EAST KENTUCKY POWER COOPERATIVE

June 13, 2007

HAND DELIVERED

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

Re: PSC Case No. 2006-00472

Dear Ms. O'Donnell:

Please find enclosed for filing with the Commission in the above-referenced case an original and ten redacted copies of the responses of East Kentucky Power Cooperative, Inc. ("EKPC") to the Commission Staff's Fourth Data Request, dated May 30, 2007. An original and ten copies of EKPC's Responses to the Third Data Request of Kentucky Industrial Utility Customers, Inc. ("KIUC"), and the Second Data Request of the Sierra Club, both dated May 30, 2007, are also enclosed.

Also enclosed are an original and ten copies of EKPC's Petition for Confidential Treatment of Information regarding designated responses to the Commission Staff data requests, along with a copy of the designated confidential pages.

Very truly yours,

Charles A. Lile
Senior Corporate Counsel

Enclosures

Cc: Parties of Record

4775 Lexington Road 40391
P.O. Box 707, Winchester,
Kentucky 40392-0707

Tel. (859) 744-4812
Fax: (859) 744-6008
http://www.ekpc.coop

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

GENERAL ADJUSTMENT OF ELECTRIC RATES	)	**CASE NO.**
OF EAST KENTUCKY POWER	)	**2006-00472**
COOPERATIVE, INC.	)	

PETITION FOR CONFIDENTIAL
TREATMENT OF INFORMATION

Comes now the petitioner, East Kentucky Power Cooperative, Inc. ("EKPC") and, as grounds for this Petition for Confidential Treatment of Information (the "Petition"), states to the Public Service Commission (the "Commission") as follows:

1. This Petition is filed in regard to information in EKPC's response to Request 19 of the Commission Staff's Fourth Data Request in this case, dated May 30, 2007, that is entitled to protection pursuant to 807 KAR 5:001 Section 7 and KRS §61.878 (1) (c) 1 and related sections.

2. The designated confidential information in the response to Commission Staff Request 19 consists of accounting entries associated with the on-going litigation with the Environmental Protection Agency (the "EPA") concerning EKPC's compliance with environmental regulations. EKPC is currently involved with settlement discussions regarding this litigation, and disclosure of the details of this information could adversely affect its strategies and bargaining position in such discussions. Such disclosure could result in less favorable settlement terms, which would potentially increase the magnitude of the out-of-pocket costs of any settlement, and/or lead to the proposal of less favorable

terms regarding EKPC plant operation. Such developments would increase EKPC's overall operating costs and would lead to an unfair competitive disadvantage for EKPC in its efforts to compete with the power marketers, utilities and other entities that deal in the market for surplus bulk power, and to compete with other utilities in Kentucky for new industrial customers.

3. The Commission granted confidential treatment on December 15, 2006 and January 9, 2007, for similar information submitted by EKPC in PSC Case No. 2006-00455, and granted confidential treatment to similar information in this case on February 9, 2007 and June 7, 2007.

4. Along with this Petition, EKPC has enclosed one copy of confidential sections of the subject responses, with the confidential information identified by highlighting or other designation, and 10 copies of its complete responses to the subject Data Request, with the confidential information redacted. The identified confidential information is not known outside of EKPC and is distributed within EKPC only to persons with a need to use it for business purposes. It is entitled to confidential treatment pursuant to 807 KAR 5:001 Section 7 and KRS §61.878(1)(c) 1, for the reasons stated hereinabove, as information which would permit an unfair commercial advantage to competitors of EKPC if disclosed. The subject information is also entitled to protection pursuant to KRS §61.878(1)(c) 2 c, as records generally recognized as confidential or proprietary which are confidentially disclosed to an agency in conjunction with the regulation of a commercial enterprise.

WHEREFORE, EKPC respectfully requests the Public Service Commission to grant confidential treatment to the identified information and deny public disclosure of said information.

Respectfully submitted,

DAVID A. SMART

CHARLES A. LILE

P. O. BOX 707
WINCHESTER, KY 40392-0707
(859) 744-4812

ATTORNEYS FOR EAST KENTUCKY POWER COOPERATIVE, INC.

CERTIFICATE OF SERVICE

This is to certify that an original and 10 copies of the foregoing Petition for Confidential Treatment of Information in the above-styled case were delivered to the office of Elizabeth O'Donnell, Executive Director of the Public Service Commission, 211 Sower Boulevard, Frankfort, KY 40601, and copies were mailed to Parties of Record, this 13th day of June, 2007.

Charles A. Lile

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

IN THE MATTER OF:

GENERAL ADJUSTMENT OF ELECTRIC RATES OF EAST KENTUCKY POWER COOPERATIVE, INC.)	)	**CASE NO. 2006-00472**

CERTIFICATE

STATE OF KENTUCKY)
)
COUNTY OF CLARK)

William A. Bosta, 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 Data Requests in the above-referenced case dated May 30, 2007, 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.

William A. Bosta

Subscribed and sworn before me on this 13th day of June, 2007.

Notary Public

My Commission expires: December 8, 2009

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

GENERAL ADJUSTMENT OF ELECTRIC RATES	)	CASE NO.
OF EAST KENTUCKY POWER	)	2006-00472
COOPERATIVE, INC.	)	

RESPONSES TO COMMISSION STAFF'S FOURTH DATA REQUEST TO EAST KENTUCKY POWER COOPERATIVE, INC. DATED MAY 30, 2007

EAST KENTUCKY POWER COOPERATIVE, INC.
PSC CASE NO. 2006-00472
FOURTH DATA REQUEST RESPONSE

COMMISSION STAFF'S FOURTH DATA REQUEST DATED 05/30/07
REQUEST 1
RESPONSIBLE PERSON: **William A. Bosta/Ann F. Wood**
COMPANY: **East Kentucky Power Cooperative, Inc.**

Request 1. Refer to the response to the Commission Staff's Third Data Request dated May 1, 2007 ("Staff's Third Request"), Item 2. The following questions relate to information contained on the CD provided in the response.

Request 1a. Rows 8 through 31 of the "Details" tab of the spreadsheet file "PSC Response 2 Adjustment 3.xls" and Columns E through H of the "Sheet 1" tab of the spreadsheet file "PSC Response 2 Adjustment 25.xls" cannot be viewed. Provide electronic copies of the referenced spreadsheet files with all sections of the spreadsheet viewable.

Response 1a. Both of these questions may be resolved by using the "unhide" feature. In the first file, go to Row 7 on the far left side, highlight, and drag to Row 32 (one row down). Then right click and select "unhide." Rows 8 through 31 will appear. In the second file, go to Column D, highlight, and drag to Column I (one column over). Right click and then select "unhide." Columns E, F, G and H will appear.

Request 1b. Refer to the "Shift and OT" tab of the spreadsheet file "PSC Response 2 – backup for schedules 4, 5, part of 6.xls." Explain in detail why the majority of the adjustment calculations shown on this tab page reference 2 percent increases instead of 3 percent. In addition, indicate which percentage increase is correct.

Response 1b. Because regular shift differential and overtime shift differential are somewhat difficult to annualize, EKPC reviewed the trend of shift differential hours from 2003 through the test year. Based on this review, a 2-3% increase in hours seemed to be appropriate in applying the shift differential rate. EKPC determined "regular" (i.e. non-shift) overtime by averaging overtime dollars from 2003 through the test year, then applying the 3% escalation. The highlighted box on the worksheet in the "Shift and OT" tab reflects the 3% escalation in both the regular overtime and shift differential dollar amounts.

Request 1c. Refer to the spreadsheet file "psc 2 backup for schedule 9.xls."

(1) Explain the purpose of the information shown on the "Prop Tax – 123106" and "Prop Tax – 123106 (2)" tabs.

(2) Explain why the totals from the "Prop Tax – 93006" tab should be used for the proposed property tax adjustment rather than the totals from the "Prop Tax – 123106" and "Prop Tax – 123106 (2)" tabs.

(3) Provide copies of the actual property tax bills that support the monthly amounts presented on the "PTax Exp" tab.

Response 1c. (1) The "Prop Tax – 123106" tab assumes 12 months of depreciation at both the old and new depreciation rates. The "Prop Tax –123106 (2)" tab assumes 9 months of depreciation for both the old and new depreciation rates.

(2) The "Prop Tax – 93006" should be used in the adjustment calculation because it reflects the NBV at 9/30/06, the end of the test year, and applies the appropriate property tax rates, at the account level.

(3) The copies are provided on the attached CD.

Request 1d. Refer to the spreadsheet file "PSC Response 2 Adjustment 19.xls."

(1) Explain how the balances shown on this spreadsheet for Account No. 92100 – Propane – Expense; Account No. 93022 – Propane – Expense; and Account No. 92100 – ACES – Expense were determined.

(2) The balances shown on this spreadsheet for the first six accounts listed have been cross-checked with the trial balances provided in the response to the Commission Staff's First Data Request dated December 5, 2006 ("Staff's First Request"), Items 13(a and b) and the response to the Kentucky Industrial Utility Customers, Inc. ("KIUC") Second Data Request dated April 30, 2007 ("KIUC Second Request"), Item 1.70. While the balances for the first six accounts shown on the spreadsheet agree with the trial balance provided in the Staff's First Request, Items 13(a and b), five of the six accounts do not agree with the trial balance provided in the KIUC Second Request, Item 1.70. Both trial balances are supposed to be as of September 30, 2006. Explain the reason(s) for these differences and indicate which account balances are correct.

(3) Prepare a comparison of the September 30, 2006 trial balances submitted in the response to the Staff's First Request, Items 13(a and b) and the response to the KIUC Second Request, Item 1.70. For each account balance that is different, explain the reason(s) for the differences and indicate which account balance is correct.

Response 1d. (1) The amounts shown on this spreadsheet for accounts 92100—Propane, 93022—Propane, and 92100—ACES were determined by analyzing the detail within those accounts.

(2) The trial balance provided in Commission Staff's First Data Request dated December 5, 2006, Items 13(a and b) was for the 12-month period (test year) ending September 30, 2006. The trial balance provided in KIUC's Second Data Request dated April 30, 2007, Item 1.70, was for the nine-months ending (calendar year-to-date) September 30, 2006. Balances are correct for their particular time periods.

(3) Please see the response to (2) above.

Request 1e. Refer to the Application, Exhibit F, Schedule 23, page 2 of 3, and file "PSC Response 2, Adjustment 23.pdf."

(1) The invoices provided in the file "PSC Response 2, Adjustment 23.pdf" show that the East Central Reliability Council ("ECAR") dues listed for October and November 2005 on Application Exhibit F, Schedule 23, page 2 of 3, are actually invoices for October and November 2006 from Reliability First. Provide copies of the October and November 2005 invoices from ECAR. In addition, identify Reliability First and describe the function of this entity.

(2) Explain why there were no ECAR dues for the months of July through September 2006. If there were ECAR dues for these months, provide the actual invoices for these dues.

(3) Schedule 23, page 2 of 3, shows the Southeast Reliability Council ("SERC") 2007 Invoice to be $132,828. The invoices in the file "PSC Response 2, Adjustment 23.pdf" show a quarterly invoice from the North American Electric Reliability Council ("NAERC") in the amount of $33,206.94. Annualizing this quarterly amount produces a total of $132,828. Describe the differences between SERC and NAERC and explain why the NAERC invoice has been presented in Schedule 23 as the SERC invoice.

(4) Provide copies of the actual invoice received from SERC in the amount of $78,067 and from NAERC in the amount of $33,206.94.

Response 1e. (1) These invoices from Reliability First were for October and November of 2006 and should not have been part of the adjustment. The $208 and the $79 were for Automatic Reserve Sharing (ARS) costs incurred by Reliability First and charged to EKPC. Reliability First took over providing this service from ECAR in the upper midwest following the dissolution of ECAR. EKPC joined SERC following the dissolution of ECAR but continued to incur relatively minor ARS expenses from Reliability First during 2006.

(2) ECAR was effectively dissolved at the end of 2005. The ECAR dues shown in Exhibit F, Schedule 23, Page 2 of 3, are for service beginning in October 2005 (shown as the November 2005 invoice amount of $17,462) and continuing throughout the test year. The costs incurred in the January through May (June 2006 invoice amount of $738) period were wind down costs. There were no wind down costs for the June through September 2006 period for ECAR and no invoices.

(3) The $132,828 amount, for the 2007 invoice should be "NERC" instead of "SERC." While EKPC is a member of SERC, NERC is providing the billing function for all NERC and SERC services. SERC no longer bills EKPC separately. SERC is effectively the regional representative of the NERC.

(4) Please see the attached invoice from SERC of $78,067. The quarterly invoice from NERC for February 14, 2007 is attached.

13628
V-154545

Southeastern Electric Reliability Council, Inc.
600 North 18th Street
P. O. Box 2641
Birmingham, AL 35291
205/257-6407

Invoice 1/25

Date	Invoice #
12/15/2005	2802

East Kentucky Power Cooperative
George C. Carruba
Manager Power Delivery-Operations
P.O. Box 707
Winchester, KY 40392-0707

Federal Tax ID:
20-3311003

Description	ANNUAL %	ASSESSMENT AMT.
2006 Annual Assessment Dues	1.67%	78,067.30

Verified and Approved for Payment 1/8/06
BC 130-5402

Assessments are due January 31, 2006. SERC assessments may be paid in two (2) equal installments, due January 31, 2006 and

Total	$78,067.30

Rec'd 2/20/07
GSC 13144

NERC
NORTH AMERICAN ELECTRIC RELIABILITY CORPORATION
116-390 Village Blvd
Princeton, NJ 08540-5731
609-452-8060 (T) 609-452-9550 (F)

2nd Quarter 2007 Invoice

DATE	NUMBER
2/14/2007	5091

V-1-99495091

3/16

Billing Address

East Kentucky Power Cooperative
George Carruba
4775 Lexington Road
P.O. Box 707
Winchester, KY 40392-0707

Please return the bottom portion with your payment. Please reference the invoice number on your check.

Charge Date	Charge Code	Description	Amount
2/14/2007	1297NERC	East Kentucky Power Cooperative NERC Assmnt	$16,048.89
2/14/2007	1297REGION	East Kentucky Power Cooperative SERC REGION Assmnt	$17,158.05

OK to pay
2/20/07
93021 BC 130-5402

PAID
MAR 16 2007
By

Payment Terms: Net 45 Days Total: $33,206.94

Customer ID 1297 Invoice ID 5091
Customer Name East Kentucky Power Cooperative Invoice Date 2/14/2007

Charge Date	Charge Code	Description	Amount
2/14/2007	1297NERC	East Kentucky Power Cooperative NERC Assmnt	$16,048.89
2/14/2007	1297REGION	East Kentucky Power Cooperative SERC REGION Assmnt	$17,158.05

Payment Terms: Net 45 Days Total: $33,206.94

2007 Allocation of NERC and Regional Entity Costs to Load Serving Entities (or designee)

				ANNUAL			QUARTERLY		
Data Year	Regional Entity	Entity	Country	Total ERO Funding (w/ RE costs)	Total NERC Funding	Regional Entity Funding (including RAB funding)	Total ERO Funding	NERC Funding	Regional Entity Funding (including RAB funding)
2005	ERCOT	ERCOT	U.S.	6,264,938.24	1,394,183.24	4,870,755.00	1,566,234.56	348,545.81	1,217,688.75
				6,264,938.24	1,394,183.24	4,870,755.00	1,566,234.56	348,545.81	1,217,688.75
2005	FRCC	Alachua, City of	U.S.	1,654.55	541.18	1,113.37	413.64	135.30	278.34
2005	FRCC	Bartow, City of	U.S.	10,412.72	3,403.82	7,008.90	2,603.17	850.95	1,752.22
2005	FRCC	Chattahoochee, City of	U.S.	1,323.04	432.35	890.69	330.76	108.09	222.67
2005	FRCC	Florida Keys Electric Cooperative Assn	U.S.	11,358.17	3,713.06	7,645.11	2,839.55	928.27	1,911.28
2005	FRCC	Florida Municipal Power Agency	U.S.	113,779.99	37,194.25	76,585.74	28,445.00	9,298.56	19,146.44
2005	FRCC	Florida Power & Light Co.	U.S.	1,727,802.94	564,813.43	1,162,989.51	431,950.74	141,203.36	290,747.38
2005	FRCC	Florida Public Utilities Company	U.S.	7,813.71	2,554.38	5,259.33	1,953.43	638.60	1,314.83
2005	FRCC	Gainesville Regional Utilities	U.S.	31,144.00	10,180.92	20,963.08	7,786.00	2,545.23	5,240.77
2005	FRCC	Homestead, City of	U.S.	6,395.52	2,090.51	4,305.01	1,598.88	522.63	1,076.25
2005	FRCC	JEA	U.S.	207,941.48	67,975.57	139,965.91	51,985.37	16,993.89	34,991.48
2005	FRCC	Lakeland Electric	U.S.	46,629.20	15,242.90	31,386.30	11,657.30	3,810.73	7,846.57
2005	FRCC	Mount Dora, City of	U.S.	3,638.61	1,189.20	2,449.40	909.65	297.30	612.35
2005	FRCC	New Smyrna Beach, Utilities Commission of	U.S.	6,254.31	2,044.72	4,209.58	1,563.58	511.18	1,052.40
2005	FRCC	Orlando Utilities Commission	U.S.	106,727.16	34,888.59	71,838.57	26,681.79	8,722.15	17,959.64
2005	FRCC	Progress Energy Florida	U.S.	684,063.63	223,618.19	460,445.45	171,015.91	55,904.55	115,111.36
2005	FRCC	Quincy, City of	U.S.	4,914.58	1,606.29	3,308.29	1,228.64	401.57	827.07
2005	FRCC	Reedy Creek Improvement District	U.S.	19,817.21	6,478.03	13,339.18	4,954.30	1,619.51	3,334.79
2005	FRCC	Seminole Electric Cooperative	U.S.	258,434.67	84,481.43	173,953.24	64,608.67	21,120.36	43,488.31
2005	FRCC	St. Cloud, City of (OUC)	U.S.	8,128.53	2,657.13	5,471.39	2,032.13	664.28	1,367.85
2005	FRCC	Tallahassee, City of	U.S.	45,479.76	14,867.52	30,612.24	11,369.94	3,716.88	7,653.06
2005	FRCC	Tampa Electric Company	U.S.	322,277.37	105,351.41	216,925.96	80,569.34	26,337.85	54,231.49
2005	FRCC	Wauchula, City of	U.S.	1,086.68	355.04	731.64	271.67	88.76	182.91
2005	FRCC	Williston, City of	U.S.	1,150.44	376.39	774.05	287.61	94.10	193.51
2005	FRCC	Winter Park, City of	U.S.	12,067.26	3,945.00	8,122.26	3,016.82	986.25	2,030.57
				3,640,295.52	1,190,001.32	2,450,294.20	910,073.89	297,500.35	612,573.54
	MRO	Alliant Energy (Alliant East - WPL & Alliant West	U.S.	741,069.94	169,670.56	571,399.38	185,267.48	42,417.64	142,849.84
	MRO	Ames Municipal Electric System	U.S.	19,546.54	4,475.47	15,071.07	4,886.64	1,118.87	3,767.77
2005	MRO	Auburn Board of Public Works	U.S.	1,788.56	409.14	1,379.42	447.14	102.29	344.85
2005	MRO	Basin Electric Power Cooperative	U.S.	184,972.78	42,350.15	142,622.63	46,243.20	10,587.54	35,655.66
2005	MRO	Cedar Falls Municipal Utilities	U.S.	11,459.07	2,623.94	8,835.14	2,864.76	655.98	2,208.78
2005	MRO	Central Iowa Power Cooperative (CIPCO)	U.S.	76,190.56	17,444.18	58,746.38	19,047.64	4,361.04	14,686.60
2005	MRO	City of Escanaba Electric Department	U.S.	3,705.83	848.28	2,857.55	926.46	212.07	714.39
2005	MRO	Corn Belt Power Cooperative	U.S.	42,514.29	9,733.83	32,780.46	10,628.58	2,433.46	8,195.12
2005	MRO	Dairyland Power Cooperative / GEN-SYS Energy	U.S.	120,062.00	27,488.43	92,573.57	30,015.50	6,872.11	23,143.39
2005	MRO	Falls City Water & Light Department	U.S.	1,326.46	303.46	1,023.00	331.62	75.87	255.75
2005	MRO	Fremont Department of Utilities	U.S.	10,708.59	2,452.01	8,256.58	2,677.15	613.00	2,064.15
2005	MRO	Geneseo Municipal Utilities	U.S.	2,020.22	462.51	1,557.71	505.06	115.63	389.43
2005	MRO	Grand Island Utilities Department	U.S.	17,391.71	3,981.63	13,410.09	4,347.93	995.41	3,352.52
2005	MRO	Great River Energy	U.S.	317,095.91	72,599.98	244,495.93	79,273.97	18,149.99	61,123.98
2005	MRO	Hastings Utilities	U.S.	12,385.77	2,835.87	9,549.91	3,096.45	708.97	2,387.48
2005	MRO	Heartland Consumers Power District	U.S.	15,470.98	3,542.48	11,928.51	3,867.75	885.62	2,982.13
2005	MRO	Hutchinson Utilities Commission	U.S.	7,971.73	1,825.26	6,146.47	1,992.93	456.31	1,536.62
2005	MRO	Iowa Association of Municpal Utilities	U.S.	12,465.05	2,853.86	9,611.18	3,116.27	713.47	2,402.80
2005	MRO	Lincoln Electric System	U.S.	87,478.41	20,028.47	67,449.94	21,869.60	5,007.12	16,862.48
2005	MRO	Madison, Gas and Electric	U.S.	84,225.09	19,283.69	64,941.39	21,056.27	4,820.92	16,235.35
2005	MRO	Manitoba Hydro	Canada	598,304.27	136,983.72	461,320.55	149,576.07	34,245.93	115,330.14
2005	MRO	Manitowoc Public Utilities	U.S.	13,902.16	3,183.22	10,718.94	3,475.53	795.80	2,679.73
2005	MRO	McGregor and St. Charles Municipal (GEN-SYS	U.S.	1.59	0.36	1.23	0.40	0.09	0.31
2005	MRO	MidAmerican Energy Company	U.S.	510,823.92	116,954.81	393,869.11	127,705.98	29,238.70	98,467.28
2005	MRO	Minnesota Power	U.S.	319,541.16	73,159.75	246,381.40	79,885.29	18,289.94	61,595.35
2005	MRO	Minnkota Power Cooperative, Inc	U.S.	93,801.48	21,476.34	72,325.14	23,450.37	5,369.09	18,081.28
2005	MRO	Missouri River Energy Services	U.S.	47,060.10	10,774.35	36,285.75	11,765.03	2,693.59	9,071.44
2005	MRO	MN Municipal Power Agency (MMPA)	U.S.	23,013.10	5,268.65	17,744.44	5,753.27	1,317.16	4,436.11
2005	MRO	Montana-Dakota Utilities Co.	U.S.	58,067.09	13,294.88	44,772.21	14,516.77	3,323.72	11,193.05
2005	MRO	Municipal Energy Agency of Nebraska	U.S.	13,079.57	2,994.92	10,084.65	3,269.89	748.73	2,521.16
2005	MRO	Muscatine Power and Water	U.S.	22,582.14	5,170.04	17,412.10	5,645.54	1,292.51	4,353.03
2005	MRO	Nebraska City Utilities	U.S.	696.52	159.68	536.85	174.13	39.92	134.21
2005	MRO	Nebraska Public Power District	U.S.	290,723.43	66,561.70	224,161.73	72,680.85	16,640.42	56,040.43
2005	MRO	Northwestern Public Service Company	U.S.	33,693.89	7,714.35	25,979.54	8,423.47	1,928.59	6,494.88
2005	MRO	Omaha Public Power District	U.S.	250,533.35	57,360.17	193,173.18	62,633.33	14,340.04	48,293.29
2005	MRO	Otter Tail Power Company	U.S.	97,196.01	22,253.18	74,942.83	24,299.00	5,563.29	18,735.71
2005	MRO	Rochester Public Utilities	U.S.	442.33	101.19	341.14	110.58	25.30	85.28
2005	MRO	SaskPower	Canada	473,954.74	108,513.40	365,441.34	118,488.69	27,128.35	91,360.34
2005	MRO	Southern Minnesota Municipal Power Agency	U.S.	72,603.83	16,622.94	55,980.89	18,150.95	4,155.73	13,995.22
2005	MRO	Southern Montana Generation and Transmission	U.S.	411.24	94.14	317.11	102.81	23.53	79.28
	MRO	Western Area Power Administration (LM)	U.S.	8,319.01	1,904.87	6,414.14	2,079.75	476.22	1,603.53
	MRO	Western Area Power Administration (UM)	U.S.	162,765.41	37,265.97	125,499.45	40,691.35	9,316.49	31,374.86
2005	MRO	Willmar Municipal Utilities	U.S.	7,450.55	1,706.16	5,744.38	1,862.64	426.54	1,436.10
2005	MRO	Wisconsin Public Power, Inc. (East and West	U.S.	125,124.35	28,647.77	96,476.58	31,281.08	7,161.94	24,119.14
2005	MRO	WPS Resources (WPS and UPPCO)	U.S.	369,283.87	84,548.54	284,735.33	92,320.96	21,137.13	71,183.83
2005	MRO	Xcel Energy Company (NSP)	U.S.	1,149,464.85	263,173.34	886,291.51	287,366.21	65,793.33	221,572.88
				6,512,689.44	1,491,101.63	5,021,587.82	1,628,172.34	372,775.39	1,255,396.95

