

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF SOUTH)	
KENTUCKY RURAL ELECTRIC COOPERATIVE)	CASE NO.
CORPORATION FOR APPROVAL OF MASTER)	2018-00050
POWER PURCHASE AND SALE AGREEMENT)	
AND TRANSACTIONS THEREUNDER)	

COMMISSION STAFF'S FIRST 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 an original in paper medium and an electronic version of the following information, with a copy to all parties of record. The information requested herein is due on or before April 27, 2018. Responses to requests for information in paper medium 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 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 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 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. Provide a status update on the negotiations being made regarding the agency agreement between EKPC and South Kentucky Rural Electric Cooperative Corporation (“South Kentucky”).

2. Refer to the Direct Testimony of Don Mosier, page 4, lines 7–11, which discusses certain risks regarding the Alternative Source. Explain in detail what “regulatory, market and economic risk[s]” are anticipated, the factors that determine whether and to what extent regulatory, market and economic risks will arise, the likelihood of each risk identified, and the anticipated effect.

3. Refer to the Direct Testimony of Michael McNalley, page 9, lines 4–12, which discusses potential changes to EKPC’s rate structure regarding cost allocation. Mr. McNalley states that EKPC may propose revised rates that are “non-bypassable.”

- a. Explain what rate design changes may be proposed by EKPC.
- b. State whether EKPC intends to design rates to assign any or all of the stranded costs to South Kentucky only.

4. Refer to South Kentucky's response to Commission Staff's First Request for Information, Item 13. Explain in detail EKPC's reason for requiring South Kentucky to become a member of PJM and identify the document containing this requirement.

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DATED APR 20 2018

cc: Parties of Record

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