

June 22, 2005

HAND DELIVERED

Ms. Elizabeth O'Donnell
Executive Director
Public Service Commission
211 Sower Boulevard
Frankfort, KY 40602

RECEIVED
JUN 23 2005
PUBLIC SERVICE
COMMISSION

Re: PSC Case No. 2004-00423

Dear Ms. O'Donnell:

Please find enclosed for filing with the Commission in the above-referenced case, an original and five copies of the Responses of East Kentucky Power Cooperative, Inc. to the Information Requests made during the hearing in this case on June 13, 2005.

Very truly yours,



Charles A. Lile
Senior Corporate Counsel

Enclosures

Cc: Service List.

EAST KENTUCKY POWER COOPERATIVE, INC.

PSC CASE NO. 2004-00423

INFORMATION REQUEST RESPONSE

PUBLIC SERVICE COMMISSION DATA REQUEST AT

JUNE 13, 2005 HEARING

REQUEST NO. 1

RESPONDING PERSON: David Eames

Request No. 1 : Have the EKPC Request for Proposals (“RFP”) evaluation factors been filed in this case?

Response No. 1: The evaluation factors were included in Exhibit 4 to EKPC’s Application in this case, titled as the RFP No. 2004-01 Proposal Evaluation Process report, which was prepared by EnerVision.

EAST KENTUCKY POWER COOPERATIVE, INC.

PSC CASE NO. 2005-00423

INFORMATION REQUEST RESPONSE

PUBLIC SERVICE COMMISSION DATA REQUEST AT

JUNE 13, 2005 HEARING

REQUEST NO. 2

RESPONDING PERSONS: David Eames; Lynne Travis

Request No. 2:

During his cross-examination, Mr. Eames referenced a sensitivity analysis of the EnviroPower proposal based on transmission requirements and other costs. Has this analysis been submitted in this case?

Response No. 2:

The results of the sensitivity analysis performed on the EnviroPower Proposal were referenced in the Second Supplemental Prepared Testimony of David G. Eames at page 10, as filed in this case on April 5, 2005 in response to comments filed by EnviroPower. As stated in Mr. Eames testimony, EnerVision performed a sensitivity analysis in which the transmission, Environmental Impact Statement (EIS), synchronous condensers and availability bonus costs were excluded in the evaluation of the EnviroPower proposal. Even with the exclusion of these costs, EnviroPower remains more costly than Spurlock 4, as referenced in Mr. Eames' testimony. This analysis is also discussed in the Prepared Testimony of Lynne S. Travis, filed in this case on February 14, 2005, on pages 5-7.

EAST KENTUCKY POWER COOPERATIVE, INC.

PSC CASE NO. 2005-00423

INFORMATION REQUEST RESPONSE

GALLATIN STEEL DATA REQUEST AT JUNE 13, 2005 HEARING

REQUEST NO. 3

RESPONDING PERSON: Lynne Travis

Request No. 3:

Provide an analysis of the additional value of Spurlock 4 relating to operation after full depreciation.

Response No. 3:

The following table compares the original Spurlock 4 value as filed in response to PSC Case No, 2004-00423, Application for Certificate of Public Convenience and Necessity, Exhibit 4, Page 7 - RFP No. 2004-01 Summary of Results, Baseload Proposals and in response to PSC Case No. 2004-00423, Commission Staff's Request Dated 12/23/04 as TABLE Q1-A to the value of Spurlock 4 after full depreciation. The value of Spurlock 4 after full depreciation is based on a 40 year life versus the original calculation of the value of Spurlock 4 that is based on a 32 year life.

3% Discount Rate	Average \$/MWh	Total PVRR (2004\$) (Billions)
Bid #15 - Spurlock 4 - 40 Year Life	\$20.86	\$1.626
Bid #15 - Spurlock 4 - 32 Year Life	\$23.21	\$1.447

6% Discount Rate	Average \$/MWh	Total PVRR (2004\$) (Billions)
Bid #15 - Spurlock 4 - 40 Year Life	\$12.41	\$0.967
id #15 - Spurlock 4 - 32 Year Life	\$14.59	\$0.909

The 32 year life analysis included interest and depreciation on the generation and transmission loans for 32 years, as well as fuel, fixed and variable O&M, insurance and taxes. The 40 year life analysis included no interest or depreciation for years 33 through 40 but still included fuel, fixed and variable O&M, insurance and taxes for those years. Because of the inclusion of non interest and non depreciation costs in years 33-40, the total PVRR is higher for the 40 year case than the 32 year case. However, because in years 33-40 energy is still being generated but there are no interest and depreciation charges, the average \$/MWH for the 40 year case is lower than for the 32 year case.

EAST KENTUCKY POWER COOPERATIVE, INC.

PSC CASE NO. 2005-00423

INFORMATION REQUEST RESPONSE

GALLATIN STEEL DATA REQUEST AT JUNE 13, 2005 HEARING

REQUEST NO. 4

RESPONDING PERSON: Lynne Travis

Request No. 4:

Provide an analysis of the additional value of Spurlock 4 relating to the assignment of patronage capital.

Response No. 4:

The following table compares the original Spurlock 4 value as filed in response to PSC Case No, 2004-00423, Application for Certificate of Public Convenience and Necessity, Exhibit 4, Page 7 - RFP No. 2004-01 Summary of Results, Baseload Proposals and in response to PSC Case No. 2004-00423, Commission Staff's Request Dated 12/23/04 as TABLE Q1-A to the value of Spurlock 4 relating to the assignment of patronage capital. The value of Spurlock 4 relating to the assignment of patronage capital is based on a 5.75% interest rate plus a TIER adder of 0.575% (thus, giving a TIER of 1.10) to produce the original calculation of the value of Spurlock 4 that is based on a 6.325% INTEREST WITH TIER ADDER rate.

3% Discount Rate	Average \$/MWh	Total PVRR (2004\$) (Billions)
Bid #15 - Spurlock 4 - 32 Year Life - 5.75% INTEREST Rate	\$22.51	\$1.404
Bid #15 - Spurlock 4 - 32 Year Life - 6.325% INTEREST WITH TIER Rate	\$23.21	\$1.447

6% Discount Rate	Average \$/MWh	Total PVRR (2004\$) (Billions)
Bid #15 - Spurlock 4 - 32 Year Life - 5.75% INTEREST Rate	\$14.12	\$0.880
Bid #15 - Spurlock 4 - 32 Year Life - 6.325% INTEREST WITH TIER Rate	\$14.59	\$0.909

EAST KENTUCKY POWER COOPERATIVE, INC.

PSC CASE NO. 2004-00423

INFORMATION REQUEST RESPONSE

PUBLIC SERVICE COMMISSION DATA REQUEST AT

JUNE 13, 2005 HEARING

REQUEST NO. 5

RESPONDING PERSON: Robert Hughes

Request No. 5: Please notify the Commission when the draft Air Quality Permit for the proposed project is issued.

Response No. 5: EKPC will provide such notice, and it is anticipated that the draft permit will be issued in the near future. It is EKPC's understanding that the regulations of the Kentucky Division for Air Quality ("DAQ") restrict "actual construction" prior to the issuance of a final air quality construction permit, meaning any actions which involve the installation of permanent structures or construction components at a proposed site. However, EKPC understands that the award of construction and equipment contracts and normal site preparation work, such as grading and trenching, is not restricted by the DAQ regulations prior to the issuance of the air quality permit.