2007 Allocation of NERC and Regional Entity Costs to Load Serving Entities (or designee)

				ANNUAL			QUARTERLY		
Data Year	Regional Entity	Entity	Country	Total ERO Funding (w/ RE costs)	Total NERC Funding	Regional Entity Funding (including RAB funding)	Total ERO Funding	NERC Funding	Regional Entity Funding (including RAB funding)
2005	RFC	PSI Energy, Inc. dba Duke Energy Indiana, Inc.	U.S.	482,628.15	166,774.18	315,853.98	120,657.03	41,693.54	78,963.49
2005	RFC	Public Lighting Department of Detroit	U.S.	9,672.55	3,342.68	6,329.87	2,418.14	835.67	1,582.47
2005	RFC	Quest Energy	U.S.	16,568.32	5,725.41	10,842.91	4,142.08	1,431.35	2,710.73
2005	RFC	Quest Energy	U.S.	21,102.13	7,291.73	13,810.40	5,275.53	1,822.93	3,452.60
2005	RFC	Ripley	U.S.	340.52	117.41	223.11	85.13	29.35	55.78
2005	RFC	Sempra Energy Solutions	U.S.	1,257.24	434.35	822.89	314.31	108.59	205.72
2005	RFC	Sempra Energy Solutions	U.S.	3,482.40	1,203.20	2,279.20	870.60	300.80	569.80
2005	RFC	Strategic Energy (STRAT)	U.S.	4,796.16	1,657.59	3,138.58	1,199.04	414.40	784.64
2005	RFC	Strategic Energy, LLC	U.S.	22,175.56	7,663.06	14,512.51	5,543.89	1,915.76	3,628.13
2005	RFC	Strategic Energy, LLC	U.S.	22,603.20	7,810.34	14,792.87	5,650.80	1,952.58	3,698.22
2005	RFC	Strategic Energy, LLC	U.S.	4,255.36	1,470.19	2,785.17	1,063.84	367.55	696.29
2005	RFC	Tell City Electric Department	U.S.	2,918.44	1,008.52	1,909.92	729.61	252.13	477.48
2005	RFC	The Cincinnati Gas & Electric Co. dba Duke Energy Ohio, Inc..	U.S.	300,289.16	103,766.03	196,523.13	75,072.29	25,941.51	49,130.78
2005	RFC	The Union Light, Heat and Power Company dba Duke Energy Kentucky, Inc.	U.S.	65,467.29	22,622.65	42,844.64	16,366.82	5,655.66	10,711.16
2005	RFC	Thumb Electric Cooperative	U.S.	2,413.64	834.13	1,579.51	603.41	208.53	394.88
2005	RFC	Vectren Energy Delivery of IN	U.S.	89,314.21	30,862.70	58,451.51	22,328.55	7,715.67	14,612.88
2005	RFC	Village of Riverton, IL	U.S.	345.72	119.19	226.52	86.43	29.80	56.63
2005	RFC	Village of Sebewaing	U.S.	638.75	220.98	417.78	159.68	55.24	104.44
2005	RFC	Wabash Valley Power Association, Inc.	U.S.	37,291.37	12,886.50	24,404.87	9,322.85	3,221.63	6,101.22
2005	RFC	Wisconsin Electric Power Co. (WEPC)	U.S.	461,745.93	159,558.51	302,187.42	115,436.49	39,889.63	75,546.86
2005	RFC	Wisconsin Energy Services	U.S.	8,759.83	3,027.11	5,732.72	2,189.96	756.78	1,433.18
2005	RFC	Wisconsin Public Power, Inc.	U.S.	58,799.08	20,318.60	38,480.48	14,699.77	5,079.65	9,620.12
2005	RFC	Wolverine Power Marketing Cooperative	U.S.	13,572.71	4,690.43	8,882.28	3,393.18	1,172.61	2,220.57
2005	RFC	Wolverine Power Supply Cooperative	U.S.	1,553.44	536.56	1,016.87	388.36	134.14	254.22
2005	RFC	Wolverine Power Supply Cooperative	U.S.	16,365.07	5,655.06	10,710.01	4,091.26	1,413.76	2,677.50
2005	RFC	WPS Energy Services, Inc.	U.S.	1,317.14	454.89	862.25	329.28	113.72	215.56
2005	RFC	WPS Energy Services, Inc.	U.S.	1,682.97	581.63	1,101.34	420.74	145.41	275.33
2005	RFC	Zelienople (ZELI)	U.S.	522.10	180.33	341.78	130.52	45.08	85.44
				14,321,241.10	4,948,769.10	9,372,472.00	3,580,310.29	1,237,192.27	2,343,118.02
2005	SERC	Alabama Electric Cooperative, Inc.	U.S.	90,690.31	43,830.63	46,859.68	22,672.58	10,957.66	11,714.92
2005	SERC	Alabama Municipal Electric Authority	U.S.	37,499.77	18,123.65	19,376.12	9,374.94	4,530.91	4,844.03
2005	SERC	Alabama Power Company	U.S.	624,146.35	301,649.27	322,497.08	156,036.59	75,412.32	80,624.27
2005	SERC	Ameren - CILCO	U.S.	71,895.20	34,747.09	37,148.12	17,973.80	8,686.77	9,287.03
2005	SERC	Ameren - IP	U.S.	207,026.26	100,055.57	106,970.69	51,756.56	25,013.89	26,742.67
2005	SERC	Ameren - UE/CIPS	U.S.	617,926.68	298,643.03	319,283.65	154,481.67	74,660.76	79,820.91
2005	SERC	APGI - Yadkin Division	U.S.	413.10	199.43	213.67	103.28	49.86	53.42
2005	SERC	Associated Electric Cooperative, Inc.	U.S.	193,605.54	93,569.19	100,036.35	48,401.39	23,392.30	25,009.09
2005	SERC	Big Rivers Electric Corporation	U.S.	117,233.29	56,658.49	60,574.81	29,308.32	14,164.62	15,143.70
2005	SERC	Black Warrior EMC	U.S.	4,658.54	2,251.30	2,407.24	1,164.64	562.83	601.81
2005	SERC	Blue Ridge EMC	U.S.	12,098.43	5,847.19	6,251.24	3,024.61	1,461.80	1,562.81
2005	SERC	Central Electric Power Cooperative Inc	U.S.	1,537.10	742.87	794.23	384.28	185.72	198.56
2005	SERC	City of Blountstown, FL	U.S.	436.21	211.05	225.16	109.05	52.76	56.29
2005	SERC	City of Camden, SC	U.S.	2,120.23	1,024.48	1,095.75	530.06	256.12	273.94
2005	SERC	City of Collins, MS	U.S.	451.61	218.45	233.17	112.90	54.61	58.29
2005	SERC	City of Columbia, MO	U.S.	15,120.66	7,307.97	7,812.69	3,780.16	1,826.99	1,953.17
2005	SERC	City of Conway, AR (Conway Corporation)	U.S.	9,543.61	4,612.44	4,931.17	2,385.90	1,153.11	1,232.79
2005	SERC	City of Dalton, GA	U.S.	17,907.10	8,654.48	9,252.62	4,476.77	2,163.62	2,313.15
2005	SERC	City of Evergreen, AL	U.S.	695.66	336.17	359.49	173.91	84.04	89.87
2005	SERC	City of Hampton, GA	U.S.	277.26	134.19	143.07	69.32	33.55	35.77
2005	SERC	City of Hartford, AL	U.S.	336.33	162.56	173.77	84.08	40.64	43.44
2005	SERC	City of Henderson, KY	U.S.	7,284.76	3,520.86	3,763.90	1,821.19	880.22	940.97
2005	SERC	City of North Little Rock, AR (DENL)	U.S.	11,209.13	5,417.50	5,791.63	2,802.28	1,354.37	1,447.91
2005	SERC	City of Orangeburg (SC) Department of Public	U.S.	10,458.00	5,054.17	5,403.83	2,614.50	1,263.54	1,350.96
2005	SERC	City of Robertsdale, AL	U.S.	662.64	320.31	342.33	165.66	80.08	85.58
2005	SERC	City of Ruston, LA (DERS)	U.S.	3,018.67	1,459.08	1,559.60	754.67	364.77	389.90
2005	SERC	City of Seneca, SC	U.S.	1,897.86	917.17	980.69	474.46	229.29	245.17
2005	SERC	City of Troy, AL	U.S.	3,731.78	1,803.63	1,928.16	932.95	450.91	482.04
2005	SERC	City of West Memphis, AR (West Memphis	U.S.	4,249.20	2,053.68	2,195.52	1,062.30	513.42	548.88
2005	SERC	Dominion Virginia Power	U.S.	904,198.98	436,998.28	467,200.69	226,049.74	109,249.57	116,800.17
2005	SERC	Duke Energy Carolinas	U.S.	897,856.49	433,933.07	463,923.42	224,464.13	108,483.27	115,980.86
2005	SERC	East Kentucky Power Cooperative	U.S.	132,827.77	64,195.57	68,632.20	33,203.94	16,048.89	17,158.05
2005	SERC	East Mississippi (Includes SEPA)	U.S.	4,277.97	2,067.49	2,210.48	1,069.49	516.87	552.62
2005	SERC	Electric Energy Inc	U.S.	545.82	263.69	282.13	136.45	65.92	70.53
2005	SERC	EnergyUnited EMC	U.S.	24,875.50	12,022.37	12,853.13	6,218.87	3,005.59	3,213.28
2005	SERC	Entergy	U.S.	1,127,033.05	544,693.91	582,339.14	281,758.26	136,173.48	145,584.78
2005	SERC	Fayetteville (NC) Public Works Commission	U.S.	24,083.07	11,639.21	12,443.87	6,020.77	2,909.80	3,110.97
2005	SERC	Florida Public Utilities (FL Panhandle Load)	U.S.	3,782.06	1,827.78	1,954.29	945.51	456.94	488.57
2005	SERC	French Broad EMC	U.S.	5,407.98	2,613.82	2,794.16	1,351.99	653.45	698.54
2005	SERC	Georgia Power Company	U.S.	930,669.59	449,791.39	480,878.20	232,667.40	112,447.85	120,219.55
2008	SERC	Georgia System Operations Corporation	U.S.	388,277.80	187,654.32	200,623.48	97,069.45	46,913.58	50,155.87
2009	SERC	Greenwood (SC) Commissioners of Public Works	U.S.	3,395.21	1,640.95	1,754.26	848.81	410.24	438.57
2010	SERC	Gulf Power Company	U.S.	126,267.94	61,024.93	65,243.01	31,566.98	15,256.23	16,310.75
2011	SERC	Illinois Municipal Electric Agency	U.S.	18,524.36	8,953.00	9,571.36	4,631.09	2,238.25	2,392.84
2012	SERC	Kentucky Utilities Company	U.S.	222,740.88	107,650.35	115,090.53	55,685.22	26,912.59	28,772.63
2013	SERC	Louisiana Generating, LLC	U.S.	91,559.68	44,250.74	47,308.94	22,889.92	11,062.69	11,827.23
2014	SERC	Louisville Gas & Electric Company	U.S.	131,899.99	63,746.88	68,153.11	32,975.00	15,936.72	17,038.28

2007 Allocation of NERC and Regional Entity Costs to Load Serving Entities (or designee)

				ANNUAL			QUARTERLY		
Data Year	Regional Entity	Entity	Country	Total ERO Funding (w/ RE costs)	Total NERC Funding	Regional Entity Funding (including RAB funding)	Total ERO Funding	NERC Funding	Regional Entity Funding (including RAB funding)
2005	WECC	Portland General Electric Company - PGE	U.S.	344,112.48	91,235.45	252,877.03			
2005	WECC	Public Service Company of Colorado (Xcel)	U.S.	705,102.17	186,945.60	518,156.57			
2005	WECC	Public Service Company of New Mexico	U.S.	239,095.53	63,392.03	175,703.50			
2005	WECC	Public Utility District No. 1 of Chelan County	U.S.	52,056.70	13,801.93	38,254.77			
2005	WECC	Public Utility District No. 1 of Douglas County	U.S.	21,764.12	5,770.38	15,993.74			
2005	WECC	Public Utility District No. 2 of Grant County	U.S.	65,893.28	17,470.46	48,422.82			
2005	WECC	Puget Sound Energy	U.S.	425,625.88	112,847.31	312,778.57			
2005	WECC	Salt River Project	U.S.	466,175.26	123,598.28	342,576.99			
2005	WECC	San Carlos Indian Irrigation Project - APS	U.S.	2.60	0.69	1.91			
2005	WECC	Seattle City Light	U.S.	172,347.23	45,694.88	126,652.36			
2005	WECC	Sempra Energy Solutions - PGE	U.S.	18,547.23	4,917.48	13,629.76			
2005	WECC	Sierra Pacific Resource Transmission	U.S.	180,508.76	47,858.76	132,650.00			
2005	WECC	SMUD Utility - SMUD	U.S.	196,999.39	52,230.97	144,768.42			
2005	WECC	Tacoma Power	U.S.	85,306.90	22,617.64	62,689.26			
2005	WECC	The City of Burbank - LDWP	U.S.	20,051.95	5,316.43	14,735.53			
2005	WECC	The City of Glendale - LDWP	U.S.	20,729.48	5,496.06	15,233.42			
2005	WECC	Tohono O'Odham Utility Authority - APS	U.S.	1,316.76	349.12	967.64			
2005	WECC	Town of Wickenburg - APS	U.S.	526.70	139.64	387.05			
2005	WECC	Tucson Electric Power Company	U.S.	216,603.20	57,428.58	159,174.62			
2005	WECC	Turlock Irrigation District	U.S.	3,063.56	812.25	2,251.31			
2005	WECC	Unisource Electric - APS	U.S.	30,394.12	8,058.47	22,335.65			
2005	WECC	Unit B Irrigation District - APS	U.S.	0.32	0.08	0.23			
2005	WECC	Western (WAPA-Sierra Nevada Region) - SMUD	U.S.	22,765.23	6,035.81	16,729.42			
2005	WECC	Western Area Power Administration - Billings, MT	U.S.	9,939.31	2,635.24	7,304.08			
2005	WECC	Western Area Power Administration - Loveland,	U.S.	360,654.29	95,621.22	265,033.07			
2005	WECC	Western Area Power Administration - Phoenix, AZ	U.S.	191,812.91	50,855.86	140,957.04			
2005	WECC	Yuma Irrigation District - APS	U.S.	54.44	14.43	40.01			
2005	WECC	Yuma-Mesa Irrigation District - APS	U.S.	3.22	0.85	2.37			
				14,487,291.91	3,841,053.91	10,646,238.00			
		Total		68,757,622.38	22,487,331.21	46,270,289.17	13,567,582.55	4,661,569.80	8,906,012.75

Su: by Regional Entity

2005	ERCOT	6,264,938.24	1,394,183.24	4,870,755.00
2005	FRCC	3,640,295.52	1,190,001.32	2,450,294.20
2005	MRO	6,512,689.44	1,491,101.63	5,021,587.82
2005	NPCC	8,564,908.40	3,350,547.25	5,214,361.15
2005	RFC	14,321,241.10	4,948,769.10	9,372,472.00
2005	SERC	10,680,360.41	5,161,805.41	5,518,555.00
2005	SPP	4,285,897.37	1,109,871.37	3,176,026.00
2005	WECC	14,487,291.91	3,841,053.91	10,646,238.00
		68,757,622.38	22,487,333.21	46,270,289.17

EAST KENTUCKY POWER COOPERATIVE, INC.
PSC CASE NO. 2006-00472
FOURTH DATA REQUEST RESPONSE

COMMISSION STAFF'S FOURTH DATA REQUEST DATED 05/30/07
REQUEST 2
RESPONSIBLE PERSON: **William A. Bosta/Ann F. Wood**
COMPANY: **East Kentucky Power Cooperative, Inc.**

Request 2. Refer to the response to the Staff's Third Request, Item 5.

Request 2a. In the response to Item 5(c) EKPC states, "If the surcharge is to be excluded EKPC concurs with the approach followed in the aforementioned KU and LGE proceedings." Does EKPC contend that an exclusion is not necessary? Explain the response and include a discussion of how EKPC's position is consistent with the provisions of KRS 278.183(2).

Request 2b. In the response to Item 5(c) EKPC states, "The 1.35 TIER proposed by EKPC or any approved TIER different than 1.15 in this proceeding may necessitate a further adjustment in either the base revenue requirement or surcharge." Explain the meaning of this statement and provide examples of the type of "further adjustment" EKPC would envision.

Response 2a,b. Attached is a revised response to Staff Third Item 5(a)(1) and (2) which excludes the synchronization amount of $490,633 as provided to Exhibit F, Schedule 1, page 2 of 4. EKPC incorrectly included the expense month revenue of $57,962,407 rather than the book revenue of $57,471,774 from Exhibit F, Schedule 1, page 2 of 4.

EKPC believes that the only adjustment required for excluding the environmental surcharge from book data is the environmental surcharge synchronization adjustment included in the filing in Exhibit F, Schedule 1, page 2 of 4, and that its position is in compliance with KRS 278.183(2). By including (i.e. by not excluding) the same level of environmental surcharge per book revenues and environmental surcharge costs in the case, the effect of the surcharge is effectively eliminated. EKPC did not exclude the difference in the requested 1.35 TIER in this case versus the 1.15 TIER on the approved assets included in the environmental surcharge, as it believes that an overall TIER of 1.35 is appropriate for all of its assets. It is EKPC's understanding that such an approach is consistent with the KU and LG&E approach where the debt cost assigned to the surcharge rate base was carved out of the total ratemaking capitalization in Case Nos. 98-00426 and 98-00474.

A further adjustment may be required at some point. If the revenue requirement difference in the requested 1.35 TIER and the 1.15 TIER associated with environmental surcharge assets is eliminated from this case and the Commission awards EKPC a 1.35 TIER in base rates, EKPC will need to promptly petition the Commission to increase the TIER in the surcharge to 1.35, due to its deteriorated financial condition. Alternatively, if the 1.35 TIER is applicable to all interest expense in this case, including the interest expense associated with the environmental surcharge, then the surcharge TIER will remain at a 1.15 TIER level on those existing environmental surcharge assets because the difference in the 1.35 and 1.15 TIER is effectively recovered in base rates for those environmental surcharge assets.

Staff Third Data Request 5(a)(1)
As Revised

East Kentucky Power Cooperative, Inc. and Subsidiary
Interim Consolidated Balance Sheets
(Dollars in Thousands) unaudited

	September 30 2006	Adjustment for ES Assets	Adjusted at Sept. 30, 2006
ASSETS			
Electric plant, at original cost			
In-service	$ 2,052,639	$ (221,507)	$ 1,831,132
Construction in Progress	300,891		300,891
	2,353,530	(221,507)	2,132,023
Less accumulated depreciation	804,958	(32,079)	772,879
Electric plant, net	1,548,572	(189,428)	1,359,144
Long-term accounts receivable	8,811		8,811
Investment Securities			
Available for sale	44,396		44,396
Held to maturity	8,216		8,216
Current Assets			
Cash and cash equivalents	81,364	(880)	80,484
Accounts Receivable	51,685		51,685
Fuel	37,111		37,111
Materials and supplies	36,414	(210)	36,204
Emission allowances	50,282	(49,929)	353
Other	2,075		2,075
Total current assets	258,931	(51,019)	207,912
Deferred charges	4,623		4,623
Other	5,846		5,846
Total assets	$ 1,879,395	$ (240,447)	$ 1,638,948
LIABILITIES AND MEMBERS' EQUITIES			
Members' equities	$ 91,986	$ (1,053)	$ 90,933
Long-tem debt	1,621,262	(239,394)	1,381,868
Current liabilities			
Accounts payable	32,623		32,623
Accrued expenses	26,721		26,721
Total current liabilities	59,344		59,344
Accrued postretirement benefit cost	48,854		48,854
Other	57,949		57,949
Total liabilities and members' equities	$ 1,879,395	$ (240,447)	$ 1,638,948

Staff Third Data Request 5(a)(2)
As Revised

East Kentucky Power Cooperative, Inc. and Subsidiary
Interim Consolidated Statements of Revenue and Expenses
(Dollars in Thousands) unaudited

	Twelve Months Ended Sept 30, 2006	ES Adj	OSS Adj	Adjusted 12 mo Ended Sept. 30, 2006
Operating Revenue	$ 667,784	$ (57,472)	$ (635)	$ 609,677
Operating Expenses:				
Fuel	272,236			272,236
Other Production	123,180	(38,605)		84,575
Purchased Power	103,501			103,501
Transmission and Distribution	25,196			25,196
Depreciation	55,135	(8,554)		46,581
General and Administrative	39,343			39,343
	618,591	(47,159)	-	571,432
Operating Margins	49,193	(10,313)	(635)	38,245
Interest expense	79,680	(9,895)		69,785
Net Operating Deficit	(30,487)	(418)	(635)	(31,540)
Nonoperating Margins				
Interest Income	7,542			7,542
Allowance for Funds Used During Construction	6,619			6,619
Assessments	(32,555)			(32,555)
Miscellaneous	909			909
	(17,485)	-	-	(17,485)
Capital Credits and Patronage Capital Allocations	316			316
Net Deficit	$ (47,656)	$ (418)	$ (635)	$ (48,709)

EAST KENTUCKY POWER COOPERATIVE, INC.
PSC CASE NO. 2006-00472
FOURTH DATA REQUEST RESPONSE

COMMISSION STAFF'S FOURTH DATA REQUEST DATED 05/30/07
REQUEST 3
RESPONSIBLE PERSON: **Frank J. Oliva**
COMPANY: **East Kentucky Power Cooperative, Inc.**

Request 3. Refer to the response to the Staff's Third Request, Item 6.

Request 3a. Concerning the response to Item 6(a), what was the average annual interest rate EKPC experienced on its investments for calendar years 2001 through 2006?

Response 3a. Below are the average annual investment interest rates for the years 2001 through 2006:

2001 - 5.90 %	2004 - 3.41 %
2002 - 4.40 %	2005 - 4.19 %
2003 - 3.64 %	2006 - 4.99 %

Request 3b. For the 6 months after test-year end, did EKPC experience interest rates on its investments that were significantly higher, significantly lower, or about the same as experienced during the test year?

Response 3b. For the 6 months after the test-year, the investment rates were slightly higher than experienced during the actual test-year.

Request 3c. What are EKPC's expectations concerning the interest rates available for its investments over the next 12 months? Explain the response.

Response 3c. EKPC anticipates that investment interest rates will remain about the same, if not slightly lower than current levels. Many economists do not anticipate a rise in the Fed Funds rate during 2007 (a rate that helps fuel investment rates), while other economists predict that there may even be a slight drop in the rate.

Request 3d. Refer to the response to Item 6(e), the Attachment, pages 1 and 4 of 6. Explain how EKPC could earn interest income, as shown on page 1 of 6, in February, March, and April of 2005 on "Temporary Cash Investments – Smith Pollution Control Bond Fund" when there is no indication that investment funds were available, as shown on page 4 of 6.

Response 3d. EKPC mistakenly omitted the actual investment in the Smith Bond fund. That investment for the months ending February and March 2005 should have been $46,299.

Request 3e. Refer to the response to Item 6(e), the Attachment, pages 1 through 3 of 6.

(1) What was the average actual monthly interest income for the 27 months covered by the response?

(2) Using the response to subpart (1) above, calculate an annualized interest income.

Response 3e. (1) The average actual monthly interest income for the 27 months ending March 31, 2007 was $626,410.

(2) Using the above actual monthly interest income for the 27 months ending March 31, 2007, the annualized interest income would be $7,516,920.

EAST KENTUCKY POWER COOPERATIVE, INC.
PSC CASE NO. 2006-00472
FOURTH DATA REQUEST RESPONSE

COMMISSION STAFF'S FOURTH DATA REQUEST DATED 05/30/07
REQUEST 4
RESPONSIBLE PERSON: **Ann F. Wood**
COMPANY: **East Kentucky Power Cooperative, Inc.**

Request 4. Refer to the response to the Staff's Third Request, Item 9, and the response to the KIUC Second Request, Item 1.52, page 2 of 2. EKPC has proposed to recognize annualized salaries of $1,996,160 for 30 new employees it had expected to hire by March 31, 2007.

Request 4a. Using the information provided in the referenced data responses, provide the annualized salaries for those positions which have been filled by EKPC.

Response 4a. Annualized salaries for those positions that have been filled by EKPC are listed on page 2 of this response.

Request 4b. Would EKPC agree that, if any of the new positions are recognized as part of the payroll adjustment, only the annualized salaries for the new positions actually hired should be included in the adjustment? Explain the response.

Response 4b. EKPC agrees that only the annualized salaries for the new positions actually hired should be included in the adjustment. As a result of cost containment efforts in place at EKPC, only 7 of the 30 budgeted new employees have been hired.

	Annualized Salaries of Filled Positions
Dale Lab Tech	$ 41,700
Operations Engineer--PD	$ 86,800
Const. Tech--PD	$ 32,575
Landfill Operator	$ 54,000
Plant Safety/Whse Coord.	$ 61,000
Maint Mat Specialist	$ 51,400
Whse Safety Coor	$ 60,000
	$ 387,475

EAST KENTUCKY POWER COOPERATIVE, INC.
PSC CASE NO. 2006-00472
FOURTH DATA REQUEST RESPONSE

COMMISSION STAFF'S FOURTH DATA REQUEST DATED 05/30/07
REQUEST 5
RESPONSIBLE PERSON: **Ann F. Wood**
COMPANY: **East Kentucky Power Cooperative, Inc.**

Request 5. Refer to the response to the Staff's Third Request, Item 10.

Request 5a. Refer to the response to Item 10(c). EKPC was asked if cost/benefit analyses or studies were performed by or for EKPC concerning the "earlyout" retirement program. In addition, if no cost/benefit analyses or studies were performed, EKPC was requested to explain in detail why such analyses or studies were not performed. EKPC responded that there were no cost/benefit analyses performed concerning the program, but failed to provide the requested explanation. Provide the originally requested explanation of why cost/benefit analyses were not performed.

