retransmission, dissemination or other use of, or taking of any action in reliance upon, this information by persons or entities other than the intended recipient is prohibited. If you have received this communication in error, or are not the named recipient(s), please immediately notify the sender.



Cargill Power Markets, LLC

9350 Excelsior Blvd, MS#150
Hopkins, MN 55343

Mail Address: P.O. Box 5653
Minneapolis, MN 55440-5653

Handwritten initials and number: JPB 760830

DATE: August 14, 2014

TO: East Kentucky Power Cooperative, Inc
Confirmation Dept
FAX: 9196548297

[REDACTED]

[REDACTED]

[REDACTED]

Trade Type: Physical Transaction

Transaction Date:	[REDACTED]	Buyer:	[REDACTED]
Transaction Type:	[REDACTED]	Seller:	[REDACTED]
Start Date:	[REDACTED]	Broker:	[REDACTED]
End Date:	[REDACTED]	Delivery Point:	[REDACTED]
Total MWH:	[REDACTED]		

Start Date	End Date	Notional Quantity	Days	Period	Fixed Price
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

Cargill Power Markets, LLC

East Kentucky Power Cooperative, Inc

[REDACTED]

Contact Information

Phone: [REDACTED]
Fax: [REDACTED]
Email: [REDACTED]

Date: _____
Phone: _____

EAST KENTUCKY POWER COOPERATIVE, INC.

PSC CASE NO. 2014-00451

FUEL ADJUSTMENT CLAUSE

RESPONSE TO INFORMATION REQUEST

COMMISSION STAFF'S INFORMATION REQUEST FROM HEARING HELD
ON 04/07/15

REQUEST 2

RESPONSIBLE PARTY: Isaac S. Scott

Request 2. Refer to the response to the Staff's First Request, Request 12, pages 41 and 42 of 43. Provide an explanation as to the negative capacity transactions shown for PJM.

Response 2. Request 12, page 41 of 43 showed the Power Transaction Schedule for the Month of August 2014 and included the following items:

Billing Code	Billing Code Name	Capacity	Charge Amount	Credit Amount	Notes
1600	RPM Auction	2,279	\$58,125		Monthly charge from auction
2600	RPM Auction	13,714		\$342,860	Monthly credit from auction
1662	Generation Resource Rating Test Failure		\$31		Failed capacity tests are billed annually in June; adjustment for October 1, 2013 source billing period
1665	Peak-Hour Period Availability		\$233,753		Charge for not meeting expected availability levels in the prior delivery year; billed annually in August
	Total - Net	11,435		\$50,951	

During the preparation of this response, EKPC determined that the net credit balance had inadvertently been shown as a negative. The table above correctly presents the amounts and thus shows a net margin of \$50,951 rather than a net loss of \$50,951 as shown in the filed report. It should be noted that this correction does not impact the calculation of the FAC factor for August 2014.

The RPM Auction charges (Code 1600) reflect the results of the cleared capacity at the capacity price from the Third Incremental Auction ("IA"). The corresponding RPM Auction credits (Code 2600) reflect the results of the cleared capacity at the capacity price from the Second IA.

Generation Resource Rating Test Failure (Code 1662) represents the charge allocated to eligible load serving entities that fail a capacity test. The Generation Resource Rating Test Failure charge is billed in the June billing cycle after the conclusion of the delivery year. The PJM monthly billing statement indicates this charge was an adjustment related to a source billing period starting October 1, 2013.

Peak-Hour Period Availability (Code 1665) represents the charges assessed to resource providers if committed generation resources were not available at expected levels during critical peak periods during the prior delivery year. Peak-Hour Period Availability charges and credits are assessed daily and billed retroactively for the entire delivery year in August of each year. The Peak-Hour Period Availability amount in August 2014 reflects normal PJM billing procedure and is reflective of generator availability from June 1, 2013 through May 31, 2014.

Request 12, page 42 of 43 showed the Power Transaction Schedule for the Month of September 2014 and should have included the following items:

Billing Code	Billing Code Name	Capacity	Charge Amount	Credit Amount	Notes
1600	RPM Auction	2,205	\$56,250		Monthly charge from auction
2600	RPM Auction	13,272		\$331,800	Monthly credit from auction
	Total – Net	11,067		\$275,550	

During the preparation of this response, EKPC determined that the capacity and the net credit amounts had inadvertently been shown as negatives. Also, the capacity originally shown on page 42 of 43 was (11,509) rather than 11,067 as noted above. This difference is due to the original filing erroneously including capacity of 13,714 for Code 2600 in the calculation rather than 13,272. The table above correctly presents all information and thus shows capacity of 11,067 and net margin of \$275,550. It should be noted that this correction does not impact the calculation of the FAC factor for September 2014.

