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MAR 11 2016

PUBLIC SERVICE  
COMMISSION

March 11, 2016

**HAND DELIVERED**

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

Re: PSC Case No. 2016-00002

Dear Executive Director,

Please find enclosed for filing with the Commission in the above-referenced case an original and ten copies of the responses of East Kentucky Power Cooperative, Inc. ("EKPC"), to Staff's Second Request for Information dated March 1, 2016.

Very truly yours,



David S. Samford

Enclosures

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**MAR 11 2016**

**PUBLIC SERVICE  
COMMISSION**

**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. )  
INC. FROM MAY 1, 2015 THROUGH OCTOBER 31, )  
2015 )**

**CASE NO.  
2016-00002**

**RESPONSES TO COMMISSION STAFF'S SECOND REQUEST  
FOR INFORMATION TO  
EAST KENTUCKY POWER COOPERATIVE, INC.  
DATED MARCH 1, 2016**

**EAST KENTUCKY POWER COOPERATIVE, INC.**

**PSC CASE NO. 2016-00002**

**PUBLIC SERVICE COMMISSION REQUEST DATED 03/01/16**

East Kentucky Power Cooperative, Inc. ("EKPC") hereby submits responses to the information requests contained in the Second Request for Information of the Public Service Commission ("PSC") in this case dated March 1, 2016. Each response with its associated supportive reference materials is individually tabbed.

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.  
INC. FROM MAY 1, 2015 THROUGH OCTOBER ) 2016-00002  
31, 2015 )

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 Second Request for Information in the above-referenced case dated March 1, 2016, 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 11<sup>th</sup> day of March 2016.

Gwyn M. Willoughby #506144  
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.  
INC. FROM MAY 1, 2015 THROUGH OCTOBER ) 2016-00002  
31, 2015 )

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 Second Request for Information in the above-referenced case dated March 1, 2016, 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 14<sup>th</sup> day of March 2016.

*Gwyn M. Willoughby #500144*  
Notary Public

**GWYN M. WILLOUGHBY**  
Notary Public  
State at Large  
Kentucky  
My Commission Expires Nov 30, 2017

**EAST KENTUCKY POWER COOPERATIVE, INC.**

**PSC CASE NO. 2016-00002**

**FUEL ADJUSTMENT CLAUSE**

**RESPONSE TO INFORMATION REQUEST**

**COMMISSION STAFF'S SECOND REQUEST FOR INFORMATION DATED 03/01/16  
REQUEST 1**

**RESPONSIBLE PARTY: Mark Horn**

**Request 1.** State whether East Kentucky leases or owns any barges, railcars, or other assets related to the transportation of coal. If so, provide the following:

- a. The date each purchase/lease was entered into;
- b. The reason for entering into each purchase/lease, including the cost benefit;
- c. The types of costs associated with the lease/ownership that are recovered through the fuel adjustment clause ("FAC");
- d. By month, the amount of each cost identified in part c. above recovered through the FAC during the period under review;
- e. The advantages and disadvantages of the lease/ownership compared to not leasing/owning.

**Response 1a-e.** East Kentucky does not lease or own any barges, railcars, or other assets related to the transportation of coal.

**EAST KENTUCKY POWER COOPERATIVE, INC.**

**PSC CASE NO. 2016-00002**

**FUEL ADJUSTMENT CLAUSE**

**RESPONSE TO INFORMATION REQUEST**

**COMMISSION STAFF'S INFORMATION REQUEST DATED 02/05/16**

**REQUEST 2**

**RESPONSIBLE PARTY: Julia J. Tucker**

**Request 2.** When calculating its highest-cost unit available to be dispatched for purposes of power purchase exclusion from the fuel adjustment clause, state the level of operation for the unit used in the calculation (i.e., minimum level, actual level of operation during the month, maximum level, some other level of operation) and provide the unit heat rate used in the calculation.

**Response 2.** A generator must operate at least at its minimum load level, therefore, EKPC uses the minimum load level of Smith 1, 2 or 3 in its highest cost unit valuation. The three units are identical and generally are the highest cost units in the EKPC fleet. Low gas prices could change this rank order, but have not yet. The minimum load heat rate for each of these units is 16,034 mmbtu/kWh.