Response 5a. EKPC Human Resources projected the annual savings associated with the "early-out" program, assuming all eligible employees accepted the "early-out" offer, and used that analysis to make the "early-out" offer.

Request 5b. Refer to the response to Item 10(e).

(1) Provide a breakdown of the total annual savings associated with the "early-out" retirement program between salaries, payroll taxes, and employee benefits.

(2) Would EKPC agree that the annual savings associated with this program should be included for rate-making purposes in this proceeding? Explain the response.

Response 5b. (1) Below is a breakdown of the annual savings associated with the "early-out" retirement program.

Salaries	$565,845
Payroll Taxes	28,911
Benefits	283,720
Total	$878,476

(2) EKPC agrees that the annual savings associated with this program should be considered for rate-making purposes in this proceeding.

Request 5c. Refer to the response to Item 10(f).

(1) Explain why EKPC believes the total actual costs of the program of $601,450.60 reflect an immediate cash outlay.

(2) How many annual installments did EKPC elect to utilize to finance the $601,450.60?

(3) If EKPC elected to pay the $601,450.60 in multiple annual installments, calculate the total cost including the 8.5 percent annual interest charged on the installments.

(4) If the costs associated with the "early-out" retirement program were to be included for rate-making purposes in this proceeding, would EKPC agree that the adjustment should recognize the number of years over which the total costs have been financed? Explain the response.

Response 5c.

(1) EKPC has elected to pay the $601,450.60 in one payment.

(2) Please see (1) above.

(3) Not applicable. Please see (1) above.

(4) Not applicable. Please see (1) above.

EAST KENTUCKY POWER COOPERATIVE, INC.
PSC CASE NO. 2006-00472
FOURTH DATA REQUEST RESPONSE

COMMISSION STAFF'S FOURTH DATA REQUEST DATED 05/30/07
REQUEST 6
RESPONSIBLE PERSON: **Ann F. Wood**
COMPANY: **East Kentucky Power Cooperative, Inc.**

Request 6. Refer to the response to the Staff's Third Request, Item 11.

Request 6a. As of test-year end, provide the total number of employees who paid a family contribution to medical costs and the total number of employees who paid a single contribution to medical costs.

Response 6a. As of test-year end, EKPC did not require employee contributions to the medical plan. Such contributions began in January 2007. As of January 1, 2007, the participants are categorized as follows:

	Employee Single	Employee & Spouse	Employee & Children	Employee, Spouse & Children
Full-Time	113	167	87	243
Retired	64	94	2	3
Disabled	11	12		4
Widows	32		1	
COBRA	5		1	

Request 6b. Explain why it is reasonable to use the mathematic average of the contribution rates for the two options rather than a weighted average approach that would reflect the proportion of family and single contributions.

Response 6b. As of the time of the filing, the categorization above was unknown. The approach used in the rate application was the best estimate available.

EAST KENTUCKY POWER COOPERATIVE, INC.
PSC CASE NO. 2006-00472
FOURTH DATA REQUEST RESPONSE

COMMISSION STAFF'S FOURTH DATA REQUEST DATED 05/30/07
REQUEST 7
RESPONSIBLE PERSON: **Ann F. Wood**
COMPANY: **East Kentucky Power Cooperative, Inc.**

Request 7. Refer to the response to the Staff's Third Request, Item 12.

Request 7a. Do the property tax assessments issued by the Kentucky Department of Revenue ("KDR") always match exactly the net book values EKPC provided to KDR? If no, describe the type and nature of the differences.

Response 7a. Yes, the assessments always match exactly.

Request 7b. Explain how construction work in progress is treated in the determination of property taxes.

Response 7b. Projects that are listed in construction work in process (CWIP) are analyzed in the same manner as all plant accounts and assigned to the appropriate county. The amount reported in each county is 50% of the total CWIP for that county. The exception to this would be land for which EKPC possesses the deed; land is reported at 100% of its value.

EAST KENTUCKY POWER COOPERATIVE, INC.
PSC CASE NO. 2006-00472
FOURTH DATA REQUEST RESPONSE

COMMISSION STAFF'S FOURTH DATA REQUEST DATED 05/30/07
REQUEST 8
RESPONSIBLE PERSON: **Ann F. Wood**
COMPANY: **East Kentucky Power Cooperative, Inc.**

Request 8. Refer to the Application, Exhibit F, Schedule 8, page 3 of 3, and Schedule 9, page 2 of 2.

Request 8a. Explain in detail why both proposed adjustments to property taxes compare a normalized level of property taxes to the test-year actual property tax expense.

Request 8b. Explain why these proposed adjustments to property taxes were not calculated in a manner similar to the approach used for depreciation expense, where the first adjustment compared the annualized expense to the test-year actual expense and then the second adjustment compared the annualized expense with a final normalization of expense that reflected the new depreciation rates.

Response 8a,b. EKPC's approach to this computation was considered a reasonable method at the time of filing. EKPC could have calculated property taxes in a manner similar to the approach used for depreciation expense. Please see this calculation on Page 2 of 2.

Rate change on property tax

TAX CATEGORY	TAX RATE	9/30/06 NBV	Annualized Taxes
CHARLESTON BOTTOMS	0.007215	23,884,117	172,324
COMMUNICATION EQUIP	0.0015	16,824,088	25,236
COOPER	0.005219	8,855,249	46,216
DALE	0.00616	6,700	41
DIESEL GENERATORS	0.0015	1,441,045	2,162
GENERAL	0.00616	11,033,825	67,968
LAB	0.00616	604,515	3,724
LAND	0.00584	46,933,126	274,089
LANDFILL	0.0015	8,313,000	12,469
LINES	0.0045	35,046,644	157,710
POLES	0.0015	36,334,312	54,501
ROADS	0.00136	-	-
SMITH	0.00616	202,114,185	1,245,023
SPURLOCK	0.00275	300,248,024	825,682
GILBERT	0.00275	379,828,140	1,044,527
STATION EQUIP	0.0015	137,418,542	206,128
VEHICLES			80,000
INTANGIBLE - A/R	0.0025		160,000
INTANGIBLE - INVEST	0.00015		3,600
			4,381,402
Test Year Annualized Property Taxes			4,346,462
Adjustment			34,939

EAST KENTUCKY POWER COOPERATIVE, INC.
PSC CASE NO. 2006-00472
FOURTH DATA REQUEST RESPONSE

COMMISSION STAFF'S FOURTH DATA REQUEST DATED 05/30/07
REQUEST 9
RESPONSIBLE PERSON: **Ann F. Wood**
COMPANY: **East Kentucky Power Cooperative, Inc.**

Request 9. Refer to the response to the Staff's Third Request, Item 13 and the response to the KIUC Second Request, Item 1.23, page 2 of 2.

Request 9a. Does EKPC receive an initial property tax assessment and a final property tax assessment from either the KDR or the various county property valuation administrators? Explain the response.

Response 9a. EKPC prepares and submits its property tax return to the KDR. The KDR, after reviewing the return, sends EKPC an initial property tax assessment for each taxing district. EKPC has 45 days to review the data and make any necessary corrections before the assessments become final. After the assessments are finalized, the KDR sends each taxing district their assessment for use in preparing the actual tax bills.

Request 9b. Do the schedules shown on pages 3 through 8 of 42; pages 10 through 14 of 42; pages 16 through 21 of 42; pages 23 through 28 of 42; pages 30 through 35 of 42; and pages 37 through 42 of 42 reflect a recap of the actual property tax bills received for a particular year? If no, explain what these schedules represent.

Response 9b. Yes, these schedules are a recap of actual tax bills received. Pages 3 through 8 of 42 are for 2001; pages 10 through 14 of 42 are for 2002; pages 16 through 21 of 42 are for 2003; pages 23 through 28 of 42 are for 2004; pages 30 through 35 of 42 are for 2005; pages 37 through 42 of 42 are for 2006.

Request 9c. Refer to the response to the KIUC Second Request, Item 1.23. In this response EKPC has indicated that, with the exception for the state rates, all property tax rates reflect an averaging calculation based on actual 2004 property taxes.

(1) Explain why it is reasonable to utilize averaged property tax rates to calculate the property tax adjustment.

(2) Explain in detail why the averaged property tax rates were based on 2004 taxes rather than 2006.

Response 9c. (1) EKPC has historically utilized an average rate calculation, by account code, to budget for property taxes. This methodology has proven to be reasonable for the past.

(2) Typically the rates do not fluctuate significantly from year to year and 2004 was the last time that EKPC had updated the average rates utilized in the budgeting of property taxes.

Request 9d. Refer to the response to Item 13, pages 37 through 42 of 42.

(1) Could the proposed adjustment to property taxes have been determined by substituting the adjusted net book values as determined by EKPC for the amounts shown in the column titled "Assess" and then calculating the revised tax bills?

(2) Explain why this approach was not utilized.

(3) Provide a property tax adjustment for EKPC using the approach outlined in subpart (1) above.

Response 9d. (1) The proposed adjustment to property taxes was determined based on the net book value (NBV) at the account balance level multiplied by the various state and/or taxing district rates. This account balance methodology was a more reasonable approach than the taxing district methodology.

(2) EKPC has historically tracked property taxes, by taxing district, as the bills are received.

(3) See the attached schedule, which was prepared utilizing the 12/31/06 NBV, by taxing district, as reported to the KDR on EKPC's property tax return. Please note that the original property tax adjustment was determined based on 09/30/06 NBV, whereas, this schedule is based on 12/31/06 NBV (with 3 additional months of depreciation), which decreased the property tax liability.

2006 PROPERTY TAX BILLS

DISTRICT	R/E-1 T-3	ASSESS	COUNTY	SCHOOL	HEALTH	LIBRARY	EXT	SOIL	SPECIAL SCHOOL	FIRE	HOSPITAL	AMBULANCE	OTHER	TOTAL TAX BILL
ADAIR	1	52,422	0.0860	0.4040	0.0250	0.0370	0.0270	0.0070				0.0420		329.21
ADAIR	3	1,786,243	0.1662	0.4450	0.0250	0.0692	0.0521					0.0420		14,281.01
ANDERSON	1	234,827	0.1100	0.5470	0.0250	0.0710				0.0400				1,862.18
ANDERSON	3	959,356	0.1443	0.5470	0.0250	0.1506				0.0780				9,064.95
BARREN	1	183,545	0.1350	0.5450		0.0290	0.0160							1,330.70
BARREN	3	3,386,927	0.1530			0.0254	0.0160							6,584.19
BARREN (BARREN CO SCHOOL)	3	3,386,927		0.5450										18,458.75
BARREN (GLASGOW SCHOOL TAX)	3	92,519		0.6640										614.33
GLASGOW (BARREN) CITY TAXES	3	92,519											0.1510	139.70
BATH	1	69,371	0.1050	0.3580	0.0400	0.0620	0.0374	0.0156		0.0780		0.0620		525.83
BATH	3	948,317	0.1050	0.3580	0.0400	0.0998	0.0575			0.0780		0.0620		7,589.38
BOONE	1	1,293,194	0.0990	0.5240	0.0200	0.0720	0.0190							9,492.04
BURLINGTON FIRE (BOONE)	1	39,760								0.1500				59.64
FLORENCE FIRE (BOONE)	1	800								0.1000				0.80
HEBRON FIRE (BOONE)	1	210,093								0.1020				214.29
PT PLEASANT FIRE (BOONE)	1	5,837								0.1650				9.63
UNION FIRE (BOONE)	1	10,910								0.0680		0.0610		14.07
VERONA FIRE (BOONE)	1	14,237								0.0680		0.0610		18.37
WALTON FIRE (BOONE)	1	1,011,557								0.1750				1,770.22
BOONE	3	2,698,279	0.1540	0.5250	0.0200	0.1812	0.0356							24,710.84
BURLINGTON FIRE (BOONE)	3	227,829								0.1500				341.74
FLORENCE FIRE (BOONE)	3	191,346								0.1000				191.35
HEBRON FIRE (BOONE)	3	49,413								0.1050				51.88
PT PLEASANT FIRE (BOONE)	3	32,066								0.1650				52.91
UNION FIRE (BOONE)	3	1,224,297								0.1000		0.1000		2,448.59
VERONA FIRE (BOONE)	3	476,522								0.1000				476.52
WALTON FIRE (BOONE)	3	496,806								0.1750				869.41
CITY OF FLORENCE (BOONE)	3	191,346											0.4750	908.89
BOONE (CB)	3	266,440	0.1540	0.5250	0.0200	0.1812	0.0356							2,440.06
UNION FIRE (CB-BOONE)	3	233,171								0.1000		0.1000		466.34
VERONA FIRE (CB-BOONE)	3	33,269								0.1000				33.27
UNION (CITY-EKPC)	1	10,910											0.2210	24.11
UNION (CITY-EKPC)	3	1,224,297											0.1990	2,436.35
UNION (CITY-CB)	3	233,171											0.1990	464.01
WALTON (CITY-EKPC)	1	1,011,557											0.1130	1,143.06
WALTON (CITY-EKPC)	3	496,806											0.2310	1,147.62
BOURBON	1	80,350	0.1170	0.4780	0.0290	0.0630	0.0170	0.0070						571.29
BOURBON	3	1,523,405	0.1170	0.4780	0.0290	0.0932	0.0254							11,312.81
BOYD	3	5,499	0.2000	0.4160	0.0340	0.1888	0.0410			0.1000		0.0660		57.51
BOYLE	1	9,463	0.0520	0.4600	0.0230	0.0500		0.0260		0.1000				67.28
BOYLE	3	876,300	0.0639	0.4740	0.0230	0.0884		0.0692		0.1000				7,172.52
BRACKEN	1	87,884	0.5915	0.3640										839.73
BRACKEN	3	380,559	1.1041	0.3680										5,602.21
BRACKEN CB	3	561,848	1.1041	0.3680										8,270.96
BREATHITT	1	1,200	0.0980	0.4070	0.0400	0.0690	0.0570	0.0190						8.28
BREATHITT	3	193,974	0.1120	0.4070	0.0400	0.0838	0.0818							1,405.54
BULLITT	1	575,739	0.0930	0.5110	0.0240	0.0440	0.0086							3,918.48
BULLITT	3	1,881,103	0.1590	0.5520	0.0240	0.1141	0.0186							16,322.33
MT WASHINGTON (BULLITT)	1	94,162								0.1000				94.16
MT WASHINGTON (BULLITT)	3	98,301								0.1000				98.30
NICHOLS FIRE (BULLITT)	1	326,635								0.1000				326.64
SE BULLITT FIRE (BULLITT)	1	126,268								0.1000				126.27
SE BULLITT FIRE (BULLITT)	3	1,523,507								0.1000				1,523.51
ZONETON (BULLITT)	1	28,674								0.0940				26.95
ZONETON (BULLITT)	3	259,295								0.1000				259.30
BUTLER	1	28,298	0.0840	0.3770	0.0225	0.0490	0.0384							161.55
BUTLER	3	430	0.0840	0.3770	0.0225	0.0896	0.0585							2.72

DISTRICT	T-3	ASSESS	COUNTY	SCHOOL	HEALTH	LIBRARY	EXT	SOIL	SCHOOL	FIRE	HOSPITAL	AMBULANCE	OTHER	TOTAL TAX BILL
CAMPBELL	1	1,543	0.1100	0.5090	0.0230	0.0640	0.0210	0.0028						11.26
CAMPBELL	3	340,637	0.1834	0.5270	0.0230	0.0947	0.0376							2,948.89
CAMPBELL-FIRE DISTRICT #4	1	1,543								0.1000				1.54
CAMPBELL-FIRE DISTRICT #4	3	340,637								0.1000				340.64
CARROLL	1	5,885	0.0550	0.4620	0.0560	0.0690								37.78
CARROLL	3	1,250,580	0.1530	0.4620	0.0560	0.0893								9,508.16
GHENT FIRE (CARROLL)	3	80,954								0.08000				64.76
GHENT City taxes (CARROLL)	3	80,954											0.2500	202.39
CARTER	1	83,598	0.0700	0.4040	0.0300		0.0290					0.0730		506.60
CARTER	3	1,041,887	0.0790	0.4040	0.0300		0.0442					0.0730		6,565.97
CASEY	1	184,681	0.0690	0.3900	0.0250	0.0630	0.0140	0.0140			0.0650	0.0230		1,224.44
CASEY	3	6,223,814	0.0690	0.3900	0.0250	0.1236	0.0153				0.0650	0.0230		44,245.09
CLARK	1	30,832,496	0.0800	0.4030	0.0320	0.0490	0.0170							179,136.80
CLARK	3	24,924,363	0.1050	0.4240	0.0320	0.0787	0.0276							166,320.27
CLAY	1	118,494	0.0750	0.4670	0.0600	0.0390	0.0330	0.0100						810.50
CLAY	3	1,509,212	0.0750	0.4670	0.0600	0.0656	0.0565							10,928.20
CLINTON	1	150,878	0.0570	0.3980	0.0250	0.0190	0.0260	0.0147						814.29
CLINTON	3	1,029,271	0.0780	0.4000	0.0250	0.0261	0.0452							5,911.10
ALBANY (CLINTON)	1	7,240											0.1799	13.02
ALBANY (CLINTON)	3	102,507											0.2000	205.01
CUMBERLAND	3	1,074,479	0.0530	0.3280	0.0300	0.0100	0.0105					0.0250		4,905.43
ELLIOTT	1	177,608	0.1240	0.4060	0.0250		0.0650	0.0200				0.0880		1,292.99
ELLIOTT	3	2,361,060	0.1240	0.4660	0.0250		0.0650					0.0880		18,132.94
ESTILL	1	39,826	0.0840	0.4570	0.0800	0.0790	0.0400	0.0150				0.1000		340.51
ESTILL	3	998,256	0.1050	0.4640	0.0800	0.1823	0.0925					0.1000		10,220.14
FAYETTE	1	144,894	0.0800	0.5410	0.0280		0.0031	0.0004					0.0600	1,032.37
FAYETTE	3	1,370,417	0.0990	0.5410	0.0280		0.0034						0.0600	10,023.23
LEXINGTON (FAYETTE)	1*	144,894											0.1904	275.88
FLEMING	1	177,945	0.1660	0.3510	0.0400	0.0530	0.0330	0.0070				0.0450		1,236.72
FLEMING	3	3,971,328	0.1660	0.3590	0.0400	0.0726	0.0453					0.0450		28,907.30
FLOYD	1	131,194	0.1280	0.5510	0.0400	0.0400	0.0155	0.0090						1,027.90
FLOYD	3	973,024	0.1470	0.5940	0.0400	0.0747	0.0250							8,569.42
AUXIER (FLOYD)	1	16,034								0.1000				16.03
AUXIER (FLOYD)	3	57,824								0.1000				57.82
GARRETT FIRE (FLOYD)	1	1,200								0.1000				1.20
MIDDLE CREEK FIRE (FLOYD)	3	241,285								0.1000				241.29
NORTH FLOYD (FLOYD)	1	113,960								0.1000				113.96
NORTH FLOYD (FLOYD)	3	458,914								0.1000				458.91
PRESTONSBURG (FLOYD)	3	215,001											0.2980	640.70
FRANKLIN	1	44,283	0.1370	0.5180	0.0400	0.0860	0.0124	0.0080						354.88
FRANKLIN	3	66,235	0.2030	0.5180	0.0400	0.1651	0.0210							627.31
GALLATIN	1	13,182	0.1000	0.5860	0.0550	0.0720	0.0350	0.0090						112.97
GALLATIN	3	1,257,940	0.1630	0.5860	0.0550	0.1195	0.0476							12,215.86
GARRARD	1	462,721	0.0790	0.5990	0.0400	0.0400	0.0311							3,651.33
GARRARD	3	1,643,472	0.1000	0.6150	0.0400	0.1219	0.0866							15,834.85
GARRARD FIRE #1	1	448,682								0.0830				372.41
GARRARD FIRE #1	3	683,590								0.0830				567.38
GARRARD FIRE #2	1	14,039								0.0650				9.13
GARRARD FIRE #2	3	309,622								0.0650				201.25
GARRARD FIRE #3	3	275,454								0.0600				165.27
GARRARD FIRE #4	3	55,196								0.0600				33.12
GARRARD FIRE #8	3	319,610								0.0600				191.77
GRANT	1	838,747	0.1440		0.0280	0.0480	0.0207	0.0100					0.0130	2,211.78
GRANT	3	2,332,234	0.1440		0.0280	0.0835	0.0390						0.0130	7,171.62
GRANT	1	838,747		0.5130										4,302.77
GRANT	3	2,332,234		0.5130										11,964.36
WILLIAMSTOWN SCH (GRANT)	1	6,500		0.7670										49.86
WILLIAMSTOWN SCH (GRANT)	3	256,529		0.7840										2,011.19
WILLIAMSTOWN SCH (GRANT)	1	6,500											0.2860	18.59

DISTRICT	T-3	ASSESS	COUNTY	SCHOOL	HEALTH	LIBRARY	EXT	SOIL	SCHOOL	FIRE	HOSPITAL	AMBULANCE	OTHER	TOTAL TAX BILL
WILLIAMSTOWN SCH (GRANT)	3	256,529											0.5640	1,446.82
GREEN	1	23,130	0.1080	0.3850	0.0250	0.0370	0.0363					0.0960		158.97
GREEN	3	2,917,359	0.1080	0.3850	0.0250	0.0627	0.0506					0.1000		21,334.65
GREENUP	1	39,950	0.1130	0.6240	0.0390	0.0670	0.0150							342.77
GREENUP	3	727,502	0.1507	0.6240	0.0390	0.1101	0.0160							6,837.06
LITTLE SANDY FIRE (GREENUP)	1	954,786								0.1000				954.79
LITTLE SANDY FIRE (GREENUP)	3	483,011								0.1000				483.01
LLOYD FIRE (GREENUP)	3	262,837								0.1000				262.84
MALONETON FIRE (GREENUP)	1	2,500								0.1000				2.50
MALONETON FIRE (GREENUP)	3	48,362								0.1000				48.36
LOAD FIRE (GREENUP)	3	183,986								0.1000				183.99
OLDTOWN FIRE (GREENUP)	3	342,214								0.1000				342.21
ELIZABETHTOWN (City tax bill) (HARDIN)	1	55,480											0.1220	67.69
HARDIN	1	329,219	0.1440											474.08
HARDIN	3	4,263,119	0.1496	0.5120										28,204.80
HARDIN	1	329,219		0.5060										1,665.85
HARDIN (ELIZABETHTOWN SCHOOL)	1	55,480							0.5970					331.22
HARLAN	1	72,670	0.2990	0.3880	0.0350	0.0540	0.0630	0.0090						616.24
HARLAN	3	987,901	0.3662	0.3880	0.0350	0.0699	0.0774							9,251.69
HARRISON	1	64,955	0.0970	0.3720	0.0600	0.0490	0.0280	0.0070		0.0600				437.15
HARRISON	3	3,557,436	0.1290	0.3980	0.0600	0.1087	0.0620			0.0600				29,089.15
HARRISON CB	3	427,911	0.1290	0.3980	0.0600	0.1087	0.0620			0.0600				3,499.03
HART	1	94,686	0.1030	0.4660		0.0450						0.0770		654.28
HART	3	1,261,094	0.1210	0.4660		0.0822						0.0900		9,574.23
HENRY	1	72,652	0.1170	0.5430	0.0400	0.0490	0.0300	0.0070						571.04
HENRY	3	974,346	0.1590	0.5430	0.0400	0.0976	0.0482							8,650.24
JACKSON	1	232,892	0.0710	0.4800	0.0950	0.0960	0.0360	0.0180						1,853.82
JACKSON	3	3,363,194	0.0710	0.5000	0.0950	0.2000	0.0544							30,954.84
MCKEE (JACKSON)	1	1,500											0.1700	2.55
MCKEE (JACKSON)	3	94,096											0.1700	159.96
JESSAMINE	1	325,188	0.0620	0.5940	0.0190	0.0480								2,351.11
JESSAMINE	3	1,037,465	0.1300	0.5960	0.0230	0.1012				0.0460				9,297.76
JESSAMINE FIRE	1	6,761								0.0480				3.25
NICHOLASVILLE (JESSAMINE)	1	6,761								0.0480				3.25
NICHOLASVILLE (JESSAMINE)	1	6,761											0.1760	11.90
JOHNSON	1	21,077	0.0990	0.4090	0.0400	0.0630	0.0228	0.0070						135.06
JOHNSON	3	1,650,093	0.0990	0.4090	0.0400	0.1108	0.0275							11,324.59
KENTON	1	256,390	0.1380	0.5560	0.0200	0.0820	0.0090						0.0300	2,140.86
KENTON	3	1,217,325	0.1800	0.5580	0.0200	0.1616	0.0100						0.0365	11,760.46
INDEPENDENCE (KENTON)	1	217,812								0.1950				424.73
INDEPENDENCE (KENTON)	3	570,357								0.2000				1,140.71
BOONE/WALTON FIRE (KENTON)	1	38,578								0.1750				67.51
BOONE/WALTON FIRE (KENTON)	3	238,519								0.1750				417.41
PINER-FISKBURG (KENTON)	3	254,952								0.1000				254.95
KENTON FIRE	3	153,497								0.2000				306.99
KENTON CB	3	217,110	0.1800	0.5580	0.0200	0.1616	0.0100						0.0365	2,097.48
BOONE/WALTON FIRE-KENTON CB	3	81,452								0.1750				142.54
CITY OF INDEPENDENCE (KENTON)	1	217,812											0.1770	385.53
CITY OF INDEPENDENCE (KENTON)	3	570,357											0.5780	3,296.66
KNOX	1	208,702	0.1090	0.4090	0.0400	0.0380	0.0250	0.0140				0.0420		1,412.91
KNOX	3	704,394	0.2442	0.4090	0.0400	0.1086	0.0471					0.0657		6,442.39
LARUE	1	2,220	0.1450	0.4010	0.0210	0.0400	0.0260		0.0580					15.34
LARUE	3	1,042,413	0.2258	0.4010	0.0210	0.0623	0.0475		0.0580					8,501.92
LAUREL	1	1,322,652	0.0650	0.4540	0.0400	0.0630	0.0160	0.0040						8,491.43
LAUREL	3	3,927,962	0.0650	0.4540	0.0400	0.1032	0.0222							26,882.97
LAWRENCE	1	9,220	0.1720	0.4200	0.0300	0.0800	0.0343	0.0120						68.99
LAWRENCE	3	655,516	0.1720	0.4200	0.0300	0.1215	0.0439			15.00				5,176.53
LEE	1	1,550	0.3350	0.2990	0.0380	0.0610	0.0360	0.0280						12.35
LEE	3	1,951,830	0.6700	0.2990	0.0380	0.1122	0.0573							22,963.28