The RPM Auction charges (Code 1600) reflect the results of the cleared capacity at the capacity price from the Third IA. The RPM Auction credits (Code 2600) reflect the results of the cleared capacity at the capacity price from the Second IA.

EAST KENTUCKY POWER COOPERATIVE, INC.

PSC CASE NO. 2014-00451

FUEL ADJUSTMENT CLAUSE

RESPONSE TO INFORMATION REQUEST

**COMMISSION STAFF'S INFORMATION REQUEST FROM HEARING HELD
ON 04/07/15**

REQUEST 3

RESPONSIBLE PARTY: Mark Horn

Request 3. Refer to the response to the Staff's First Request, Request 24c, page 3 of 3. Provide the amount of the settlement negotiated by EKPC in light of the Bankruptcy Trustee's objection, the current status of the settlement, and the percentage of the original claim to be paid by the debtor.

Response 3. Please see pages 2 and 3 of 3 of this response for an Agreed Order that has been tendered to the Bankruptcy Judge for entry. Once the attached Agreed Order is entered by the Court, EKPC will have an allowed unsecured claim in the amount of \$18,000,000, which is approximately 74% of the original claim. EKPC does not know the amount of funds to be distributed by the Trustee and it is not anticipated we will know that amount for some time. There is still pending an adversary proceeding in connection with the Appalachian Fuels bankruptcy. It is our understanding that the Court has not set a trial date in that case. Until that adversary proceeding is resolved, and following another period of time for the Trustee to object to claims, we will not know what the amount of distribution will be. We will continue to keep the Commission apprised of all developments.

UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF KENTUCKY
ASHLAND DIVISION

IN RE:

APPALACHIAN FUELS, LLC

CASE NO. 09-10343

CHAPTER 11

DEBTOR

**AGREED ORDER RESOLVING OBJECTION OF THE
LIQUIDATING TRUSTEE OF THE APP FUELS CREDITORS TRUST
TO THE CLAIM OF EAST KENTUCKY POWER COOPERATIVE, INC.
[CLAIM 35]**

Come the Liquidating Trustee of the App Fuels Creditors Trust (the "Trustee") and the East Kentucky Power Cooperative, Inc. ("EKPC"), by their respective counsel, and said parties being in agreement, STIPULATE AND AGREE as follows:

WHEREAS, on July 9, 2009, EKPC timely filed an unsecured claim in the amount of \$24,400,015.00 asserting damages arising from a breach of contract by Appalachian Fuels, LLC [Claim 35]; and

WHEREAS, on December 30, 2014, the Trustee timely filed an Objection to EKPC's claim [Doc 2425]; and

WHEREAS, the Trustee and EKPC have negotiated and reached an agreement regarding resolution of the Objection;

NOW, therefore, the Court being sufficiently advised, IT IS HEREBY ORDERED AND ADJUDGED as follows:

1. The Claim of EKPC [Claim 35] shall be allowed as an unsecured claim in the amount of \$18,000,000.00; any remaining balance claimed due shall be disallowed.

2. EKPC may, but need not, file an amended claim, and the Trustee shall make a distribution on the allowed portion of EKPC's Claim at such time as the Trustee makes any such distribution to allowed general unsecured creditors, pursuant to the terms of the confirmed Plan in this case.

3. This is a final order.

HAVE SEEN AND AGREED:

DELCOTTO LAW GROUP PLLC

/s/ Dean A. Langdon, Esq.

KY Bar No. 40104

200 North Upper Street

Lexington, KY 40507

Telephone: (859) 231-5800

Facsimile: (859) 281-1179

dlangdon@dlgfir.com

COUNSEL FOR THE LIQUIDATING TRUSTEE

STOLL KEENON OGDEN PLLC

/s/ Adam M. Back, Esq.

Robert M. Watt, III., Esq.

Stoll Keenon Ogden PLLC

300 West Vine Street, Suite 2100

Lexington, KY 40507

Telephone: (859) 231-3910

Facsimile: (859) 246-3666

Adam.Back@skofirm.com

COUNSEL FOR EAST KENTUCKY

POWER COOPERATIVE, INC.

\\Pleadings\Claim Objection - EKPC AO V1 20150401.doc

EAST KENTUCKY POWER COOPERATIVE, INC.

PSC CASE NO. 2014-00451

FUEL ADJUSTMENT CLAUSE

RESPONSE TO INFORMATION REQUEST

COMMISSION STAFF'S INFORMATION REQUEST FROM HEARING HELD

ON 04/07/15

REQUEST 4

RESPONSIBLE PARTY: Julia J. Tucker

Request 4. Refer to the response to the Commission Staff's Second Request for Information dated March 11, 2015 ("Staff's Second Request"), Request 2 and Staff Exhibit 1. Specifically, looking at the second page of Staff Exhibit 1, explain why the line item "PJM Day Ahead and Balancing" is included under the "Company Generation" section of the monthly FAC report.

