

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

|  |   |            |
|--|---|------------|
| APPLICATION OF OWEN ELECTRIC           | ) |            |
| COOPERATIVE, INC. FOR A CERTIFICATE OF | ) |            |
| PUBLIC CONVENIENCE AND NECESSITY FOR   | ) | CASE NO.   |
| THE CONSTRUCTION OF A TWO MEGAWATT     | ) | 2015-00213 |
| DISTRIBUTED GENERATION FACILITY IN     | ) |            |
| OWEN COUNTY, KENTUCKY                  | ) |            |

COMMISSION STAFF'S SECOND REQUEST FOR INFORMATION  
TO OWEN ELECTRIC COOPERATIVE, INC.

Owen Electric Cooperative, Inc. ("Owen Electric"), 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 on or before August 28, 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 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.

Owen Electric 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 Owen Electric 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 applicable, the requested information shall be separately provided for total company operations and jurisdictional operations. When filing a document containing personal information, Owen Electric shall, in accordance with 807 KAR 5:001, Section 4(10), encrypt or redact the document so that personal information cannot be read.

1. Refer to the response to Item 4 of Commission Staff's Initial Request for Information ("Staff's First Request").

a. Refer to the response to Item 4.b., page 9 of 9. Reconcile the annual fuel costs and annual savings shown on this page for the selected distributed generation ("DG") facility with the amounts provided in response to Item 11 of Staff's First Request, page 3 of 7.

b. Refer to the response to Item 4.c. Provide the heat rate referred to in this response.

2. Refer to the response to Item 7 of Staff's First Request. Provide a copy of the system impact study upon its completion.

3. Refer to the response to Item 10 of Staff's First Request.

a. Refer to the response to 10.b. The response states, "The energy generated from the DG project will not be sold. Rather, it will reduce the amount of energy purchased from EKPC." Explain whether this statement means that the energy produced by the DG facility will displace power purchased from East Kentucky Power Cooperative, Inc. ("EKPC") and therefore will be sold to Owen Electric's retail customers, but will not result in an increase in retail sales. If not, explain what is meant by the statement.

b. Refer to the response to Item 10.d. Given the response, confirm that the savings to be realized from the DG facility is principally due to the avoidance of EKPC's non-fuel charges.


4. Refer to the response to Item 11 of Staff's First Request.

a. State whether the Annual Operating Costs calculated on page 3 include the \$400 per month customer charge referenced in Carrollton Utilities' General Service Rate (I2) Industrial tariff ("Carrollton I2 tariff") provided on page 3 of Exhibit MAS-3 of the Application.

b. State whether the \$.50 per Mmbtu "Intrastate Charge" shown at the top of page 5 is intended to be the Interstate Pipeline Rate Component referenced in the Carrollton I2 tariff provided on page 3 of Exhibit MAS-3 of the Application. If so, state whether this is a Texas Gas Transmission ("Texas Gas") charge, and indicate whether this amount was provided by Carrollton Utilities or a Texas Gas tariff sheet. If not, provide the basis for the charge.

c. Explain why Owen Electric applied a 3 percent multiplier to the \$1.00 per Mmbtu Local & Intrastate Charges cost.

d. State whether Owen Electric is aware that the Annual Energy Outlook 2015 published by the Energy Information Administration indicates higher projected natural gas costs for the years included in the discounted cash flow analysis than the NYMEX Futures-based amounts used in Owen Electric's calculations



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Jeff Derouen  
Executive Director  
Public Service Commission  
P. O. Box 615  
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DATED AUG 20 2015

cc: Parties of Record



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