DISTRICT	T-3	ASSESS	COUNTY	SCHOOL	HEALTH	LIBRARY	EXT	SOIL	SCHOOL	FIRE	HOSPITAL	AMBULANCE	OTHER	TOTAL TAX BILL
LETCHER	1	28,426	0.1300	0.4670	0.0350	0.0590	0.0384	0.0120						210.75
LETCHER	3	359,036	0.1300	0.5050	0.0350	0.0777	0.0503							2,865.11
LEWIS	1	31,593	0.1280	0.4070	0.0340	0.0360	0.0460							205.67
LEWIS	3	808,488	0.1410	0.4070	0.0380	0.0634	0.0827							5,918.94
TOLLSBORO (LEWIS)	3	373,755								0.1000				373.76
LINCOLN	1	81,465	0.0890	0.3760	0.0400	0.0330	0.0320			0.0660		0.0440		553.96
LINCOLN	3	807,962	0.0890	0.3820	0.0400	0.0569	0.0598			0.0660		0.0426		5,949.02
MADISON	1	315,546	0.0820	0.5350	0.0500	0.0390	0.0150					0.0530		2,442.33
MADISON	3	4,599,194	0.1000	0.5830	0.0500	0.0834	0.0325					0.0600		41,802.07
BEREA (MADISON)	3	13,668											0.0300	4.10
MAGOFFIN	1	47,023	0.2650	0.4100	0.0500	0.0520	0.0740	0.0140						406.75
MAGOFFIN	3	1,687,942	0.4718	0.4110	0.0500	0.0727	0.0935							18,549.81
MARION	1	30,637	0.0820	0.4720	0.0300	0.0320	0.0218						0.0110	198.77
MARION	3	2,774,008	0.1090	0.4720	0.0300	0.0466	0.0456						0.0110	19,811.97
LEBANON (MARION)	1	1,000											0.1815	1.82
LEBANON (MARION)	3	18,924											0.1950	36.90
MARTIN	1	28,025	0.1130	0.5310	0.0350	0.0790	0.0370							222.80
MARTIN	3	12,616	0.1280	0.5310	0.0350	0.1097	0.0627							109.31
MASON	1	44,039	0.1710	0.4470	0.0800	0.0530	0.0300							343.94
MASON	3	3,983,546	0.2110	0.4470	0.0800	0.0726	0.0445							34,063.30
MAYSVILLE (MASON)	1	151,272,625											0.1500	226,908.94
MAYSVILLE (MASON)	3	26,855,449											0.1500	40,283.17
MASON CB	1	11,981	0.1710	0.4470	0.0800	0.0530	0.0300							93.57
MASON CB	3	823,637	0.2110	0.4470	0.0800	0.0726	0.0445							7,042.92
MAYSVILLE CB (MASON)	1	5,552,219											0.1500	8,328.33
MAYSVILLE CB (MASON)	3	911,855											0.1500	1,367.78
MCCREARY	1	75,445	0.1000	0.3890	0.0400	0.0590		0.0150						454.93
MCCREARY	3	1,856,739	0.2040	0.3980	0.0400	0.1115								13,990.53
CENTRAL FIRE (MCCREARY)	1	200								0.1000				0.20
CENTRAL FIRE (MCCREARY)	3	807,436								0.1000				807.44
SOUTH FIRE (MCCREARY)	1	75,245								0.1000				75.25
SOUTH FIRE (MCCREARY)	3	549,386								0.1000				549.39
NORTH FIRE (MCCREARY)	3	184,512								0.1000				184.51
MENIFEE	1	35,338	0.1050	0.3570	0.0450	0.0660	0.0400	0.0100		0.0830				249.49
MENIFEE	3	995,628	0.1290	0.3570	0.0450	0.0709	0.0508			0.1000				7,494.09
MERCER	1	59,991	0.0800	0.5600	0.0400	0.0700	0.0249	0.0070		0.0640				507.46
MERCER	3	1,233,339	0.0920	0.5780	0.0400	0.1515	0.0446			0.0640				11,964.62
METCALFE	1	41,187	0.0720	0.4040		0.0380	0.0480	0.0150				0.0600		262.36
METCALFE	3	3,606,129	0.0100	0.4040		0.0629	0.0784					0.0600		22,188.51
MONTGOMERY	1	148,261	0.0690	0.4880	0.0400	0.0290	0.0220			0.0890		0.0260		1,131.23
MONTGOMERY	3	1,328,380	0.0860	0.4880	0.0400	0.0603	0.0510			0.1000		0.1000		12,291.50
MORGAN	1	63,245	0.0550	0.4490	0.0500	0.0490	0.0960	0.0170				0.0640		493.31
MORGAN	3	2,642,052	0.0550	0.4490	0.0500	0.0644	0.1857					0.0640		22,935.65
NELSON	1	872,046	0.1370			0.0480	0.0100	0.0050						1,744.09
NELSON	3	4,180,799	0.1660			0.0806	0.0100							10,727.93
NORTH FIRE (NELSON)	1	3,379	0.0700											2.37
NORTH FIRE (NELSON)	3	622,925	0.0700											436.05
BARDSTOWN INDEPENDENT SCHOOLS (NELSON)	1	132,249		0.5570										736.63
BARDSTOWN INDEPENDENT SCHOOLS (NELSON)	3	14,719		0.5940										87.43
CITY OF BARDSTOWN (NELSON)	1	132,249											0.1997	264.10
CITY OF BARDSTOWN (NELSON)	3	14,719											0.2125	31.28
BARDSTOWN INDEP SCHOOLS (CITY TAX-NELSON)	1	132,249											0.6030	797.46
BARDSTOWN INDEP SCHOOLS (CITY TAX-NELSON)	3	14,719											0.6100	89.79
NICHOLAS	1	58,054	0.1300	0.3400	0.0400	0.0400				0.0480				347.16
NICHOLAS	3	1,636,426	0.1520	0.3660	0.0400	0.0714				0.0480				11,085.15
OWEN	1	94,677	0.3200	0.5400										814.22
OWEN	3	1,901,768	0.4797	0.6000										20,533.39
OWSLEY	1	10,978	0.1550	0.4180	0.0400	0.1030	0.0811	0.0520						93.21
OWSLEY	3	1,192,230	0.1650	0.4660	0.0400	0.1452	0.1116							11,061.51

DISTRICT	T-3	ASSESS	COUNTY	SCHOOL	HEALTH	LIBRARY	EXT	SOIL	SCHOOL	FIRE	HOSPITAL	AMBULANCE	OTHER	TOTAL TAX BILL
PENDLETON	1	2,590	0.3100	0.5060										21.13
PENDLETON	3	1,942,368	0.3594	0.5060										16,809.25
PENDLETON CB	3	419,307	0.3594	0.5060										3,628.68
POWELL	1	119,571	0.0980	0.3170	0.0350	0.0410	0.0290							621.77
POWELL	3	2,639,939	0.0980	0.3170	0.0350	0.0400	0.0455							14,136.87
STANTON (POWELL)	1	93,423											0.0840	78.48
STANTON (POWELL)	3	439,617											0.0840	369.28
PULASKI	1	1,314,862	0.0530	0.4547	0.0200	0.0600	0.0120							7,885.23
PULASKI	3	16,167,991	0.0530	0.4640	0.0200	0.0718	0.0120							100,370.89
SOMERSET (PULASKI)	1	27,122		0.5060									0.2050	192.84
ROBERTSON CB	3	226,288	0.1340	0.4700	0.0400	0.1936	0.1535							2,242.74
ROBERTSON	1	42,914	0.1210	0.4320	0.0400	0.1020	0.0770	0.0120						336.45
ROBERTSON	3	305,417	0.1340	0.4700	0.0400	0.1936	0.1535							3,026.99
ROCKCASTLE	1	56,365	0.0760	0.3990	0.0350	0.0240	0.0322	0.0090						324.21
ROCKCASTLE	3	1,496,070	0.0820	0.4330	0.0350	0.0434	0.0399							9,474.61
ROWAN	1	139,931	0.0620	0.4270	0.0400	0.0440								801.80
ROWAN	3	1,859,510	0.0800	0.4270	0.0400	0.0910								11,863.67
RUSSELL	1	204,215	0.0670	0.4800	0.0300	0.0260	0.0170	0.0090			0.0660	0.0370		1,494.85
RUSSELL	3	3,128,403	0.0920	0.4420	0.0300	0.0511	0.0269				0.0920	0.0500		24,526.68
SCOTT	1	60,486	0.0620	0.4040	0.0320	0.0580	0.0145							345.07
SCOTT	3	628,707	0.1100	0.4190	0.0320	0.1108	0.0249							4,380.20
SHELBY	1	132,831	0.1110	0.6410	0.0375	0.0310	0.0190	0.0350						1,161.61
SHELBY	3	1,573,421	0.1160	0.6600	0.0375	0.0373	0.0200							13,701.35
MOUNT EDEN FIRE (SHELBY)	1	2,040								0.0700				1.43
MOUNT EDEN FIRE (SHELBY)	3	7,359								0.0700				5.15
PEEWEE VALLEY FIRE (SHELBY)	1	87,986								0.1000				87.99
PEEWEE VALLEY FIRE (SHELBY)	3	14,117								0.1000				14.12
SIMPSONVILLE FIRE (SHELBY)	1	38,236								0.1000				38.24
SIMPSONVILLE FIRE (SHELBY)	3	560,522								0.1000				560.52
SUBURBAN FIRE (SHELBY)	1	4,569								0.1000				4.57
SUBURBAN FIRE (SHELBY)	3	991,423								0.1000				991.42
SIMPSON	3	826	0.1260	0.4080		0.0490						0.0380		5.13
SPENCER	1	154,953	0.0900	0.5320	0.0400	0.0300	0.0332			0.0500				1,201.20
SPENCER	3	677,595	0.1230	0.5370	0.0400	0.1409	0.1517			0.0500				7,064.61
TAYLOR	1	114,454	0.0710	0.4230	0.0400	0.0330	0.0180				0.0720			751.96
TAYLOR	3	1,130,178	0.1130	0.4440	0.0400	0.0486	0.0277				0.0910			8,637.95
TRIMBLE	1	32,906	0.0710	0.5320	0.0400	0.0810	0.0380							250.74
TRIMBLE	3	785,884	0.0760	0.5320	0.0400	0.1633	0.0602							6,848.98
WARREN	1	426	0.1350	0.3770										2.18
WARREN	3	3,155	0.1850	0.3800										17.83
WASHINGTON	1	40,672	0.0730	0.4440	0.0220	0.0610	0.0405						0.0110	264.98
WASHINGTON	3	1,952,882	0.0730	0.4440	0.0280	0.0633	0.0566						0.0110	13,199.53
WAYNE	1	142,225	0.1080	0.3820	0.0300	0.0520	0.0499	0.0150						905.83
WAYNE	3	2,306,619	0.2562	0.4020	0.0300	0.1310	0.1118							21,474.62
WHITLEY	1	119,153	0.2140	0.3860										714.92
WHITLEY	3	1,115,482	0.3393	0.4380										8,670.64
WOLFE	1	15,653	0.0690	0.3700	0.0400	0.0510	0.0660	0.0465						100.57
WOLFE	3	1,673,335	0.0880	0.3700	0.0400	0.0878	0.1119							11,674.86
														0.00
KY State-EKPC		1,122,712,416											0.15	1,684,068.62
KY State-EKPC (A/R)		184,244,333											0.25	460,610.83
KY State-EKPC (Misc Intang)		12,922,893											0.015	1,938.43
KY State-EKPC (Vehicles)														41,150.00
KY State-CB		25,890,764											0.15	38,836.15
														0.00
TOTALS														4,132,497.14

PSC Request 9d(3)
Attachment
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EAST KENTUCKY POWER COOPERATIVE, INC.
PSC CASE NO. 2006-00472
FOURTH DATA REQUEST RESPONSE

COMMISSION STAFF'S FOURTH DATA REQUEST DATED 05/30/07
REQUEST 10
RESPONSIBLE PERSON: **Ann F. Wood**
COMPANY: **East Kentucky Power Cooperative, Inc.**

Request 10. Refer to the response to the Staff's Third Request, Item 17.

Request 10a. Explain why the final costs for the Powell-Taylor, Southpoint, and Cedar Grove substations were higher than the estimated amounts provided in Exhibit F, Schedule 25 of the Application.

Response 10a. Actual site acquisition (land) costs were higher than estimated on the Powell-Taylor and Cedar Grove substations. Material and labor costs were higher than estimated on the Southpoint substation.

Request 10b. Provide a revised Schedule 25 reflecting the actual cost at in-service date and any actual substation revenues.

Response 10b. Please see page 2 of this response for a revised Schedule 25.

Post 9/30/06 fixed asset additions/depreciation/property tax, with revenue offset

	Project	Month Placed In Service	Cost	New Depr Rates	Proposed NBV	Proposed Property Tax	Total $
	Powell Taylor Line--138KV	January 2007	995,557	15,531	980,026	4,410	
1	Southpoint Sub	March 2007	695,196	23,776	671,420	1,007	
2	BG Parkway Sub	December 2006	631,037	21,581	609,456	914	
3	Cedar Grove Sub	January 2007	1,255,173	42,927	1,212,246	1,818	
4	Powell Taylor Sub	January 2007	812,070	27,773	784,297	1,176	
	Spurlock Common Coal Handling	October 2006	22,134,358	571,209	21,563,149	32,345	
				702,797		41,671	744,468

	Substation Revenue	
1	Southpoint (7500-14,999)	(34,260)
2	BG Parkway (7500-14,999)	(34,260)
3	Cedar Grove (Over 15,000)	(55,260)
4	Powell Taylor (7500-14,999)	(34,260)
	Metering Point Revenues	(6,000)
	Adjustment	580,428

EAST KENTUCKY POWER COOPERATIVE, INC.
PSC CASE NO. 2006-00472
FOURTH DATA REQUEST RESPONSE

COMMISSION STAFF'S FOURTH DATA REQUEST DATED 05/30/07
REQUEST 11
RESPONSIBLE PERSON: **Frank J. Oliva**
COMPANY: **East Kentucky Power Cooperative, Inc.**

Request 11. Refer to the response to the Staff's Third Request, Item 21.

Request 11a. Concerning the response to Item 21(a), if EKPC has a copy of the National Rural Utilities Cooperative Finance Corporation's ("CFC") post-September 30, 2006 credit evaluation, provide copies of that evaluation. EKPC may request confidential treatment of the response pursuant to 807 KAR 5:001, Section 7. If EKPC does not have a copy of the most recent CFC credit evaluation, but has summaries or other information from the evaluation, provide copies of the summaries or other information.

Response 11a. EKPC does not have a copy, summaries, or other information related to CFC's post-September 30, 2006 credit evaluation of EKPC. This information is not distributed outside of CFC.

Request 11b. Refer to the response to Item 21(a)(3), the Attachment, page 8 of 11. Under the heading "New Loan Applications Submitted" is the reference to a loan for the construction of the Smith Unit 1 and combustion turbines 8 through 12. Given the May 11, 2007 Order in Case No. 2006-00564,[1] will EKPC be amending the referenced loan application? Explain the response.

Response 11b. Based on new cost estimates, EKPC is drafting a revision to the original RUS loan application for the construction of the Smith CFB Unit 1 and combustion turbines 8 and 9. EKPC expects to complete this revision in June 2007.

EAST KENTUCKY POWER COOPERATIVE, INC.
PSC CASE NO. 2006-00472
FOURTH DATA REQUEST RESPONSE

COMMISSION STAFF'S FOURTH DATA REQUEST DATED 05/30/07
REQUEST 12
RESPONSIBLE PERSON: **Ann F. Wood**
COMPANY: **East Kentucky Power Cooperative, Inc.**

Request 12. Refer to the response to the Staff's Third Request, Item 24(b). Provide copies of the 2006 Annual Report. If the report is not available as of the date of the response to this request, explain the reason(s) for the delay and indicate when the report will be available.

Response 12. EKPC's 2006 Annual Report is provided on the enclosed CD.

EAST KENTUCKY POWER COOPERATIVE, INC.
PSC CASE NO. 2006-00472
FOURTH DATA REQUEST RESPONSE

COMMISSION STAFF'S FOURTH DATA REQUEST DATED 05/30/07
REQUEST 13
RESPONSIBLE PERSON: **Frank J. Oliva**
COMPANY: **East Kentucky Power Cooperative, Inc.**

Request 13. Refer to the response to the Staff's Third Request, Item 32.

Request 13a. Indicate when the key assumptions, data sources, and commentary for the 2007-2026 financial forecast were developed.

Response 13a. The key assumptions, data sources, and commentary for the 2007 – 2026 financial forecast were developed in December 2006 and finalized in January 2007 before being submitted to the Board of Directors for review at the February 6, 2007 Board Meeting.

Request 13b. Were the Board of Directors advised of any changed conditions that directly affected the assumptions, data sources, or commentary used to develop the 2007-2026 financial forecast before it was adopted on March 5, 2007? Explain the response.

Response 13b. A presentation was made at the February Board Meeting, where all major assumptions and results of the financial forecast were discussed. At the March Board Meeting, the Board was advised of any changes in assumptions, inputs, or

commentary to the financial forecast. An updated financial forecast was approved. A copy is attached.

Request 13c. Refer to page 4 of 24. Explain in detail why the assumptions concerning the annual off-system sales for the period 2007-2010 are reasonable given the following:

(1) EKPC's actual off-system sales levels in 2005 and 2006;

(2) EKPC anticipates new base load generation not becoming operational before 2009.

(3) In the response to the Staff's Third Request, Item 39, page 2 of 2 is the statement, "EKPC's off-system sales are minimal, due to the absence of excess capacity."

Response 13c. EKPC uses computer models to simulate system operation. The model dispatches units to meet native load levels and to make purchases and sales based on expected market prices. Projections of market purchases and sales have a high degree of uncertainty due to the volatility in the prices of natural gas and market purchases. Outages on generating units may also add to the uncertainty in purchases and sales. In addition, actual load data can vary greatly from load projections due to variances in weather and the economy and cause actual purchases and sales to vary greatly.

Even though the financial forecast for the period 2007-2010 projects gross revenue from off-system power sales to be between $22 million and $35 million annually, it is assumed that the majority of these off-system sales will be made from combustion turbine generation, resulting in a high cost of sales (due to generation from natural gas) and a low margin per MWh. Margins from off-system sales are budgeted to be only 2% to 8% of the gross revenue from off-system sales for the years 2007-2010. EKPC management deems these projected margin levels to be reasonable for the time period specified.

Request 13d. Refer to page 5 of 24. Is it correct that EKPC anticipates that Smith Unit 1 will become operational in June 2011? If yes, explain why the assumptions stated an operational date of June 2010.

Response 13d. EKPC currently considers commercial operation of Smith Unit 1 in Summer 2011 to be achievable if the Supplemental Environmental Impact Statement (SEIS) for the project is approved by RUS by August 2008. At the time the original assumptions were developed, June 2010 was considered to be achievable. However, RUS subsequently indicated that the SEIS was expected to be approved in August 2008 which delayed commercial operation to Summer 2011. A commercial operation date of June 2011 is used in the updated financial forecast.

Request 13e. Refer to page 7 of 24.

(1) Would EKPC agree that the response to the Staff's Third Request, Item 6(e), the Attachment, page 6 of 6, shows total sources of funds available for investment as of December 31, 2006 to be $208,127,891?

(2) Explain why the 2007-2026 financial forecast reported that funds available for investment were estimated to be $93.9 million as of December 31, 2006, in light of the information provided in the response to the Staff's Third Request, Item 6(e).

Response 13e. (1) The response to the Staff's Third Request, Item 6(e), the Attachment, page 6 of 6, provides a schedule showing the balance of investments that generated interest income for specific periods, which includes December 2006. The $208,127,891 is broken down as follows:

$39.6 million	Investments included under property & investments in the financial forecast

$92.6 million	Temporary cash investments included under cash and investments in the financial forecast
$75.9 million	A cushion of credit account included as an offset to long-term debt in the financial forecast. This is a program established by the Rural Utilities Service (RUS). Under this program RUS borrowers may make voluntary deposits in a special account. This account accrues interest to the borrower at a rate of 5 percent per annum. The amounts in the cushion of credit account (deposits and earned interest) can only be used to make scheduled payments on loans made or guaranteed under the RE Act.

(2) The $93.9 million shown in the financial forecast as of December 31, 2006 includes the $92.6 million temporary cash investments as shown in the response to Question 13(e)(1), plus an additional $1.3 million balance in EKPC's bank accounts.

Request 13f. Refer to page 9 of 24. Explain in detail why the assumption concerning the capacity and energy purchases from the Southeastern Power Administration do not reflect the situation at the Wolf Creek dam.

Response 13f. EKPC was notified by the Corps of Engineers in early February 2007 that pool operations at Lake Cumberland were being modified and that the lake level would be dropping to approximately 680 feet. In late February 2007, EKPC was notified that an Interim Operating Plan would go into effect beginning February 25, 2007 as a means of sharing the reduced level of hydropower benefits on an equitable basis. These changes in operations at Lake Cumberland came after the financial forecast was developed.

TWENTY-YEAR FINANCIAL FORECAST
EQUITY DEVELOPMENT PLAN
2007-2026

FEBRUARY 2007 (REVISED 2-14-07)

EAST KENTUCKY POWER COOPERATIVE, INC.

TWENTY-YEAR FINANCIAL FORECAST
EQUITY DEVELOPMENT PLAN
2007-2026

Index of Material

EAST KENTUCKY POWER COOPERATIVE

TWENTY-YEAR FINANCIAL FORECAST
EQUITY DEVELOPMENT PLAN
2007 – 2026

This financial forecast reflects actual operating data for 2005 and 2006, the budget for 2007 and 2008, and a projection of revenue requirements and operating costs for the period of 2009 through 2026. The projections made in this forecast are based on the Integrated Resource Plan filed in October 2006, the 2006 Load Forecast dated August 2006, the 2006 Evaluation of Production O&M Expense, the Board approved Twenty-Year Financial Forecast for 2006-2025 dated February 2006, and other appropriate updated information.

Key Assumptions

1. Annual compound load growth for the member cooperatives for the forecast period is provided below:

Winter Demand	2.5%
Summer Demand	2.1%
Energy	2.4%

2. 2006 information is based upon twelve months of actual information.

3. Budget information is used for the years of 2007 and 2008.

4. The general rate of escalation and the capital cost escalation rate are estimated to be 3.0 percent per annum for the forecast period. Since the rate of increase in medical costs is expected to exceed the general inflation rate, the escalation rate for employee benefits has been assumed at 4.0 percent per annum.

5. Annual off-system sales are estimated to range from 397,120 to 1,370,400 MWh per year from 2009 through 2026. The 2007 and 2008 budgets are estimated at 307,600 MWh and 373,290 MWh, respectively. Margins on off-system sales are assumed to be 4.0 mills per kWh in 2006, with this margin escalating at one-half the escalation rate.

6. Interest rates in this forecast for long-term debt are estimated to be 6.0 percent in 2009 and 2010, increasing to 6.5 percent from 2011 through 2026. Short-term debt interest rates are estimated to be 7.25 percent from 2009 through 2026. Tax-exempt bonds are estimated to be 4.0 percent from 2009 through 2026.

7. Internally generated funds are invested at an annual investment rate of 5.0 percent from 2007 through 2026.

8. Revenue requirements and rates in this forecast have been determined on the basis of the annual TIER level required by RUS. A rate increase has been deemed appropriate in those years when the current rates provide a TIER less than 1.05. The 1.05 minimum TIER is in compliance with RUS's "General and Pre-Loan Policies and Procedures Common to Insured and Guaranteed Electric Loans", 7 CFR Part 1710 published January 9, 1992.

9. The current Fuel Adjustment Clause (FAC) base fuel charge of 20.25 mills per kWh is held constant throughout the forecast period.

10. The U.S. EPA has issued new regulations for the reduction of sulfur dioxide, nitrogen oxide, and mercury emissions. The Clean Air Interstate Rule (CAIR) and the Clean Air Mercury Rule (CAMR) will require a 60-70% reduction in the emissions of these pollutants. The CAIR rule for SO_2 and NOx requires reductions by 2010 and the CAMR rule for mercury requires reductions in 2010. These regulations will necessitate the installation of pollution controls at the various EKPC power plants to achieve the necessary reductions .

    The estimated annual costs of these controls have been included in the financial forecast and are listed in Exhibits A & B.

11. Clean Air Act compliance costs and PSC funding requirements for SFAS 106 (Post-Retirement Employee Benefits) have been included in this forecast.