Response 4. The "PJM Day Ahead and Balancing" line item included under "Company Generation" represents all PJM billing codes other than energy (energy is billing codes 1200 and 1205) that are considered fuel related and recoverable through the fuel adjustment clause. These billing codes are consistent with costs EKPC incurred when operating as its own balancing authority and would have been embedded in our generation costs pre-PJM implementation. Therefore, it would not be consistent or appropriate to solely associate these codes with net Day-ahead and Real-time (DART) purchases for the month.

EAST KENTUCKY POWER COOPERATIVE, INC.

PSC CASE NO. 2014-00451

FUEL ADJUSTMENT CLAUSE

RESPONSE TO INFORMATION REQUEST

**COMMISSION STAFF'S INFORMATION REQUEST FROM HEARING HELD
ON 04/07/15**

REQUEST 5

RESPONSIBLE PARTY: Julia J. Tucker

Request 5. Refer to Staff Exhibit 1, last page of the exhibit. Provide an explanation and documentation supporting the calculation of the \$4,179,051 in charges for the PJM Non-Displacement transaction.

Response 5. For fuel adjustment clause purposes, EKPC nets hourly activity of the Day-Ahead and Real-Time markets (DART) for billing codes 1200 and 1205, Day-Ahead and Balancing Spot Energy, respectively, to determine if EKPC is a net purchaser or seller for that hour. The amount reported represents the hourly DART energy purchases for the month. Please see pages 2 through 15 refer to Exhibit 1, "PJM Settlement Analysis System Spot Market Energy Dollars Summary", for May 2014 hourly calculations.

EAST KENTUCKY POWER COOPERATIVE, INC.

PSC CASE NO. 2014-00451

FUEL ADJUSTMENT CLAUSE

RESPONSE TO INFORMATION REQUEST

**COMMISSION STAFF'S INFORMATION REQUEST FROM HEARING HELD
ON 04/07/15**

REQUEST 6

RESPONSIBLE PARTY: Julia J. Tucker

Request 6. Refer to Staff Exhibit 1, second page of the exhibit. If the power supply is included in both the "PJM Day Ahead and Balancing" line item in the Company Generation section and in the Net Energy Cost – Economy Purchases section of the monthly FAC report, explain how there is no overlap in the cost recovery of power supply.

Response 6. Energy (PJM billing codes 1200 and 1205) is only shown in the Net Energy Cost-Economy Purchases section of the monthly FAC report. All other fuel related PJM billing codes are shown as "PJM Day Ahead Balancing" in the Company Generation section of the monthly FAC report and a detailed listing of the associated codes is provided as supporting documentation each month. This detail does not include PJM billing codes 1200 and 1205. Therefore, there is no overlap.

EAST KENTUCKY POWER COOPERATIVE, INC.
PSC CASE NO. 2014-00451
FUEL ADJUSTMENT CLAUSE
RESPONSE TO INFORMATION REQUEST

**COMMISSION STAFF'S INFORMATION REQUEST FROM HEARING HELD
ON 04/07/15
REQUEST 7**

RESPONSIBLE PARTY: Julia J. Tucker

Request 7. Refer to the Staff's Second Request, Request 4c. For each of the months in the two-year review period, provide the amounts recorded in PJM billing codes 1245 and 2245 that were included in EKPC's monthly FAC calculation.

Response 7. Listed below are the monthly amounts included in the FAC calculation for PJM billing code 1245, Emergency Load Response. Corresponding PJM billing code 2245 had no activity during the two-year review period.

Month	Amount
March 2014	\$ 74,147.73
April 2014	941.97
May 2014	8,221.78
October 2014	(143.72)
	<u>\$ 83,167.76</u>

EAST KENTUCKY POWER COOPERATIVE, INC.

PSC CASE NO. 2014-00451

FUEL ADJUSTMENT CLAUSE

RESPONSE TO INFORMATION REQUEST

COMMISSION STAFF'S INFORMATION REQUEST FROM HEARING HELD

ON 04/07/15

REQUEST 8

RESPONSIBLE PARTY: Julia J. Tucker

Request 8. Refer to the Staff's Second Request, Request 6. The last sentence in the response states, "The LMP costs and revenues, which are fuel related, flow through the FAC as defined in the various billing line items." Identify which specific billing line items are flowed through the FAC as LMP costs and revenues and include the specific billing codes.

Response 8. LMP is made up of three components: spot market + congestion + losses.

The billing codes for these items are as follows:

- 1200 – Day Ahead Spot Market
- 1205 – Balancing Spot Market
- 1210 – Day Ahead Transmission Congestion
- 2210 – Transmission Congestion Credits
- 1215 – Balancing Transmission Congestion
- 1220 – Day Ahead Transmission Losses
- 2220 – Transmission Losses Credits
- 1225 – Balancing Transmission Losses