12. In March 2005, the E. A. Gilbert Generating Unit became operational. This is a coal-fired 268 MW circulating fluidized bed unit. Capital cost was $400 million.

13. In April 2009, Spurlock Unit No. 4 will become operational. This is a coal-fired 278 MW circulating fluidized bed unit. Estimated capital cost is $522 million.

14. In June 2011, Smith Unit No. 1 will become operational. This is a coal-fired 278 MW circulating fluidized bed unit. Estimated capital cost is $660 million.

COMMENTARY

EQUITY DEVELOPMENT PLAN

The January 19, 1995, revision to Code of Federal Regulations, 7 CFR Part 1710, specifies that a G & T's projected equity level be adequate to enable the borrower to meet its financial needs and to provide service consistent with the RE Act.

The results of this Twenty-Year Financial Forecast/Equity Development Plan show EKPC's equity to asset ratio increasing from 5.7% in 2005 to about 6.3% in 2015, 9.3% in 2020, and 13.3% in 2026.

Because EKPC's distribution cooperatives are at a competitive disadvantage with neighboring investor-owned and municipal utilities in Kentucky, it will be impractical for EKPC to build a great level of equity in the near term. EKPC does not have a capital credit rotation plan due to its current equity levels and competitive situation. Capital credit rotation is not included in the Financial Forecast/Equity Development Plan.

EKPC and its member distribution cooperatives will use their best efforts to achieve objectives contained in its Financial Forecast/Equity Development Plan. EKPC will establish wholesale rates (subject to Kentucky Public Service Commission approval) to meet its equity development plans so long as economic or competitive conditions in EKPC's member systems' service territories will allow.

REVENUE

Rates to Member Cooperatives

Beginning July 2005, an environmental surcharge was implemented. This surcharge is designed to recover the costs of SCRs, scrubbers, and related pollution control facilities necessary to comply with environmental requirements. In addition, rate increases are anticipated in various years of this twenty year period. These rate increases will be needed to finance costs associated with the addition of generation units, additional transmission and distribution facilities, inflation, and increased O&M costs. The fuel adjustment clause has been calculated on the basis of the current fuel base of 2.025 cents per kWh. Page 9 provides the average cost of power for the member systems from base rates, the environmental surcharge, and the fuel adjustment clause.

Off-System Sales

Annual revenue from off-system sales has been developed on the basis of selling approximately 397,120 to 1,370,400 MWh per year from 2009 through 2026. The 2007 and 2008 budgets are estimated at 307,600 MWh and 373,290 MWh, respectively. A margin of 4.0 mills per kWh in 2006 is escalated at one-half the general inflation rate to establish the margin per kWh for each year of the forecast period. The rate per kWh is

the sum of the sourced cost, plus the average production variable O&M expense (when appropriate), plus margin. These rates are provided in Schedule IV.

Other Revenue (Interest Income)

Interest income is calculated on the basis of the funds available for investment during each year of the forecast. Funds available for investment are estimated to be $93.9 million as of December 31, 2006. These funds will be invested at an estimated rate of 5.0 percent for 2007 through 2026.

EXPENSES

Fuel Expenses

Fuel costs used in this forecast have the following bases (2007$ except where noted):

	2007 $/MBtu	
Dale	$2.40	
Cooper No. 1 and Cooper No. 2		
Compliance Coal	2.26	
High Sulphur Coal	1.81	(2012 $/Mbtu)
Spurlock No. 1		
Compliance Coal	2.42	
High Sulphur Coal	1.62	(2009 $/Mbtu)
Spurlock No. 2		
Compliance Coal	2.54	
High Sulphur Coal	1.62	(2008 $/Mbtu)
Gilbert Unit and Spurlock No. 4	1.26	
Smith No. 1 and Smith No. 2	1.40	(2009 $/Mbtu)
Combustion Turbines	10.67	
Landfill Gas Generation	.27	

These fuel prices are in accordance with EKPC's strategy for compliance with the 1990 Clean Air Act Amendments. The fuel prices are a combination of various annual escalation rates and market prices.

Production O&M

Production O&M expenses for EKPC's existing coal-fired plants are estimated on the following basis. In addition to these estimates, there is an annualized adder of $.28/MWh to Cooper Unit Nos. 1 & 2 and Spurlock Unit No. 1 and $.24/MWh to Spurlock Unit No. 2 for variable O&M related to operation of the SCR's.

	Fixed O&M Per kW of Capacity	Variable O&M Per MWh Generated
Station/Unit	2006 Base	2006 Base
Dale	$41.45	$2.29
Cooper No. 1 & 2	31.93	1.01
Spurlock No. 1 & 2	23.42	1.31

Production O&M expenses for scrubbers, circulating fluidized bed units, peaking units, and combined cycle units are estimated on the following basis.

	Fixed O&M Per kW of Capacity	Variable O&M Per MWh Generated
Station/Unit	2006 Base	2006 Base
Peaking Units	$ 6.38 – 10.80	$ .10
Fluidized Bed Units		
Gilbert Unit	23.42	2.50
Spurlock Unit No. 4	23.42	2.50
Smith Unit No. 1	31.93	2.50
Smith Unit No. 2	23.42	2.50
Scrubber Units *	9.22 – 10.17	1.04 – 1.13
Landfill Gas Generation	3.86	9.62

* See additional annual costs on attached Exhibit A & Exhibit B

Turbine overhaul costs have been forecasted on an individual unit basis. Listed below are these costs in 2006 dollars:

Unit	2006 $	Overhaul Cycle (Years)
Dale No. 1 & 2	$1,500,000	10
Dale No. 3	2,000,000	10
Dale No. 4	2,000,000	10
Cooper No. 1	3,200,000	10
Cooper No. 2	3,200,000	10
Spurlock No. 1	4,000,000	10
Spurlock No. 2	4,000,000	10
Fluidized Bed Units	4,000,000	10

Major overhaul costs have been included in the forecast for all units and are included in the dollars allocated for O&M

Overhaul costs associated with landfill gas generation units are included in the forecast at $110,000 per unit in 2006 dollars with an overhaul cycle of every five years.

The costs associated with the MEAGER 2027 Program have been allocated between capital and expense in this forecast. Those costs identified as expenses are included as O&M costs in the Statement of Operations.

Transmission O&M

Annual transmission costs are estimated based on a percent of the transmission investment as of the end of each year in the forecast period plus an allocation cost for employee benefits, property taxes, and property insurance. The estimated percent used in this projection is 3.5 percent through 2013, 4.0 percent from 2014 through 2018, 4.5 percent from 2019 through 2023, and 5.0 percent for 2024 through 2026.

Distribution O&M

Annual distribution costs are estimated to be 2.0 percent of the distribution plant investment at the end of each year in the forecast period.

Administrative and General

Employee benefit costs are estimated to increase by 4.0 percent per annum from a base of $23,877,193 in 2008. These costs are allocated to all functional accounts in order to more accurately reflect their total costs

Purchased Power

Capacity and energy purchases from Southeastern Power Administration (SEPA) are assumed to be 170 MW of capacity and approximately 260,000 MWh of energy for each year of this forecast. The base rates for these purchases in 2006 are $2.232 per kW of capacity per month of total contract demand and 9.130 mills per kWh of energy. The rates for these purchases for each year are provided in Schedule IV.

Depreciation, Taxes, and Insurance

Depreciation, taxes, and insurance expenses are estimated on the basis of the application of the below listed rates to the year-end investment for each type of plant:

Plant	Depreciation Rate-%	Tax & Insurance Rate-%
Production	Various *	0.483
Transmission	2.78	0.300
Distribution	2.86	0.225
General	12.29	0.392

* The Kentucky Public Service Commission ("KPSC") and the Rural Utilities Service ("RUS") have both approved a depreciation study performed by Gannett Fleming, Inc. for EKPC's assets in service as of December 31, 2005. The net book value of each unit as of this date is amortized over each unit's remaining life. This study extended the life of EKPC's existing production units and their future production-related capital additions by a range of eight to twenty years. For future fluidized bed units and combustion turbines, a forty-year life is assumed in this forecast.

Interest

The actual interest expense has been calculated on all current loans. The interest rate on loans in 2009 and 2010 is estimated to be 6.0 percent per year. The interest rate on all future loans from 2011 through 2026 is estimated to be 6.5 percent per year. Interest is capitalized (IDC) during the construction period with IDC being charged to the Balance Sheet. Starting in the year the project becomes operational, interest will be considered an expense item for the Statement of Operations. This accounting method is in compliance with the Uniform Systems of Accounts and generally accepted accounting principles. All capital additions are funded either from general funds or borrowed funds.

NEW FACILITIES

Generation Plant

Landfill gas generation is the first type of new generation to be placed on line followed by combustion turbines, and circulating fluidized bed units in 2009, 2011, 2016, and 2022. A schedule on size, timing, type, and cost of new generation facilities is provided below:

Winter Season	Capacity - MW	Cost-($000)	Type
2008	7	10,378	Landfill Gas Generation
2009	148	66,000	Combustion Turbines (2)
2009	278	522,207	Spurlock Unit 4-Fluidized Bed
2009	3	3,458	Landfill Gas Generation
2010	3	4,748	Landfill Gas Generation
2011	278	659,619	Smith Unit 1-Fluidized Bed
2011	74	36,060	Combustion Turbine
2011	3	4,891	Landfill Gas Generation
2012	74	37,142	Combustion Turbine
2012	3	5,038	Landfill Gas Generation
2013	74	38,256	Combustion Turbine
2013	3	5,189	Landfill Gas Generation
2014	3	5,344	Landfill Gas Generation
2015	74	40,586	Combustion Turbine
2015	3	5,505	Landfill Gas Generation
2016	278	846,394	Fluidized Bed Unit
2016	3	5,670	Landfill Gas Generation
2017	3	5,840	Landfill Gas Generation
2018	3	6,015	Landfill Gas Generation
2019	74	45,680	Combustion Turbine
2020	74	47,050	Combustion Turbine
2021	74	48,462	Combustion Turbine
2022	278	1,010,639	Fluidized Bed Unit
2025	74	54,544	Combustion Turbine
2026	74	56,180	Combustion Turbine

Transmission Plant

Facilities to be added for the forecast period are based on Power Delivery's Ten-Year Work Plan for 2006-2016, with the remaining years developed on the basis of the average costs in this work plan plus an additional amount for circulating fluidized bed units in 2009, 2011, 2016, and 2022.

Distribution Plant

Distribution facilities in this forecast are also based on the Ten-Year Work Plan as explained above in transmission plant additions.

General Plant

General plant additions have been developed on the basis of the general escalation rates applied to the budgeted general plant investment at the end of 2009.

Average Cost of Power To Member Systems

The average cost of power to the member systems is provided below:

(Mills per kWh)

Year	Base Rates	Fuel Adjustment	Environmental Surcharge	Average Cost to Members
2007	44.41	7.61	5.69	57.60
2008	45.36	6.55	5.61	57.43
2009	46.60	4.52	5.46	56.52
2010	47.88	2.01	6.13	55.99
2011	49.34	.94	6.36	56.63
2012	51.64	(.41)	8.45	59.69
2013	51.69	.16	8.57	60.42
2014	51.72	.81	8.41	60.93
2015	51.74	1.87	8.50	62.10
2016	53.63	2.24	8.28	64.13
2017	56.71	1.02	8.15	65.86
2018	56.74	1.85	8.33	66.89
2019	56.74	3.13	8.57	68.41
2020	56.73	4.26	8.42	69.37
2021	56.81	5.43	8.31	70.48
2022	56.81	6.10	8.17	71.02
2023	60.38	4.86	7.99	73.18
2024	60.33	5.81	7.87	73.95
2025	60.41	7.17	7.83	75.35
2026	60.43	7.64	6.28	74.28

Amount and Timing of Rate Changes

This forecast assumes that rate changes will be effective on January 1 in the years listed below:

	Annual Percentage Change in Total to Members	Cumulative Percentage Change in Total to Members
2007	8.4%	8.4%
2008	(0.3)%	8.1%
2009	(1.6)%	6.3%
2010	(0.9)%	5.3%
2011	1.1%	6.6%
2012	5.4%	12.3%
2013	1.2%	13.7%
2014	0.9%	14.6%
2015	1.9%	16.8%
2016	3.3%	20.7%
2017	2.7%	23.9%
2018	1.6%	25.9%
2019	2.3%	28.7%
2020	1.4%	30.5%
2021	1.6%	32.6%
2022	0.8%	33.6%
2023	3.0%	37.7%
2024	1.1%	39.1%
2025	1.9%	41.8%
2026	(1.4)%	39.8%

Equity

This forecast estimates EKPC's equity to be at the levels listed below:

Year	Equity Amount ($000)	Equity To Asset Percent
2007	130,699	5.16
2008	152,706	5.23
2009	169,175	5.23
2010	187,987	5.46
2011	207,168	5.63
2012	227,288	6.03
2013	248,603	6.54
2014	259,609	6.32
2015	272,350	6.27
2016	296,755	6.62
2017	321,171	7.29
2018	353,624	8.16
2019	388,358	8.93
2020	430,744	9.32
2021	478,030	9.75
2022	504,553	9.95
2023	531,747	10.74
2024	562,056	11.62
2025	604,136	12.68
2026	621,588	13.26

Exhibit A

ADDITIONAL ANNUAL SCRUBBER O&M COSTS
SPURLOCK UNIT NO. 1 AND UNIT NO. 2
COOPER UNIT NO. 1 AND UNIT NO. 2

Year	Spurlock Unit No. 1 Scrubber O&M	Spurlock Unit No. 2 Scrubber O&M	Cooper Unit Nos. 1 and 2 Scrubber O&M	Total Scrubber O&M
	(assumes operation of Spurlock Unit No. 2 Scrubber 10/1/2008, Spurlock Unit No. 1 Scrubber 1/1/2009, and Cooper Unit Nos. 1 and 2 Scrubbers 1/1/2012)*			
2009	5,610,668	8,991,760		14,602,428
2010	5,901,801	9,455,303		15,357,104
2011	5,969,923	9,529,645		15,499,568
2012	6,020,556	9,634,116	6,461,671	22,116,343
2013	6,156,298	9,825,336	6,540,125	22,521,759
2014	6,289,637	10,044,380	6,681,288	23,015,305
2015	6,417,989	10,260,174	6,848,079	23,526,242
2016	6,536,619	10,437,754	6,925,692	23,900,065
2017	6,572,015	10,473,265	6,886,054	23,931,334
2018	6,698,037	10,689,027	7,019,895	24,406,959
2019	6,835,919	10,921,521	7,196,198	24,953,638
2020	6,987,877	11,174,101	7,402,696	25,564,674
2021	7,115,083	11,397,291	7,587,599	26,099,973
2022	7,247,506	11,567,143	7,707,362	26,522,011
2023	7,296,411	11,651,351	7,660,373	26,608,135
2024	7,445,411	11,900,269	7,841,390	27,187,070
2025	7,588,775	12,141,913	8,036,946	27,767,634
2026	7,743,080	12,403,626	8,237,158	28,383,864

*Does not include scrubber related capital costs of $162,181,268 for Spurlock Unit No. 2, $156,975,507 for Spurlock Unit No. 1 and $297,898,598 for Cooper Unit Nos. 1 and 2.

Exhibit B

ENVIRONMENTAL COMPLIANCE COSTS

Location	Equipment Type	In-Service Date	Estimated Capital Costs	Estimated Annual O & M
Spurlock #2	SCR	05/31/02	$ 40,276,750 *	$ 372,843
Spurlock #1	SCR	06/15/03	103,007,364 **	392,182
Gilbert Unit	Pollution Control Equip	03/01/05	69,612,000 *	4,321,471
Spurlock #2	Scrubber	10/01/08	121,635,951 *	8,973,788
Spurlock #4	Pollution Control Equip	04/01/09	78,331,031 *	4,559,056
Smith #1	Pollution Control Equip	06/01/11	98,942,856 *	4,724,659
Spurlock #1	Scrubber	01/01/09	117,731,630 *	5,600,607
Cooper #2	SCR	01/01/13	72,269,139 *	229,815
Cooper #1 & #2	Scrubber & ESP's	01/01/12	223,423,949 *	6,312,268

* Includes only capital costs related to emissions control.
** Includes a new precipitator on Spurlock #1 and other capital costs related to emissions control.

EAST KENTUCKY POWER COOPERATIVE
TWENTY YEAR FINANCIAL FORECAST

(2007-2026)
STATEMENT OF OPERATIONS
($000)

	ACTUAL 2005	ACTUAL 2006	BUDGET 2007	BUDGET 2008	2009	2010	2011	2012	2013	2014	2015
OPERATING REVENUE											
MEMBER COOPERATIVES											
BASE RATES	$502,693	$509,226	$536,851	$598,154	$606,217	$647,982	$683,478	$719,961	$771,800	$788,575	$805,066
FUEL ADJUSTMENT	90,599	81,057	96,136	85,151	59,795	27,695	13,246	(5,912)	2,360	12,202	28,755
ENVIRONMENTAL SURCHARGE	27,217	55,193	72,939	73,973	73,176	85,560	90,842	123,448	128,002	128,255	132,325
BASE RATE CHANGE	0	0	32,181	0	18,781	20,403	20,793	34,021	0	0	0
TOTAL FROM MEMBERS	620,509	645,476	738,107	757,279	757,970	781,639	808,359	871,518	902,162	929,033	966,147
OFF SYSTEM SALES	7,469	3,458	32,043	39,717	22,667	35,183	44,032	51,784	48,732	48,155	45,446
TOTAL OPERATING REVENUE	627,978	648,934	770,150	796,996	780,637	816,823	852,390	923,302	950,894	977,188	1,011,592
EXPENSES											
PRODUCTION											
FUEL	257,348	270,750	302,747	299,618	265,643	288,566	303,629	310,409	319,047	329,703	339,164
O AND M	102,976	114,270	145,708	147,861	138,563	156,406	171,152	180,371	182,685	188,733	196,622
OTHER POWER SUPPLY	120,302	92,486	117,637	127,287	103,927	70,090	52,885	41,122	46,267	51,746	63,414
TRANSMISSION O AND M	15,413	16,377	19,003	19,959	20,683	21,337	22,754	24,323	25,008	32,386	33,129
ADMINISTRATIVE & GENERAL	72,027	39,830	34,589	35,487	35,501	36,636	37,808	39,017	40,265	41,553	42,883
DEPRECIATION	52,038	39,384	43,155	51,734	70,314	76,536	87,736	113,268	121,495	126,966	128,173
TAXES	235	1	10	10	0	0	0	0	0	0	0
INTEREST ON LONG TERM DEBT	69,571	84,634	124,683	157,409	163,053	186,265	189,903	199,211	201,673	212,605	229,790
INTEREST CHARGED TO CONSTR	(6,226)	(9,192)	(34,016)	(57,827)	(31,419)	(33,915)	(28,745)	(0)	(2,220)	(13,181)	(30,113)
OTHER DEBT COST	273	200	220	172	1,220	879	198	161	161	153	110
TOTAL EXPENSES	683,957	648,740	753,737	781,709	767,485	802,801	837,318	907,882	934,381	970,664	1,003,172
OPERATING MARGINS	(55,979)	194	16,413	15,287	13,152	14,022	15,072	15,419	16,513	6,524	8,420
OTHER REVENUE	9,972	10,980	7,254	6,720	3,316	4,791	4,108	4,701	4,801	4,482	4,321
NET MARGIN	($46,008)	$11,174	$23,667	$22,007	$16,468	$18,813	$19,180	$20,120	$21,315	$11,006	$12,741
TIMES INTEREST EARNED RATIO	0.34	1.13	1.19	1.14	1.10	1.10	1.10	1.10	1.11	1.05	1.06

EAST KENTUCKY POWER COOPERATIVE
TWENTY YEAR FINANCIAL FORECAST

(2007-2026)
STATEMENT OF OPERATIONS
($000)

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
OPERATING REVENUE											
MEMBER COOPERATIVES											
BASE RATES	$822,484	$871,321	$939,762	$960,761	$982,542	$1,004,938	$1,026,612	$1,047,732	$1,135,379	$1,158,609	$1,179,723
FUEL ADJUSTMENT	35,208	16,367	30,307	52,431	73,000	95,075	109,124	88,746	108,281	136,204	147,760
ENVIRONMENTAL SURCHARGE	131,693	132,181	137,968	145,132	145,830	146,928	147,688	147,357	148,116	150,188	122,630
BASE RATE CHANGE	30,298	48,975	0	0	0	0	0	65,792	0	0	0
TOTAL FROM MEMBERS	1,019,683	1,068,843	1,108,038	1,158,324	1,201,372	1,246,941	1,283,423	1,349,627	1,391,777	1,445,001	1,450,113
OFF SYSTEM SALES	51,720	70,902	68,915	67,851	69,906	67,733	70,400	89,720	89,520	86,241	86,459
TOTAL OPERATING REVENUE	1,071,403	1,139,745	1,176,953	1,226,175	1,271,277	1,314,675	1,353,823	1,439,347	1,481,297	1,531,242	1,536,572
EXPENSES											
PRODUCTION											
FUEL	364,046	377,851	394,574	416,128	438,563	459,770	484,070	498,652	521,324	546,436	569,058
O AND M	208,943	222,711	235,289	249,908	256,953	264,015	278,508	298,729	307,328	313,156	321,932
OTHER POWER SUPPLY	56,821	44,779	48,085	56,202	63,794	71,839	72,061	58,316	65,327	74,483	72,418
TRANSMISSION O AND M	33,636	35,059	36,529	41,857	43,550	45,300	47,108	48,977	55,366	57,505	59,717
ADMINISTRATIVE & GENERAL	44,255	45,672	47,134	48,644	50,202	51,811	53,471	55,185	56,955	58,782	60,668
DEPRECIATION	135,111	152,772	153,527	155,051	156,746	159,185	167,709	188,120	189,719	191,727	194,498
TAXES	0	0	0	0	0	0	0	0	0	0	0
INTEREST ON LONG TERM DEBT	241,636	241,744	235,538	232,446	239,987	256,233	268,714	269,243	260,517	252,822	246,621
INTEREST CHARGED TO CONSTR	(33,079)	0	0	(2,651)	(15,739)	(35,956)	(39,498)	0	0	0	0
OTHER DEBT COST	110	110	110	110	110	110	110	107	100	100	100
TOTAL EXPENSES	1,051,480	1,120,698	1,150,788	1,197,695	1,234,165	1,272,306	1,332,252	1,417,329	1,456,636	1,495,011	1,525,010
OPERATING MARGINS	19,924	19,047	26,165	28,480	37,112	42,369	21,571	22,017	24,661	36,231	11,562
OTHER REVENUE	4,481	5,369	6,288	6,255	5,274	4,916	4,953	5,176	5,648	5,850	5,890
NET MARGIN	$24,405	$24,416	$32,452	$34,735	$42,386	$47,285	$26,524	$27,194	$30,309	$42,080	$17,452
TIMES INTEREST EARNED RATIO	1.10	1.10	1.14	1.15	1.18	1.18	1.10	1.10	1.12	1.17	1.07

EAST KENTUCKY POWER COOPERATIVE
TWENTY YEAR FINANCIAL FORECAST

CASH FLOW SCHEDULE
($000)

	ACTUAL 2005	ACTUAL 2006	BUDGET 2007	BUDGET 2008	2009	2010	2011	2012	2013	2014	2015
AVAILABLE FUNDS											
NET MARGIN	($46,008)	$11,174	$23,667	$22,008	$16,468	$18,813	$19,180	$20,120	$21,315	$11,006	$12,741
DEPRECIATION	52,038	39,384	43,155	51,734	71,534	77,415	87,934	113,429	121,656	127,119	128,283
LTD ADVANCES	308,508	409,500	534,516	426,868	366,800	916,124	309,500	164,500	253,000	393,000	320,000
SHORT TERM BORROWINGS	0	0	0	0	0	0	0	0	0	0	0
OPERATING RESERVES	(173,414)	3,666	2,441	2,657	2,693	2,736	2,745	2,732	2,749	2,730	2,660
OTHER TRANSACTIONS	101,060	(163,996)	780	780	780	780	780	585	0	0	(0)
TOTAL AVAILABLE	242,184	299,727	604,559	504,046	458,275	1,015,868	420,139	301,366	398,721	533,854	463,684
CASH REQUIREMENTS											
PRINCIPAL PAYMENTS	44,673	53,508	58,453	62,715	74,123	82,422	96,981	97,257	98,579	102,215	98,995
CREDIT FACILITY PAYMENTS	0	0	0	0	0	645,000	0	0	142,750	0	0
FUEL STOCK	6,612	60,279	(54,953)	(503)	(5,458)	3,684	2,421	1,090	1,388	1,712	1,520
MATERIALS & SUPPLIES	5,771	3,020	3,877	4,191	16,280	696	14,856	7,739	3,550	2,884	1,437
OTHER ASSETS	(115)	1,166	388	419	1,628	70	1,486	774	355	288	144
ACCOUNTS RECEIVABLE	21,185	(14,917)	13,043	990	(12,046)	1,837	2,194	4,161	5,389	2,239	3,093
POST RETIREMENT MEDICAL FD	81	59	2,441	2,657	2,693	2,736	2,745	2,732	2,749	2,730	2,660
INTEREST CHARGED TO CONSTR	6,226	9,192	34,016	57,827	31,419	33,915	28,745	0	2,220	13,181	30,113
CAPITAL ADDITIONS	170,845	165,248	600,415	396,297	319,370	258,435	257,660	185,423	149,429	413,157	323,891
CAPITAL CREDITS RETIRED	0	0	0	0	0	0	0	0	0	0	0
TOTAL CASH REQUIREMENTS	255,277	277,554	657,679	524,593	428,008	1,028,795	407,088	299,176	406,409	538,407	461,853
INCREASE DECREASE IN CASH	($13,094)	$22,173	($53,120)	($20,547)	$30,266	($12,927)	$13,052	$2,191	($7,688)	($4,553)	$1,831
DEBT SERVICE COVERAGE	0.66	0.98	1.05	1.05	1.06	1.05	1.04	1.12	1.15	1.11	1.13

EAST KENTUCKY POWER COOPERATIVE
TWENTY YEAR FINANCIAL FORECAST

CASH FLOW SCHEDULE
($000)

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
AVAILABLE FUNDS											
NET MARGIN	$24,405	$24,416	$32,452	$34,735	$42,386	$47,285	$26,524	$27,194	$30,309	$42,080	$17,452
DEPRECIATION	135,221	152,882	153,637	155,161	156,856	159,295	167,819	188,226	189,819	191,827	194,598
LTD ADVANCES	212,000	0	0	87,000	345,000	358,000	275,000	1,000	4,000	19,000	48,000
SHORT TERM BORROWINGS	0	0	0	0	0	0	0	0	0	0	0
OPERATING RESERVES	2,540	2,440	2,407	2,344	2,344	2,308	2,262	2,215	2,260	2,314	2,389
OTHER TRANSACTIONS	0	(0)	0	0	0	(0)	0	(0)	0	(0)	(0)
TOTAL AVAILABLE	374,165	179,739	188,497	279,239	546,586	566,888	471,604	218,635	226,387	255,222	262,438
CASH REQUIREMENTS											
PRINCIPAL PAYMENTS	101,395	103,397	106,330	110,047	116,120	125,753	137,136	148,245	151,509	136,585	144,878
CREDIT FACILITY PAYMENTS	0	0	0	0	0	0	0	0	0	0	0
FUEL STOCK	3,999	2,218	2,687	3,464	3,605	3,408	3,905	2,343	3,643	4,036	3,635
MATERIALS & SUPPLIES	17,410	1,069	1,225	1,882	1,816	1,872	21,144	1,137	1,130	2,131	2,179
OTHER ASSETS	1,741	107	122	188	182	187	2,114	114	113	213	218
ACCOUNTS RECEIVABLE	1,937	2,540	7,347	4,191	3,587	3,797	3,040	34	8,995	4,435	426
POST RETIREMENT MEDICAL FD	2,540	2,440	2,407	2,344	2,344	2,308	2,262	2,215	2,260	2,314	2,389
INTEREST CHARGED TO CONSTR	33,079	0	0	2,651	15,739	35,956	39,498	0	0	0	0
CAPITAL ADDITIONS	202,631	53,466	61,227	175,647	411,942	394,518	259,724	56,859	56,498	106,560	108,956
CAPITAL CREDITS RETIRED	0	0	0	0	0	0	0	0	0	0	0
TOTAL CASH REQUIREMENTS	364,731	165,239	181,346	300,412	555,336	567,799	468,824	210,948	224,148	256,274	262,681
INCREASE DECREASE IN CASH	$9,434	$14,500	$7,151	($21,173)	($8,749)	($911)	$2,781	$7,687	$2,239	($1,053)	($243)
DEBT SERVICE COVERAGE	1.17	1.21	1.23	1.23	1.23	1.21	1.14	1.16	1.17	1.25	1.17

EAST KENTUCKY POWER COOPERATIVE
TWENTY YEAR FINANCIAL FORECAST

BALANCE SHEET
($000)

	ACTUAL 2005	ACTUAL 2006	BUDGET 2007	BUDGET 2008	2009	2010	2011	2012	2013	2014	2015
ASSETS											
ELECTRIC PLANT IN SERVICE	$2,039,674	$2,079,933	$2,307,797	$2,567,999	$3,370,951	$3,439,682	$4,123,378	$4,492,209	$4,671,905	$4,829,292	$4,931,277
CONSTR WORK IN PROGRESS	152,585	402,387	808,953	1,002,874	550,711	774,330	377,040	193,631	165,585	434,535	686,554
UTILITY PLANT	2,192,259	2,482,319	3,116,750	3,570,873	3,921,662	4,214,012	4,500,417	4,685,840	4,837,489	5,263,827	5,617,831
ACCUM DEPRECIATION	774,995	798,534	841,688	893,422	963,736	1,040,272	1,128,008	1,241,276	1,362,771	1,489,737	1,617,910
UTILITY PLANT NET	1,417,264	1,683,786	2,275,062	2,677,451	2,957,926	3,173,740	3,372,409	3,444,564	3,474,718	3,774,090	3,999,921
PROPERTY & INVESTMENTS	41,898	43,049	44,710	46,587	48,500	50,455	52,421	54,568	57,317	60,047	62,707
OTHER ASSETS	4,750	4,499	4,637	4,775	3,692	2,951	2,892	2,868	2,845	2,831	2,859
CURRENT ASSETS											
CASH AND INVESTMENTS	71,680	93,853	40,733	20,187	50,453	37,526	50,578	52,768	45,080	40,528	42,358
ACCOUNTS RECEIVABLE	77,705	62,788	75,831	76,821	64,775	66,612	68,807	72,967	78,356	80,595	83,688
FUEL STOCK	43,323	103,602	48,649	48,147	42,689	46,373	48,793	49,883	51,271	52,983	54,504
MATERIALS & SUPPLIES	31,920	34,940	38,817	43,008	59,288	59,984	74,840	82,579	86,129	89,013	90,450
OTHER CURRENT ASSETS	1,768	1,985	2,372	2,791	4,419	4,489	5,975	6,748	7,103	7,392	7,536
TOTAL ASSETS	$1,690,307	$2,028,501	$2,530,811	$2,919,766	$3,231,743	$3,442,131	$3,676,713	$3,766,947	$3,802,820	$4,107,479	$4,344,023
EQUITY AND LIABILITIES											
EQUITY	$96,107	$107,031	$130,699	$152,706	$169,175	$187,987	$207,168	$227,288	$248,603	$259,609	$272,350
LONG TERM DEBT	1,392,348	1,701,087	2,177,150	2,541,303	2,833,981	3,022,682	3,235,201	3,302,444	3,314,115	3,604,900	3,825,905
SHORT TERM DEBT	0	0	0	0	0	0	0	0	0	0	0
CURRENT LIABILITIES	98,367	113,233	113,371	113,509	113,647	113,785	113,923	114,061	114,199	114,337	114,475
DEF CREDIT & OPER RESERVES	103,484	107,150	109,591	112,248	114,940	117,676	120,421	123,153	125,903	128,633	131,293
TOTAL EQUITY & LIABILITIES	$1,690,307	$2,028,501	$2,530,811	$2,919,766	$3,231,743	$3,442,131	$3,676,713	$3,766,947	$3,802,820	$4,107,479	$4,344,023
EQUITY TO ASSET RATIO	5.69%	5.28%	5.16%	5.23%	5.23%	5.46%	5.63%	6.03%	6.54%	6.32%	6.27%

EAST KENTUCKY POWER COOPERATIVE
TWENTY YEAR FINANCIAL FORECAST

BALANCE SHEET
($000)

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
ASSETS											
ELECTRIC PLANT IN SERVICE	$5,756,269	$5,809,736	$5,870,963	$5,967,692	$6,074,233	$6,203,783	$7,206,639	$7,263,497	$7,319,995	$7,426,555	$7,535,511
CONSTR WORK IN PROGRESS	97,272	97,272	97,272	178,841	499,982	800,905	97,272	97,272	97,272	97,272	97,272
UTILITY PLANT	5,853,541	5,907,007	5,968,235	6,146,533	6,574,214	7,004,688	7,303,911	7,360,769	7,417,267	7,523,827	7,632,783
ACCUM DEPRECIATION	1,753,020	1,905,793	2,059,320	2,214,371	2,371,117	2,530,302	2,698,011	2,886,130	3,075,849	3,267,576	3,462,074
UTILITY PLANT NET	4,100,521	4,001,215	3,908,915	3,932,162	4,203,098	4,474,386	4,605,900	4,474,639	4,341,418	4,256,251	4,170,709
PROPERTY & INVESTMENTS	65,247	67,687	70,094	72,438	74,782	77,090	79,352	81,567	83,827	86,141	88,529
OTHER ASSETS	2,887	2,915	2,943	2,971	2,999	3,027	3,055	3,086	3,124	3,162	3,200
CURRENT ASSETS											
CASH AND INVESTMENTS	51,792	66,292	73,443	52,270	43,520	42,610	45,390	53,077	55,316	54,264	54,021
ACCOUNTS RECEIVABLE	85,625	88,165	95,513	99,703	103,290	107,088	110,128	110,162	119,157	123,593	124,019
FUEL STOCK	58,502	60,721	63,408	66,872	70,477	73,885	77,790	80,133	83,777	87,812	91,448
MATERIALS & SUPPLIES	107,860	108,930	110,154	112,036	113,852	115,724	136,868	138,005	139,135	141,266	143,445
OTHER CURRENT ASSETS	9,277	9,383	9,506	9,694	9,876	10,063	12,177	12,291	12,404	12,617	12,835
TOTAL ASSETS	$4,481,711	$4,405,307	$4,333,975	$4,348,145	$4,621,894	$4,903,872	$5,070,660	$4,952,961	$4,838,159	$4,765,106	$4,688,205
EQUITY AND LIABILITIES											
EQUITY	$296,755	$321,171	$353,624	$388,358	$430,744	$478,030	$504,553	$531,747	$562,056	$604,136	$621,588
LONG TERM DEBT	3,936,510	3,833,112	3,726,783	3,703,736	3,932,616	4,164,864	4,302,728	4,155,482	4,007,973	3,890,388	3,793,509
SHORT TERM DEBT	0	0	0	0	0	0	0	0	0	0	0
CURRENT LIABILITIES	114,613	114,751	114,889	115,027	115,165	115,303	115,441	115,579	115,717	115,855	115,993
DEF CREDIT & OPER RESERVES	133,833	136,273	138,680	141,024	143,368	145,676	147,938	150,153	152,413	154,727	157,115
TOTAL EQUITY & LIABILITIES	$4,481,711	$4,405,307	$4,333,975	$4,348,145	$4,621,894	$4,903,872	$5,070,660	$4,952,961	$4,838,159	$4,765,106	$4,688,205
EQUITY TO ASSET RATIO	6.62%	7.29%	8.16%	8.93%	9.32%	9.75%	9.95%	10.74%	11.62%	12.68%	13.26%

EAST KENTUCKY POWER COOPERATIVE
TWENTY YEAR FINANCIAL FORECAST

STATISTICAL DATA

	ACTUAL 2005	ACTUAL 2006	BUDGET 2007	BUDGET 2008	2009	2010	2011	2012	2013	2014	2015
MEMBER CO-OP AVG COST											
BASE RATES (MILLS/KWH)	40.65	41.85	44.41	45.36	46.60	47.88	49.34	51.64	51.69	51.72	51.74
FUEL ADJ RATE (MILLS/KWH)	6.77	6.68	7.61	6.55	4.52	2.01	0.94	(0.41)	0.16	0.81	1.87
ENVIRON. SURCHARGE (MILLS/KWH)	2.20	4.62	5.69	5.61	5.46	6.13	6.36	8.45	8.57	8.41	8.50
TOTAL FM MEMBERS (MILLS/KWH)	50.18	53.15	57.60	57.43	56.52	55.99	56.63	59.69	60.42	60.93	62.10
PERCENTAGE CHANGE IN RATES	18.2%	5.9%	8.4%	-0.3%	-1.6%	-0.9%	1.1%	5.4%	1.2%	0.9%	1.9%
POWER PURCHASES - SEPA											
DEMAND ($/KW/MO) - SEPA	2.23	2.23	2.23	2.23	3.72	3.72	3.72	3.72	3.85	4.21	4.21
ENERGY - MILLS/KWH - SEPA	9.13	9.13	9.13	9.13	10.08	10.08	10.08	10.08	10.37	11.40	11.40
OFF-SYSTEM SALES											
ENERGY (MILLS/KWH)	51.80	44.90	104.17	106.40	57.08	54.91	51.12	45.86	48.07	51.90	53.63
STATISTICS											
AVG FUEL COST(MILLS/KWH)	23.17	24.22	26.76	25.43	21.10	21.00	20.73	20.04	20.44	20.90	21.31
VARIABLE O&M (MILLS/KWH)	2.71	3.53	3.47	3.37	3.12	3.93	3.90	3.50	3.30	3.40	3.75
TOTAL GENERATION (MWH)	11,105,626	11,179,673	11,314,104	11,782,922	12,591,070	13,742,595	14,647,344	15,487,893	15,607,739	15,774,833	15,914,472
SALES TO MEMBER CO-OPS (MWH)	12,365,466	12,144,102	12,814,076	13,185,986	13,410,868	13,960,220	14,273,456	14,601,525	14,931,591	15,246,511	15,558,811
TOTAL SYSTEM CAPACITY (MW)	2,460	2,462	2,462	2,451	2,871	2,874	3,229	3,296	3,373	3,377	3,454

ORIGINAL COST OF FACILITIES ($000)

PRODUCTION PLANT	$1,542,672	$1,572,116	$1,645,471	$1,878,918	$2,638,390	$2,685,044	$3,326,527	$3,649,072	$3,805,654	$3,853,803	$3,931,964
TRANSMISSION PLANT	427,196	439,537	583,428	605,562	645,221	664,678	704,192	747,699	767,949	874,238	895,025
GENERAL PLANT	69,807	68,280	78,898	83,520	87,340	89,960	92,659	95,439	98,302	101,251	104,288
TOTAL PLANT	$2,039,674	$2,079,933	$2,307,797	$2,567,999	$3,370,951	$3,439,682	$4,123,378	$4,492,209	$4,671,905	$4,829,292	$4,931,277

EAST KENTUCKY POWER COOPERATIVE
TWENTY YEAR FINANCIAL FORECAST

STATISTICAL DATA

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
MEMBER CO-OP AVG COST											
BASE RATES (MILLS/KWH)	53.63	56.71	56.74	56.74	56.73	56.81	56.81	60.38	60.33	60.41	60.43
FUEL ADJ RATE (MILLS/KWH)	2.24	1.02	1.85	3.13	4.26	5.43	6.10	4.86	5.81	7.17	7.64
ENVIRON. SURCHARGE (MILLS/KWH)	8.28	8.15	8.33	8.57	8.42	8.31	8.17	7.99	7.87	7.83	6.28
TOTAL FM MEMBERS (MILLS/KWH)	64.13	65.86	66.89	68.41	69.37	70.48	71.02	73.18	73.95	75.35	74.28
PERCENTAGE CHANGE IN RATES	3.3%	2.7%	1.6%	2.3%	1.4%	1.6%	0.8%	3.0%	1.1%	1.9%	-1.4%
POWER PURCHASES - SEPA											
DEMAND ($/KW/MO) - SEPA	4.21	4.21	4.35	4.77	4.77	4.77	4.77	4.92	5.39	5.39	5.39
ENERGY - MILLS/KWH - SEPA	11.40	11.40	11.73	12.90	12.90	12.90	12.90	13.27	14.60	14.60	14.60
OFF-SYSTEM SALES											
ENERGY (MILLS/KWH)	56.87	52.84	54.98	58.94	64.62	68.68	69.79	65.47	67.95	72.25	75.82
STATISTICS											
AVG FUEL COST(MILLS/KWH)	22.17	21.69	22.39	23.34	24.27	25.22	25.90	25.37	26.17	27.18	28.00
VARIABLE O&M (MILLS/KWH)	3.85	4.05	4.46	4.99	5.17	5.27	5.36	5.54	5.69	5.82	5.91
TOTAL GENERATION (MWH)	16,417,782	17,422,382	17,620,864	17,825,256	18,069,605	18,229,027	18,690,351	19,656,532	19,919,082	20,102,361	20,325,370
SALES TO MEMBER CO-OPS (MWH)	15,900,557	16,228,008	16,564,001	16,932,904	17,318,616	17,690,980	18,070,932	18,442,345	18,819,569	19,178,141	19,522,167
TOTAL SYSTEM CAPACITY (MW)	3,735	3,738	3,741	3,815	3,889	3,963	4,241	4,241	4,241	4,315	4,389

ORIGINAL COST OF FACILITIES ($000)

PRODUCTION PLANT	$4,738,514	$4,752,106	$4,772,210	$4,826,522	$4,889,311	$4,973,729	$5,930,023	$5,938,844	$5,945,777	$6,001,198	$6,057,378
TRANSMISSION PLANT	910,338	946,990	984,794	1,023,792	1,064,023	1,105,528	1,148,355	1,192,544	1,238,146	1,285,203	1,333,774
GENERAL PLANT	107,417	110,639	113,959	117,377	120,899	124,526	128,261	132,109	136,073	140,155	144,359
TOTAL PLANT	$5,756,269	$5,809,736	$5,870,963	$5,967,692	$6,074,233	$6,203,783	$7,206,639	$7,263,497	$7,319,995	$7,426,555	$7,535,511

EAST KENTUCKY POWER COOPERATIVE, INC.
PSC CASE NO. 2006-00472
FOURTH DATA REQUEST RESPONSE

COMMISSION STAFF'S FOURTH DATA REQUEST DATED 05/30/07
REQUEST 14
RESPONSIBLE PERSON: **William A. Bosta/Ann F. Wood**
COMPANY: **East Kentucky Power Cooperative, Inc.**

Request 14. Refer to the response to the Staff's Third Request, Item 42.

Request 14a. Refer to the response to Item 42(a). EKPC states, "Some directors elect to have a portion of their fees paid into a tax deferred compensation plan at NRECA rather than receiving a check in the present." Explain in detail this option available to the directors. Include citations to the Internal Revenue Service Tax Code that allow for this deferral by non-employees of EKPC.

Response 14a. NRECA provides a Director's Deferred Compensation Program to its members allowing the members to invest a portion of their participating directors' per diem payments. The EKPC Board of Directors approved this plan in January 2000. Internal Revenue Code Section 457 addresses deferred compensation plans of state and local governments and tax-exempt organizations.

Request 14b. Refer to the response to Item 42(d). EKPC states that Internet expenses are paid for each director. However, the analysis of directors' fees and expenses provided in the response to the Staff's First Request, Item 25(b), shows that only 12 of the 16 directors received this compensation. Explain why Internet service is provided for only some, but not all, directors.

Response 14b. Internet service is available to all directors, but all do not choose to use or seek reimbursement.

Request 14c. Refer to the response to Item 42(g)(1). The Audit Committee Charter requires that this committee meet at least twice a year. However, the analysis of the directors' fees and expenses shows only one meeting during the test year.

(1) Did the Audit Committee meet between October 1 and December 31 of 2006?

(2) Indicate the number of Audit Committee meetings held in calendar year 2002, 2003, 2004, and 2005.

Response 14c. (1) Yes, on November 14, 2006.

(2) 2002 – 1
2003 – 4
2004 – 9
2005 – 4

Request 14d. Refer to the response to Item 42(g)(2). Explain why all bid opening and negotiation meeting payments during the test year were paid to the same director.

Response 14d. The Chairman of the Negotiating Committee must be present at the referenced bid opening. In the event the Chairman is unable to attend, he may appoint a designee.

Request 14e. Refer to the response to Item 42(g)(4). The response states, "These meetings of the President and CEO and the Board Officers were to discuss various issues with regard to EKPC, wherein power supply and cost were most likely the main topics."

(1) Why aren't the topics discussed at these meetings known?

(2) Were any notes, minutes, or other records kept of these meetings? If yes, provide copies of the applicable notes, minutes, or other records. If no, explain in detail why this information was not kept.

Response 14e(1),(2). These meetings were not part of the regularly scheduled Board meeting. No minutes, notes or records were taken.

Request 14f. Refer to the responses to Items 42(g)(4) and 42(g)(5). EKPC was requested to explain why these expenses should be included for rate-making purposes. However, this explanation was not included in the responses. Provide the originally requested explanations.

Response 14f. The meetings are a reasonable and legitimate business expense as such expenses were necessary to carry out general business operations.

Request 14g. Refer to the responses to Items 42(g)(6), 42(g)(7), 42(g)(9), and 42(g)(10). EKPC has stated that expenses for the CFC Forum, the Energy Management Conference, Director Conference, and the National Rural Electric Cooperative Association ("NRECA") Strategic Issues meeting have been excluded for rate-making purposes, except for two directors.

(1) Explain why the expenses for two directors should be included for rate-making purposes.

(2) Provide copies of programs, agendas, and other materials that describe and discuss the topics covered at these four meetings.

Response 14g. (1) Including the expenses of two directors for these meetings and conferences is reasonable given the Commission's rulings in past cases and the significant number of cooperatives in the EKPC system (16).

(2) Please see attached.

High adj
a: constituting the latest, most fully developed, or most creative stage or period

Performance n
a: the fulfillment of a claim, promise or request

Consumers demand high performance – a promise that your goods and services are the latest and greatest available.

Is your business meeting this challenge?

Find out by attending Kentucky's Touchstone Energy Cooperatives' 2006 Energy Management Conference: HIGH PERFORMANCE .

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2006 ENERGY MANAGEMENT CONFERENCE

JANUARY 24TH & 25TH

NEW IDEAS, PRODUCTS & SERVICES AT KENTUCKY'S

PREMIER BUILDERS CONFERENCE

Kentucky's Touchstone Energy® Cooperatives

Sponsored by Kentucky's Touchstone Energy Cooperatives:

Big Sandy RECC
Paintsville, KY

Blue Grass Energy Cooperative
Nicholasville, KY

Clark Energy Cooperative
Winchester, KY

Cumberland Valley Electric
Gray, KY

Farmers RECC
Glasgow, KY

Fleming-Mason Energy Cooperative
Flemingsburg, KY

Grayson RECC
Grayson, KY

Inter-County Energy Cooperative
Danville, KY

Jackson Energy Cooperative
McKee, KY

Licking Valley RECC
West Liberty, KY

Nolin RECC
Elizabethtown, KY

Owen Electric Cooperative
Owenton, KY

Salt River Electric Cooperative
Bardstown, KY

Shelby Energy Cooperative
Shelbyville, KY

South Kentucky Rural Electric
Somerset, KY

Taylor County RECC
Campbellsville, KY

PROGRAM

Tuesday, January 24

8:30 a.m. Registration
Breakfast in the Exhibit Hall

9:30 a.m. Welcome
Roy Palk, President/CEO
East Kentucky Power

10:00 a.m. Conference Overview
Jeff Hohman,
Marketing Manager
East Kentucky Power

10:30 a.m. General Assembly
"The Business
Success Blueprint"
George Hedley,
Hardhat Presentations

11:30 a.m. Lunch in the Ballroom
Exhibit Viewing

1:00 p.m. Concurrent Sessions

A. "Seal Air Leaks & Save Energy"
Jeff Tiller,
Southface Energy

B. "Qualifying a Touchstone Energy Home"
Roy Honican,
Blue Grass Energy

C. "Landscaping with Native Plants"
Jeff Richmer,
Dropseed Native Plant Nursery

D. "13 Seer – Changes & Challenges"
Candy Weddington,
Harshaw-Trane

E. "Lighting Solutions"
Frank Gaudio,
RAB Lighting

2:00 p.m. Repeat Concurrents ABCDE

3:00 p.m. Break with Exhibitors

3:30 p.m. Repeat Concurrents ABCDE

4:30 p.m. Adjourn

5:30 p.m. Reception with Exhibitors

6:00 p.m. Dinner

7:00 p.m. **UK vs. Auburn**
Big Screens!
Free Throw Contest!
Prizes!

Wednesday, January 25

7:30 a.m. Breakfast in the Ballroom
Registration/ Exhibit Viewing

8:30 a.m. General Assembly
"Integrity in Business"
Bob Russell,
Southeast Christian Church

9:30 a.m. Break with Exhibitors

10:00 a.m. Concurrent Sessions ABCDE

11:00 a.m. Repeat Concurrents ABCDE

12:00 p.m. Lunch
"Surviving In Rural America"
Rodger Bingham,
(former Survivor,
Kentucky Joe)
Kentucky Department
of Agriculture

Grand Prizes Awarded

Kentucky's
Touchstone Energy
Cooperatives®

Accounting, Finance & Tax Conference (NRECA)

Annual Meeting (CFC/Federated/ NRECA/NRTC)
- Past Conference Information

Benefits Forum (NRECA)

Benefits Update Conference (NRECA)

Board of Directors' Meetings (Federated)

CEO Close-Up (NRECA)

District Meetings)

CFC Forum (CFC)

CONNECT 2006 (NRECA)

Directors' Conference (NRECA)

Executive & Administrative Assistants Conference (NRECA)

G&T Legal Seminar (NRECA)

Human Resource & Benefits Update Conferences

Independent Borrowers Executive Summit (CFC)

Legislative Conference (NRECA)
- Past Conference Information

New and Emerging nologies Conference uchstone Energy)

Regional Meetings (NRECA)

Conferences

CFC Forum (CFC)

June 19, 2006 - June 21, 2006

The 2006 CFC Forum will be in Las Vegas, Nevada. The CFC Forum offers directors, managers and key staff up-to-the-minute information on industry and business issues relevant to cooperatives.

CFC Forum 2005
CFC Forum 2005 was held July 27-29 in Hollywood, Florida. Thanks to all who attended and helped make it a great meeting. Learn more about CFC Forum 2005, see video and listen to audio interviews.

EAST KENTUCKY POWER COOPERATIVE

MEMORANDUM

TO: EKPC Directors

FROM: Claudia Embs

DATE: April 10, 2006

SUBJECT: CFC 2006 Forum

The CFC 2006 Forum will be held at the Bellagio in Las Vegas from Monday, June 19 through Wednesday, June 21. According to EKPC board policy #115, all EKPC Directors are authorized and encouraged to attend at EKPC expense.

The conference information is enclosed. Some of you may wish to register and make travel arrangements with other directors going from your cooperative and bill EKPC for your expenses. If you would like for me to register you or help with your reservations, please mail or fax the enclosed registration form to me **by April 23**, to East Kentucky Power Cooperative, P.O. Box 707, Winchester, KY 40392-0707 or fax it to my attention at 859-744-6008. I am currently holding a few rooms at the Bellagio to insure a room for you at the conference hotel, but will have to release them on April 23. Please let me know by that date if you plan to attend.

Enclosures
c: Member System Managers (memo only)

4775 Lexington Road 40391
P.O. Box 707, Winchester,
Kentucky 40392-0707

Tel. (859) 744-4812
Fax: (859) 744-6008
http://www.ekpc.coop

"The Challenge of Change"

Preliminary Agenda (April 6, 2006)

CFC Forum 2006 is all about change.

These changes include the human dimension as a generation of leaders exits our industry; changes in the U.S. and global economies including insight into the most powerful forces driving change in the world today; and changes and challenges in the energy markets that keep co-op leaders up at night.

With each of these changes, the goal of Forum 2006 is to leave you with key ideas and actions to meet the challenge of these changes and, in the process, make your co-op even more successful.

Monday, June 19

Presiding: Cletus Carter, CFC President

Monday's General Sessions will focus on changes in the human dimension as a generation of leaders exits our industry. We will explore what kind of legacy co-op leaders will leave and how co-ops must position themselves for a successful transition.

9 a.m.-5:30 p.m.
Registration and Product Showcase

1-2:15 p.m.
Leadership That Leaves a Legacy"
General Hugh Shelton, 14th Chairman of the Joint Chiefs of Staff
During General Shelton's 38-year career in the military he held numerous leadership positions. He participated in the liberation of Kuwait during Operation Desert Shield/Desert Storm. He commanded the XVIII Airborne Corps where he led the U.S. Joint Task Force that restored democracy in Haiti. When Shelton was promoted to general, he became the commander-in-chief of the U.S. Special Operations Command.

2:15-2:45 p.m.
Break/Product Showcase

2:45-4:15 p.m.
Breakout Sessions

"What a Director Needs to Know about Electric Rates"

- *Tom Lewis, Ph.D.*, Professor of Accounting, Creighton University
- *Tom Nusbaum*, Vice President of Member Services, CFC

"Top 10 Accounting and Tax Issues"

- *Kevin Dolan*, Partner, Deloitte & Touche
- *Lynn Midgette*, Vice President–Portfolio Management, CFC
- *Russ Wasson*, Executive Director, Tax, Finance & Accounting Policy, NRECA

"Financial Markets' View of Electric Cooperatives and the Electric Utility Industry"

- *Richard Eisenberg*, Vice President–Capital Market Relations, CFC
- *Peter Madonia*, Managing Director, Debt Capital Markets, JP Morgan
- *Alan Spen*, Managing Director, Corporate Finance, Fitch Ratings

"Hot Legal Issues for Electric Cooperatives"

- *Roberta Aronson*, Deputy General Counsel, CFC
- *Terence Brady*, Assistant General Counsel for Rural Utilities, U.S. Department of Agriculture
- *Kent Singer*, General Counsel to Tri-State G&T Association, CO

4:15-4:30 p.m.
Break/Product Showcase

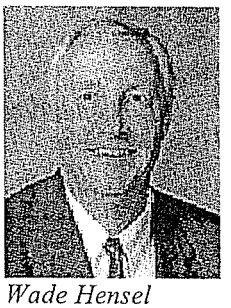
4:30-5:30 p.m.
"Succession Planning Is Essential at Every Cooperative"

- *Kent Farmer*, President & CEO, Rappahannock EC, VA
- *Charles Gill*, former Governor and CEO, CFC
- *Winston Tan*, Principal, Human Capital & Rewards Practice, Cooperative Benefits & Finance Services, LLC
- Moderator: *Wade Hensel*, General Manager, BENCO EC and Brown County REC, MN


Kent Farmer


Chuck Gill


Winston Tan


Wade Hensel

5:30-5:35 p.m.
"Changing Times and Changing Opportunities"
The National The National Cooperative Services Corporation (NCSC) exists only because—over time—electric cooperatives' needs and opportunities change.
Mitchell Johnson, NCSC Board President and CEO, Ozarks Electric Cooperative Corporation, AR

6-7:30 p.m.
Reception to Celebrate "The Challenge of Change"
Grand Patio Area of Hotel Bellagio — Spons ored by NCSC

As a CFC affiliate, NCSC's mission is to provide specialized financing and related services to benefit electric cooperatives and their partners. NCSC's Board of Directors is comprised 100 percent of electric cooperative CEOs and directors. More than 350 electric cooperatives are NCSC member-owners. NCSC's products and value-added services include consumer-focused products such as EC Home Improvement and the Co-op Power Plus VISA credit card, in addition to specialized financing for electric cooperatives and their subsidiaries and partners. Please join NCSC in enjoying the spirit of cooperative friendship and the live blues-rock sound of Eat @ Joes Band, which features NRECA's Russ Wasson.


Drew


Charles


Russ


Joe

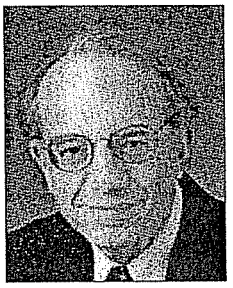
Tuesday, June 20

Presiding: Terryl Jacobs, CFC Vice President

Tuesday's General Sessions will focus on changes in the U.S. and global economies and the most powerful forces driving change in the world today. We will present both a list of specific key actions and underlying principles for co-op success in today's changing environment.

7 a.m.-5 p.m.
Registration and Product Showcase

7-8 a.m.
Continental Breakfast



8-9 a.m.
"The Changing U.S. Economy—Strengths, Weaknesses and Insights into the Forces Driving our Economic Direction"
Jeremy Siegel, Professor of Finance, Wharton School of Business

9-9:30 a.m.
Break and Product Showcase

9:30-11 a.m.
Breakout Sessions

"Leadership in the Real World" *(repeats Tuesday afternoon)*
Pragmatic solutions to the problems leaders at all levels face today. How to refocus on what matters most. Why "tough management" produces results.
Chuck Martin, Author of *Tough Management*

"New Frontiers that Change Everything" *(repeats Tuesday afternoon)*
Economics, demographics and technology are all converging in such a way that the next 10 years will be unlike any in human history. Five trends are changing society and providing more opportunities than ever before. For those willing to rise to the challenge of the five trends, the rewards will be boundless.
Lowell Catlett, Futurist and Technological Visionary, Professor of Agricultural Economics and Agricultural Business, New Mexico State University

"Key Financial Decisions for Boards"
- *Tom Lewis, Ph.D.*, Professor of Accounting, Creighton University
- *Sherry Sharp*, Regional Vice President, CFC

"How to Develop a Succession Plan for Your Cooperative"

11-11:30 a.m.
Break and Product Showcase

Presiding: Roger Arthur, CFC Secretary-Treasurer

11:30 a.m.-1:15 p.m.
Luncheon and Presentation:
"Changing Times—Lessons and Perspectives"
Governor John H. Sununu, former Governor of New Hampshire, former Chief of Staff to the President of the United States
Governor Sununu shares his thoughts and insights on the most powerful forces driving change in the U.S. and global arenas and provides his views on what it takes to be a great leader.

1:15-1:30 p.m.
Break and Product Showcase

1:30-3:00 p.m.
Breakout Sessions

"Leadership in the Real World"
Pragmatic solutions to the problems leaders at all levels face today. How to refocus on what matters most. Why "tough management" produces results.
Chuck Martin, Author of *Tough Management*

"New Frontiers that Change Everything"
Economics, demographics and technology are all converging in such a way that the next 10 years will be unlike any in human history. Five trends are changing society and providing more opportunities than ever before. For those willing to rise to the challenge of the five trends, the rewards will be boundless.
Lowell Catlett, Futurist and Technological Visionary, Professor of Agricultural Economics Agricultural Business, New Mexico State University

"What a Director Needs to Know About Strategic & Business Planning"
- *Tom Lewis, Ph.D.*, Professor of Accounting, Creighton University
- *Brian Stavish*, Regional Vice President, CFC

"Optimal Management of Your Debt Portfolio"
- *John Grant*, Senior Consultant–Finance Advisory Services, CFC
- *John List*, Senior Vice President, Member Services, & General Counsel, CFC

3-3:30 p.m.
Break and Product Showcase

3:30-4 p.m.
"Eight Keys For Electric Cooperatives' Success During Changing Times"
Sheldon C. Petersen, Governor & CEO, CFC

4-5 p.m.
"Principles for Success"
Archie Manning, Former NFL Star and Community Activist
New Orleans Saints' star quarterback for more than 10 years, Manning was the NFL's MVP in 1978 and was voted Most Popular Saint in franchise history. He remains in the spotlight of the New Orleans community as a Saints analyst for WWL Radio and TV and as a spokesperson for several local businesses. As a tribute to his success, his name and number (8) were the first to be placed on the Wall of Champions at the Louisiana Superdome. Mr. Manning will share the principles of success he used throughout his career. These principles can be used at your co-op.

Wednesday, June 21

Presiding: Cletus Carter, CFC President

Wednesday's General Sessions will focus on the changes in the energy markets that keep co-op leaders up at night. We'll end with a challenge to climb the heights to success.

7-10 a.m.
Registration and Product Showcase

7-8 a.m.
Continental Breakfast

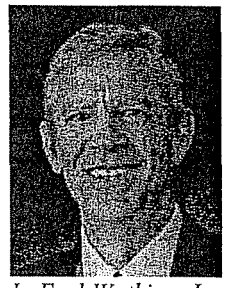
8-9 a.m.
"The Changing and Challenging Energy Picture—
What Keeps G&T Managers Up at Night?"

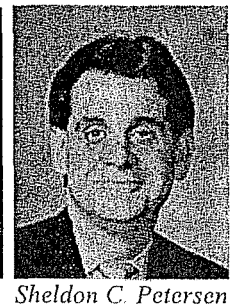
- *Tony Ahern*, President & CEO, Buckeye Power, Inc., OH
- *Dale Arends*, Executive Vice President & General Manager, Corn Belt Power Co-op, IA
- *Richard Midulla*, Executive Vice President/General Manager, Seminole Electric Co-op, FL
- *L. Earl Watkins, Jr.*, President & CEO, Sunflower Electric Power Corporation, KS
- Moderator: *Sheldon C. Petersen*, Governor & CEO, CFC


Tony Ahern


Dale Arends


Richard Midulla


L. Earl Watkins, Jr.


Sheldon C. Petersen

9-9:15 a.m.
Break and Product Showcase

9:15-10:45 a.m.
Breakout Sessions

"Disaster Preparedness—Lessons from the Front line"
If a disaster strikes your service territory will you be prepared? Hear what these managers did when they were challenged with the forces of nature. What can you do to incorporate some of these lessons into you disaster plan?

- *Robert Occhi*, Executive Vice President & General Manager, Coast Electric Power Association, MS
- *Randy Pierce*, Executive Director, The Association of Louisiana Electric Cooperatives, LA
- *Audry Ricketts*, General Manager, South Dakota Rural Electric Association, SD

"Positioning for the Future"
This session will answer a question often asked of CFC staff…"What can a co-op do to position itself to be successful in the future?"

- *Dan Kessler*, Regional Vice President, CFC
- *Steve Kettler*, Regional Vice President, CFC

"New Technology Deployment at Electric Cooperatives"

- *Russ Dantzler*, Manager of Engineering & Operations, Mid-Carolina Electric Co-op, SC
- *Bruce Griffin*, General Manager, Illinois Rural Electric Cooperative, IL
- *Martin E. Gordon*, Senior Program Manager, Cooperative Research Network (CRN), NRECA
- *Julius Hackett*, Manager of Engineering, Southside Electric Cooperative, VA
- *Doug Lambert*, SCADA/Engineering Data Supervisor, San Bernard Electric Co-op, TX
- Moderator: *Gary Harrison*, General Manager, Dixie Electric Cooperative, AL

"Electric Rate Issues"

10:45-11 a.m.
Break

11 a.m.-12 p.m.
"Lessons from Everest – Qualities that Can Help Your Cooperative Climb the Heights, Regardless of the Changing Environment"
Alison Levine, Mt. Everest Climber
Ms. Levine began climbing mountains just 18 months after her second heart surgery to repair a life-threatening heart condition. In between starting business school and starting a job on Wall Street, she "accidentally" climbed the highest peak on six continents. Drawing parallels between staying alive in the mountains and thriving in a fast-paced, changing business world, she will leave you with some great ideas to take back and use at your system.

12 p.m.
Adjourn

CFC Forum 2006
Conference Registration
June 19-21, 2006

The Bellagio Hotel
3600 Las Vegas Blvd. South
Las Vegas, NV

Name: _____

Nickname for Badge: _____

Spouse/Guest Name: _____

Hospitality Events:

Networking Reception, Monday, June 19
_____ yes I will be attending and will bring _____ guests with me

Continental Breakfast, Tuesday, June 20
_____ yes I will be attending and will bring _____ guests with me

Luncheon, Tuesday, June 20
_____ yes I will be attending and will bring _____ guests with me

Continental Breakfast, Wednesday, June 21
_____ yes I will be attending and will bring _____ guests with me

Room Reservations:

Bellagio Hotel
3600 Las Vegas Blvd. South
Las Vegas, NV 89109
Phone 702-693-7444

_____ single _____ double _____ smoking _____ non-smoking

other requests: _____

Please complete and return form to Claudia Embs, EKPC, P.O. Box 707, Winchester, KY 40392-0707 or fax to 859-744-6008

MEMORANDUM

TO: EKPC Board of Directors

FROM: Claudia Embs

SUBJECT: NRECA Directors' Conference
San Diego, CA – March 27-29, 2006

DATE: January 9, 2006

According to EKPC Board Policy 115, directors are authorized to attend either the NRECA Directors' Conference or the Strategic Issues Conference at EKPC expense. Directors who did not attend the Strategic Issues Conference in Nashville in December, are eligible to attend the Directors' Conference in San Diego from March 27-29, 2006. (Pre-conference director training is being held March 25 and 26.)

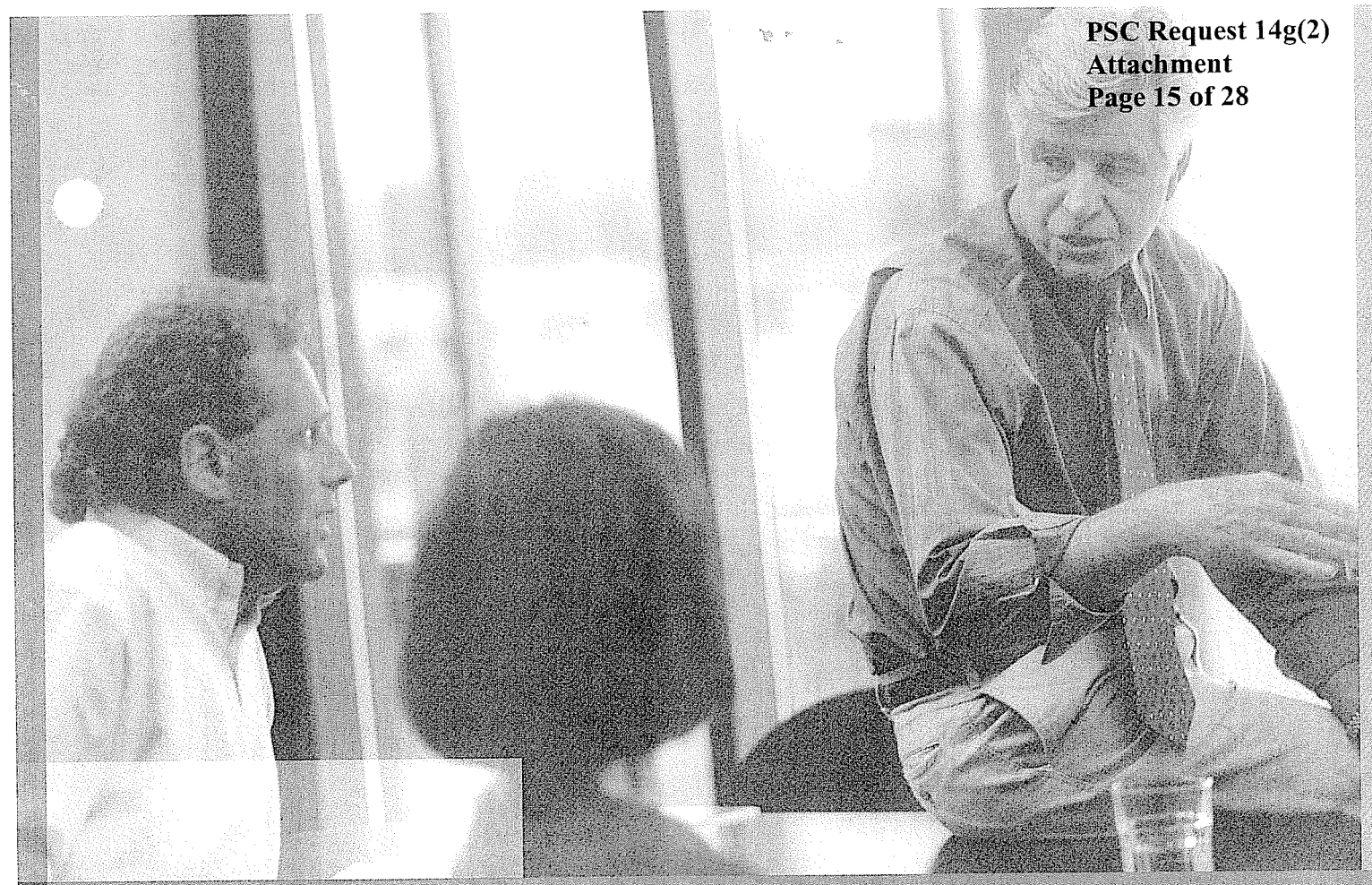
The flyer is not available yet, but this is what the website has to say about this conference. "Focuses on key industry trends and how they play out in the electric cooperative board room. Given increases in the global consumption of generation fuels and the pressures that it places on the domestic power supply situation, it's never been more important to interact with industry experts and collaborate with your peers."

Since NRECA conference hotel rooms seem to book up early, I am currently holding five rooms at the Manchester Grand Hyatt in San Diego. Please let me know as soon as possible if you plan to attend. I will need the following information:

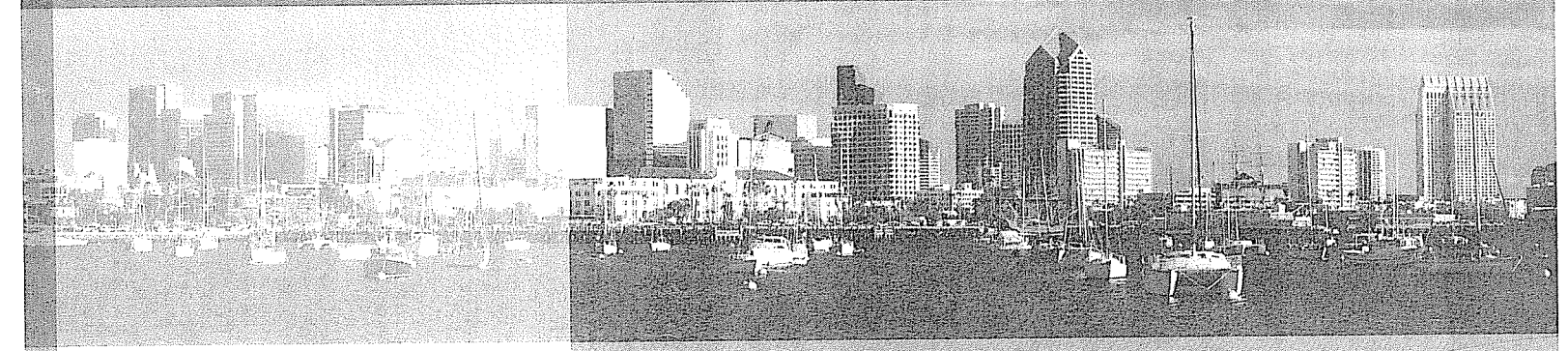
- check-in and check-out dates?
- room preferences?– smoking/non-smoking; 2 double beds/king bed
- flight preferences? (if you wish me to take care of that for you)

I plan to release the rooms on March 15.

c: Member System Managers (for your info only)
Della Damron



2006 DIRECTORS' CONFERENCE



Manchester Grand Hyatt • San Diego, CA

March 25–26, 2006 Pre-Conference Training
March 27–29, 2006 Conference

National Rural Electric Cooperative Association®
A Touchstone Energy® Cooperative

2006 DIRECTORS' CONFE

SCHEDULE AT-A-GLANCE

MARCH 25–26, 2006: Pre-Conference Training

Saturday, March 25

7:00 – 8:00 a.m.	Registration and Continental Breakfast
8:00 a.m. – Noon	Pre-Conference Training
Noon – 1:30 pm	Lunch on your own
1:30 – 4:00 p.m.	Pre-Conference Training
4:00 – 6:00 p.m.	Conference Registration Open

Sunday, March 26

7:00 – 8:00 a.m.	Registration and Breakfast
8:00 a.m. – Noon	Pre-Conference Training
Noon – 1:30 p.m.	Lunch on your own
1:30 – 4:00 p.m.	Pre-Conference Training
4:00 – 6:00 p.m.	Conference Registration Open

Monday, March 27

7:30 – 8:30 a.m.	Registration and Continental Breakfast
8:30 – 10:45 a.m.	General Session
10:45 a.m. – Noon	Breakout Sessions
Noon – 1:30 p.m.	Lunch on your own
1:30 – 2:45 p.m.	Breakout Sessions
3:00 – 4:00 p.m.	General Session
5:00 p.m.	Welcome Reception

Tuesday, March 28

7:00 – 8:00 a.m.	Continental Breakfast
8:00 – 10:45 a.m.	General Session
10:45 a.m. – Noon	Breakout Sessions
Noon – 1:30 p.m.	Lunch on your own
1:30 – 2:45 p.m.	Breakout Sessions Repeat
3:00 – 4:00 p.m.	Face to Face with the Experts

Wednesday, March 29

7:00 – 8:00 a.m.	Continental Breakfast
8:00 – 11:15 a.m.	General Session
1:15 a.m.	Closing Remarks

Attend the 2006 Directors' Conference and make the commitment to director training. The Directors' Conference focuses on key industry trends and how those issues play out in the electric cooperative board room. One of the many strengths of the electric program has always been informing our members and collaborating at the local, state and national level. Given increases in the global consumption of generation fuels and the pressures they place on the domestic power supply situation, it has never been more important to interact with industry experts and collaborate with directors from across the country. This years' conference will focus on key current issues including:

- The Role of the G&T Director
- Board Continuity Planning and Succession Management
- Transparency, Accountability and Ethics
- Trends in Director Compensation

RENCE: *Investing in your future*

MARCH 27–29, 2006: Conference | Manchester Grand Hyatt • San Diego, CA

Come Early for Training!

The Directors' Pre-Conference training is another valuable opportunity for directors to gain credits towards their Credentialed Cooperative Director (CCD) or Board Leadership certificates. The CCD certificate consists of five courses that will provide you with knowledge and skills required of cooperative directors. The CCD is earned by attending all five required courses and successfully completing a learning assessment for each. Join more than 3,500 people that have already made their commitment to invest in their future as cooperative directors.

The Board Leadership certificate consists of issue and skill based courses for directors. The certificate can be obtained after earning your CCD, with the completion of 10 additional credits from the 900 level courses.

Saturday, March 25

7:00 – 8:00 a.m.	Registration and Continental Breakfast
8:00 a.m. – Noon	Pre-Conference Training
Noon – 1:30 p.m.	Lunch on your own
1:30 – 4:00 p.m.	Pre-Conference Training Resumes

Saturday Courses:

*Attendees can take one course per day

2630.1

CCD Strategic Planning

(Revised 12/01/05)

Boards have ultimate responsibility for ensuring and evaluating the long-term health of the organization. They help fulfill this duty by identifying goals through strategic planning and by authorizing the appropriate allocation of resources through the adoption of financial policies and by budget review and approval. This course teaches directors how to participate effectively in a strategic planning process.

$475

2640.1

CCD Financial Decision Making

(Revised 12/01/05)

This course is designed to help directors understand the role of the board in financial planning, including identifying the basic documents used in financial planning and reporting, assessing the issues that drive financial decisions, balancing competing goals, and taking responsibility to monitor and evaluate results.

$475

923.1

New and Emerging Technologies — What Every Director Needs to Know NEW 2006

The business of providing safe, reliable, and cost effective electrical service has never been more dependent upon technology. This course focuses on helping directors explore recent advancements in distribution system automation and information technology tools and how they help rural electric cooperatives deliver superior service to their member owners. Through case study and interactive discussion, this course explores advancements in automated meter reading, scada technologies, broadband over power lines, and other technologies to help directors stay informed and educated.

$475

Sunday, March 26

7:00 – 8:00 a.m.	Registration and Continental Breakfast
8:00 – Noon	Pre-Conference Training
Noon – 1:30 p.m.	Lunch on your own
1:30 – 4:00 p.m.	Pre-Conference Training Resumes

Sunday Courses:

*Note you can only take one course per day

2610.1

CCD Understanding the Electric Business

(Revised 12/01/05)

This course is designed to help directors understand that the electric utility industry is an evolving high-tech system that must be designed and engineered to meet regulatory and consumer standards for reliability, quality, and safety, which in turn requires an appropriate investment on a planned and on-going basis. This course provides directors with an understanding of the key components of the electric utility industry.

$475

924.1

Continuity Management and Emergency Response Planning for Directors NEW 2006

Cooperatives are consistently subjected to the ongoing challenges of providing continuous service to their membership in the face of natural and man-made disasters. Whether it's a hurricane, tornado, or employee sabotage, Directors play an increasingly important role in monitoring the activities of management to ensure that physical and IT assets are secure and safe. This course focuses on the fundamentals of disaster planning and recovery, showing how Directors can fulfill the responsibility they have to their members by ensuring the continuity of electrical and business operations.

$475

914.1

Managing Communications and Public Opinion — The Director's Perspective NEW 2006

Given the challenges of navigating through the evolving energy landscape, effective communications from the cooperative is an area of increasing importance. Whether it's communicating future rate increases or advertising your cooperative's participation in renewables, strong communication programs strengthen your identity with your consumers and build customer loyalty. This course guides participants as they explore the roles and responsibilities of directors with regards to communicating during a crisis or controversy and how to manage public opinion.

$475

968.1

Advanced Rate Decisions: For Experienced Directors

(Available 02/01/05)

It is recommended that Directors taking this course have completed course 2640, Financial Decision Making.

This course is designed to enable directors to discuss and understand the complex issues that must be balanced when the board considers equity management and alternative rate philosophies and strategies. Through a set of case studies and problem situations, attendees will analyze and discuss such issues as equity goals, long-range revenue requirements, achieving fairness for multiple rate classes, and dealing with proposed rate increases.

$475

Monday, March 27

7:30 – 8:30 a.m.
Registration and Continental Breakfast

8:30 – 8:45 a.m.
Welcome and Overview

8:45 – 9:15 a.m.
Glenn English
Hear from NRECA's CEO, Glenn English to discuss the evolving domestic power supply environment and the importance of good governance and proactive communications with our members, given the possibility of future rate increases.

9:15 – 10:15 a.m.
Keynote Presentation
What are the forces shaping the electric utility industry? What are the implications for electric cooperatives? How does the role of the director take on even greater importance as a key architect of the cooperative's strategic priorities? Join us during this informative session as we discuss these and other key industry issues.

10:15 – 10:45 a.m.
Break

10:45 – Noon
Breakout Sessions

1. Power Supply Choices and the Role of the G&T Director
   This session probes the role of the distribution director as a G&T director. While keeping focused on the big picture, balancing individual interests will become increasingly important for G&T boards. Come to this session to consider key questions such as:
   - Are directors instructed on how to vote?
   - How do the G&T directors communicate back to the rest of the distribution system board?
   - What is the importance of collaborative decision making?
   - Do you have the financial and physical risk management expertise needed to ensure the successful operation of your G&T?
2. Rates Trends and Cost Dynamics
   The utility industry is experiencing rapid changes from substantial increases in underlying costs. This session reviews the trends in utility costs and the causes. Discover some new and traditional remedies your co-op can adopt to maintain its financial strength in today's rapidly changing cost environment.
3. The Challenges of Selecting a New CEO
   Deciding who will be your next CEO will likely be one of the most important decisions your board will ever make. This session will candidly explore the challenges boards face as they identify candidates, conduct interviews, evaluate options and select the next CEO of their cooperative.
4. Using Board Room Processes to Make Good Decisions
   The responsibility that comes with being a director has never been more critical to the leadership and effectiveness of your cooperative. Given today's energy environment, human differences and expectations impact relationships and individual participation in the boardroom. This session explores the importance and value of the fundamentals of making motions, offering discussion, making amendments and voting to ensuring a healthy board room decision making process.
5. Building and Planning for the Continuity of the Board
   As co-ops transition from directors who were there at the beginning to new directors who will guide the co-op into the future, boards must effectively manage the continuity and competency of the board. This session candidly examines trends in board composition, the techniques co-ops use to ensure director competency, and the subsequent challenges for cooperatives as they prepare for the election of new directors.

Noon – 1:30 p.m.
Lunch

1:30 – 2:45 p.m.
Breakouts (repeat)

3:00 – 4:00 p.m.
Carl Hurley – humorist
Be prepared to laugh! Humorist Carl Hurley, America's funniest professor, will delight you with his reflections on life as viewed by a native of Appalachia. He encourages all of us to look for the humor in life, and not take it too seriously. "Humor brightens the load, and makes life more interesting and enjoyable," says Carl.

5:00 p.m.
Welcome Reception
Sponsored by CFC

Tuesday, March 28

7:00 – 8:00 a.m.
Continental Breakfast

8:00 – 8:15 a.m.
Day One Recap — Day Two Start

8:15 – 9:15 a.m.
Trends Effecting the Energy Landscape — A Keynote Address

What are the key trends shaping the economic outlook? What are the opportunities for the Electric Cooperative Program given the domestic energy landscape? As leaders of America's electric cooperatives, you can benefit from the answers to these, and other, key questions. Come learn where your efforts fit into the broader economic picture, and discover how new technologies, globalization, and program initiatives are shaping the electric cooperative landscape.

9:15 – 9:30 a.m.
Break

9:30 – 10:30 a.m.
Building a Healthy Board — CEO Relationship

Monica Schmidt, Executive Director, National Consulting Group, NRECA

Join Monica Schmidt and a panel of cooperative directors as they talk about the importance of building a healthy board and CEO relationship. This session will offer insights into how to effectively collaborate with your CEO on important issues that face your community and your co-op. Join this group for a lively talk on how to go about building and maintaining this important relationship.

10:45 a.m. – Noon
Breakouts

1. Transparency, Accountability and Ethics
   In an environment of heightened scrutiny on governance, boards are rightfully asking for information disclosure and detailed explanation of management decisions. This session will focus on the fine line between governance and management and will uncover strategies to help you ensure that board bylaw and policy compliance contributes to a healthy board-CEO relationship.
2. All About Capital Credits
   With ongoing changes in the demographic makeup of cooperative consumers and the importance of demonstrating the value of the cooperative form of business to today's members, capital credits continue to be a constant item of discussion in board rooms. This session explores how board policies and strategies for capital credits are going to be affected by the current and future environment of rising costs. Specific focus will be placed on the ongoing discussion with regards to special retirements and discounting.
3. Director Fees and Expenses
   With the renewed focus on corporate governance resulting from legislative and regulatory actions, the roles, responsibilities and potential liability of individual directors continues to be a topic of great discussion. As part of that discussion, focus continues to be placed on what is the most appropriate compensation for directors given the time and effort required and the legal risk they are exposed to. This session will explore trends in director compensation and how cooperatives are evaluating and determining compensation levels.
4. Staying on Message
   Explore the fundamentals of effective communications and the role of the board in ensuring that the cooperative is proactively discussing industry changes with your membership. This session will focus on developing strategic communication messages to address challenges imposed by the new energy environment (rates, energy efficiency and renewables).
5. Computers for Dummies
   It looks like computers are here to stay. As we strive to be more productive and efficient in our work as directors, computers and the Internet are becoming an increasingly useful tool. Come to a small, low-stress lab where you can learn some basic skills on the computer. This computer lab will walk a limited number of attendees through some useful tips and tricks to help you ENJOY computers and the Internet.

Noon – 1:30 p.m
Lunch on your own

1:30 – 2:45 p.m.
Breakouts (repeat)

3:00 – 4:00 p.m.
Face to Face with the Experts

Here is your chance to for a candid and open discussion with various speakers from the program about the challenges facing electric cooperatives and how those challenges are playing out in the board room.

Wednesday, March 29

7:00 – 8:00 a.m.
Continental Breakfast

8:00 – 8:15 a.m.
Welcome to Day Two Review

8:15 – 9:30 a.m.
Building Effective Communications with Elected Officials

In today's turbulent domestic power supply environment, every electric cooperative depends on decisions from local, state and federal political agencies. Harmonious relationships at each level are essential to a cooperative's success. This panel will be hosted by staff from NRECA's Government Relations Department. As part of an interactive panel discussion, this session will stress:

- Establishing formal political relationships and what that means;
- Planning a coordinated effort at the local, state and federal level. Haphazard efforts without a plan are like an orchestra playing without a musical score.
- Political planning in advance of a crisis and ensuring your cooperative the best chance at success.

9:30 – 10:00 a.m.
Break

10:00 – 11:00 a.m.
The Power of Playing Together...
Boris Brott – Guest Conductor of the Toronto Symphony

This interactive presentation will leave you energized as you realize the power of what can happen when electric cooperatives play together. Our guest conductor will show us how everyone can play the same song together, regardless of the number of years you have been on the board, the amount of education you have received, or your individual professional background. Leveraging the musical talents of the audience, this session will illustrate for us all the joy of communication and the achievement of success.

11:00 – 11:15
Closing Remarks

Travel & Accommodations

Hotel:

Manchester Grand Hyatt
One Market Place
San Diego, CA 92101
Phone: 619.232.1234
Fax: 619.233.6464
Rate: $208 single/double
Hotel Deadline: February 24

Ground Transportation:

Taxi:
The average taxi fare ranges $10–$15 from the San Diego International Airport.

Travel:

United
800.521.4041
Code 507UA
7% discount on tickets purchased 30 days prior;
2% discount on tickets purchased within 29 days.

Delta
800.241.6760
Sky Bonus Code
#US530116145

Rental Car Programs:

Avis
800.331.1600
AWD #A403898
Rate code M7-M9

National Rural Electric Cooperative Association
A Touchstone Energy® Cooperative

4301 Wilson Boulevard
Arlington, VA 22203-1860
www.nreca.coop

2006 DIRECTORS' CONFERENCE

REGISTRATION FORM

2006 Pre-Directors' Conference Training
March 25–26, 2006 • Manchester Grand Hyatt • San Diego, CA

2006 Directors' Conference
March 27–29, 2006 • Manchester Grand Hyatt • San Diego, CA

Please print. Use one form for each registrant

Step 1. Tell Us Who You Are

NAME _____ TITLE _____

COMPANY _____

ADDRESS _____

CITY _____ STATE _____ ZIP _____

PHONE _____ FAX _____

E-MAIL _____

Step 2. Review the Fees

Pre-Conference Training • March 25–26

☐ 2630.1	Strategic Planning	$475	Saturday
☐ 2640.1	Financial Decision Making	$475	Saturday
☐ 923.1	New and Emerging Technologies—What Every Director Needs to Know	$475	Saturday
☐ 914.1	Cooperative Communications & Public Opinion: The Directors' Perspective	$475	Sunday
☐ 924.1	Continuity Management and Emergency Planning Response for Directors	$475	Sunday
☐ 968.1	Advanced Rate Decisions: For Experienced Directors	$475	Sunday
☐ 2610.1	Understanding the Electric Business	$475	Sunday

Conference • March 27–29

☐ 2006 Directors' Conference $725

Step 3. Tell Us How You Want To Pay

☐ Check payable to NRECA enclosed | Charge my: ☐ AMEX ☐ Discover ☐ MC ☐ Visa | ☐ Invoice Me

NAME ON CARD _____ VALIDATION CODE _____ EXP. DATE _____

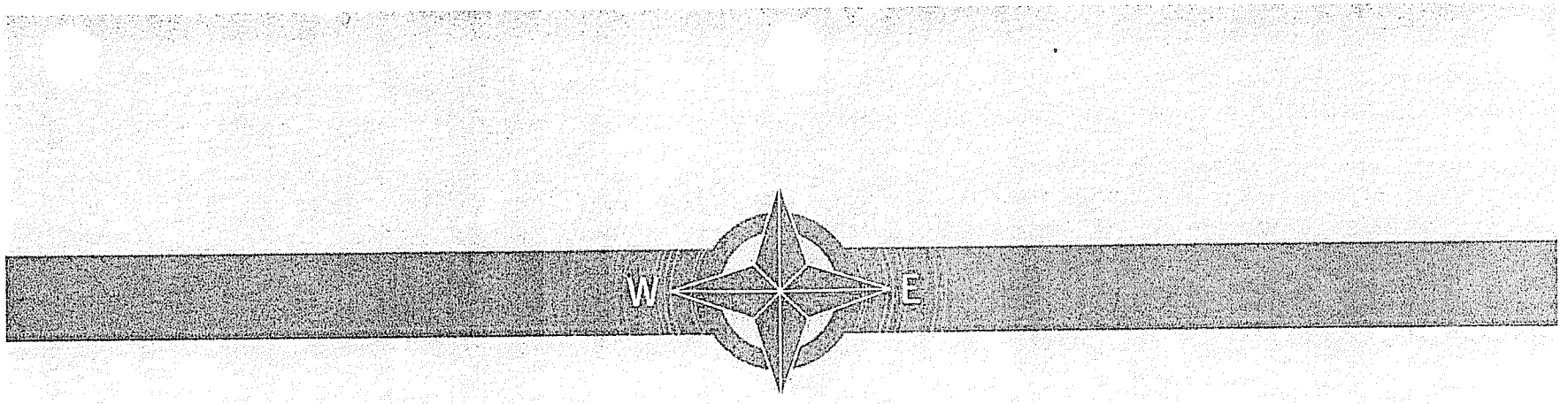
CARD NO _____ SIGNATURE _____

Step 4. Register

- Fax: 703.907.5951
- Online: www.cooperative.com
- Checks payable to: NRECA
  P.O. Box # 75877
  Baltimore, MD 21275-8777

Cancellation, Substitution, and Refund Policy

All changes must be made in writing. Cancellations received before March 13, 2006 are fully refundable. Registrants who cancel after March 13, 2006 will be issued a refund minus a $150 material fee. Substitutions are always welcome. Registrants failing to cancel prior to the start of the event and no-shows are responsible for paying the full registration fee. For more information regarding administrative policies such as cancellations, refunds or complaints, please contact Membership & Association Support Services at (703) 907-5868, *membership@nreca.coop* or fax to (703) 907-5951.



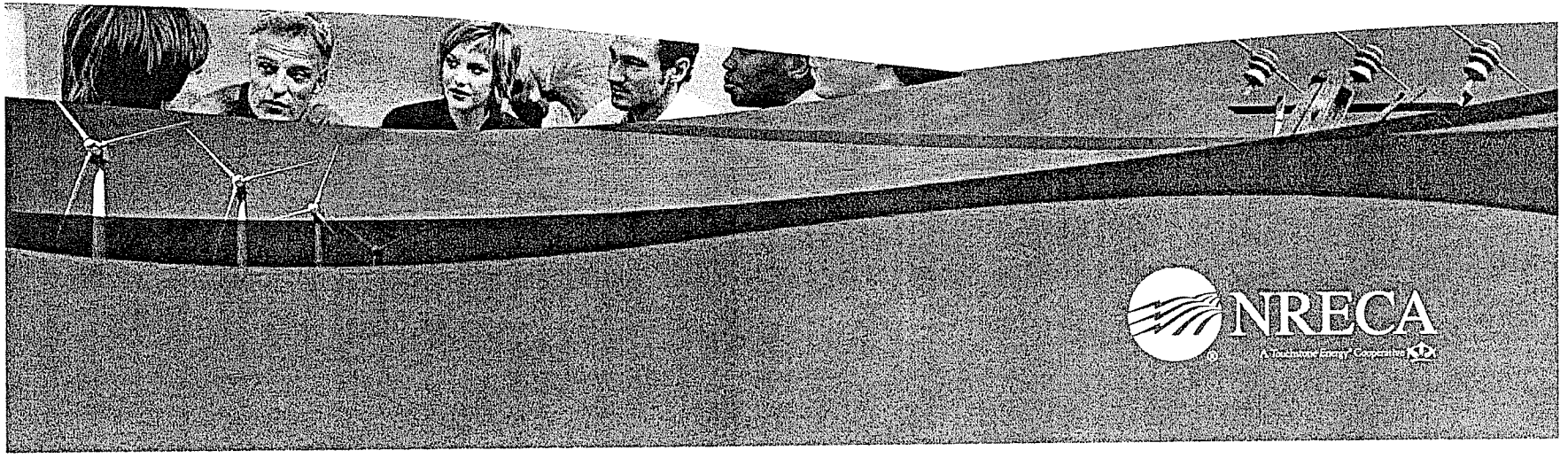
2005
STRATEGIC ISSUES
CONFERENCE

Navigating the New Energy Landscape

Communicating the Challenges to Your Members

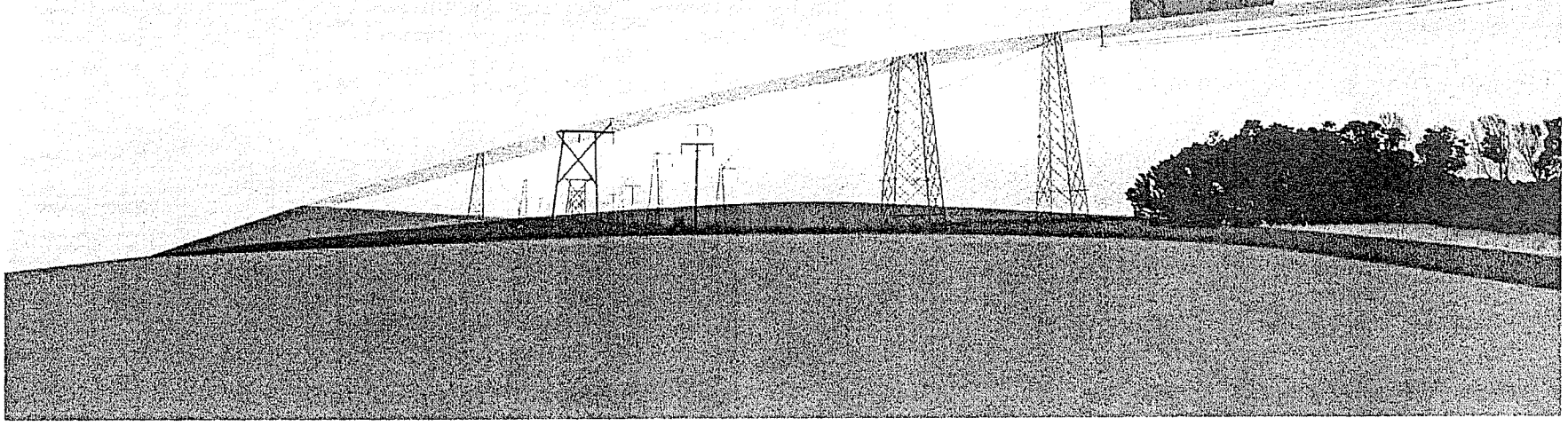
EAST
December 12–13, 2005
Gaylord Opryland Resort and Convention Center
Nashville, Tennessee

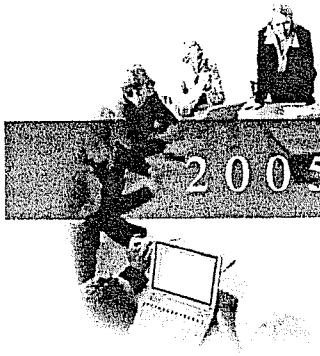
WEST
December 15–16, 2005
Grand Hyatt Denver
Denver, Colorado



Rising costs in power supply are causing electric cooperative leaders to evaluate their current situation, assess member communications and rethink future power supply needs. The *Strategic Issues* Conference is a 1½ day conference designed to enable directors, managers and key staff to discuss the changing environment for electricity generation and learn how to effectively communicate about these challenging issues with consumers. Specifically, the conference will:

- Identify the make-up and quantity of generation resources, including planned new capacity, and the long-term rate impacts resulting from new construction and projected increases in fuel costs
- Define the nature and status of renewable energy and the projected role of renewable sources
- Discuss the projected role of load management, energy efficiency and continuity management
- Address board policy issues that will need to be addressed in connection with the trends above
- Clarify communication issues that will need to be addressed in the new electricity environment





2005 STRATEGIC ISSUES CONFERENCE

Navigating the New Energy Landscape

Communicating the Challenges to Your Members

DAY ONE

East – Monday, December 12
West – Thursday, December 15

7:00 – 8:00 a.m.

REGISTRATION AND CONTINENTAL BREAKFAST

8:00 – 8:15 a.m.

WELCOME, PROGRAM OVERVIEW

- Tom Hall, *Director of Educational Programs, NRECA*

8:15 – 9:15 a.m.

DEFINING THE NEW ENERGY LANDSCAPE

- Llewellyn King, Publisher, *Energy Daily*

The domestic energy environment that electric co-ops have known is rapidly changing. Join Llewellyn King as he analyzes how global consumption and the subsequent demand for natural resources will alter the domestic energy landscape for the foreseeable future.

9:15 – 10:15 a.m.

NAVIGATING THE FUTURE OF POWER SUPPLY

Rising fuel costs, new capacity needs and volatile competitive markets are making for choppy waters for the nation's electric utilities. A panel of G&T CEOs will comment on the industry forecast from Llewellyn King, discuss their system's future power supply challenges and how they're affected by the cost of fuels, the markets and transmission challenges. They'll also discuss the role of the local cooperative boards in future power supply decisions.

10:15 – 10:30 a.m.

BREAK

10:30 – 11:15 a.m.

UNDERSTANDING RENEWABLE ENERGY

- Floyd Barwig, *Director of the Iowa Energy Center*

Cooperatives and their members are continuing to weigh the benefits and costs of renewable energy. The passing of the Energy Policy Act could make renewable energy options even more attractive for cooperatives. This session will define renewables, spotlight the policy issues involved, and explore the opportunities and obstacles to making renewable energy a bigger part of the mix.

11:15 a.m. – Noon

ROUNDTABLE Q&A — ASK THE EXPERTS!

Here's your chance to pose pressing questions to our panel of energy experts.

Noon – 1:15 p.m.

LUNCHEON PRESENTATION — BUSINESS CONTINUITY MANAGEMENT AND THE UTILITY SECTOR

In times of crisis, cooperatives are faced not with just getting the power back on, but keeping the business operation running smoothly – everything from insuring that your financial and personnel records are maintained to communicating effectively with employees. Listen as international experts on business continuity management and crisis communications talk about the heightened expectations of utilities in the post 911 environment and how cooperatives can develop organizational resilience.

1:30 – 2:45 p.m.

CONCURRENT SESSIONS

LOAD MANAGEMENT AND ENERGY EFFICIENCY

Almost all electric utilities are being forced to raise rates. In this environment, load management and energy efficiency programs can play an important role in helping to manage rate increases and as a way to communicate the cooperative advantage to consumers. This session will explore how both co-ops and investor owned utilities are implementing load management and energy efficiency programs, and will address the related policy questions that boards should consider.

CONTINUITY MANAGEMENT — KEY STEPS TO GETTING IT RIGHT

Rapid and effective response to natural, human, and cyber crises and disasters has been the trademark of America's electric cooperatives. Whether it's a hurricane, tornado, or employee sabotage, cooperatives must play an increasingly active and ongoing role in knowing how to best manage and recover from these types of situations. This session will focus on the fundamentals of continuity management, and how those fundamentals are evolving in the new energy environment. Attendees will hear from cooperative and continuity management experts, showing how the rural electric program continues to fulfill the responsibility of ensuring the continuity of electrical and business operations.

TRENDS IN RENEWABLES AND COOPERATIVE POLICY IMPLICATIONS

Observers agree that renewables will play a larger role in the nation's energy resource mix. But the pros and cons regarding specific renewable technologies are still debated, and boards must still address the policy issues raised by renewables in their particular power supply and geographical situation. This interactive session will highlight the major areas that boards must consider.

BUILDING ADVOCACY AND FOSTERING EFFECTIVE COMMUNICATIONS

In this changing environment, relationships and communications with public officials are increasingly important to the success of the cooperative. This session will explore the need for a formal plan to build and maintain relationships with public officials as an important part of the execution of the business strategy of cooperatives.

TRENDS IN RATES AND COOPERATIVE APPROACHES

The cooperative utility industry is entering a state of rapid change resulting from substantial increases in underlying costs. This session considers the trends in utility costs and the underlying causes. It also identifies new and traditional remedies for maintaining a cooperative's financial strength in today's rapidly changing cost environment.

2:45 – 3:00 p.m.

BREAK

3:00 – 4:15 p.m.

CONCURRENT SESSIONS II REPEAT

4:15 p.m.

ADJOURN

5:00 – 6:00 p.m.

RECEPTION FOR CONFERENCE ATTENDEES AND GUESTS

DAY TWO

East – Tuesday, December 13
West – Friday, December 16

8:30 – 9:15 a.m.

THE ENERGY POLICY ACT OF 2005

Jay Morrison, *Senior Regulatory Council, NRECA*

9:15 – 10:15 a.m.

COMMUNICATING EFFECTIVELY

Steve Allen, *Sheehan and Associates*

Steve Allen will explore the fundamentals of effective communications plans and how cooperative leaders may need to be more proactive in addressing the impacts of these changes when communicating with consumers. This general session will focus on how to develop strategic communication messages around the key themes cooperatives are using to address the new energy environment (rates, load management and energy efficiency, emergency response planning, renewables, etc).

10:15 – 11:15 a.m.

COOPERATIVES RISE TO THE COMMUNICATIONS CHALLENGE

A panel comprised of a co-op director, CEO, distribution system communicator and G&T communicator, moderated by Steve Allen will share their communication strategies and experiences.

11:15 a.m.

FUTURE FOCUS AND ADJOURNMENT

ACCOMMODATIONS

Please contact hotels directly to make your reservations.

EAST
Gaylord Opryland Resort and Convention Center
2800 Opryland Drive
Nashville, TN 37214
TEL: 615.889.1000
Room rate: $149 + $10 Resort Fee
Room Cutoff Date: November 11, 2005

WEST
Grand Hyatt Denver
1750 Welton Street
Denver, CO 80202
TEL: 303.295.1234
FAX: 303.295.2472
Room rate: $125 single/double
Room Cutoff Date: November 10, 2005

2005 STRATEGIC ISSUES CONFERENCE REGISTRATION

STEP 1. TELL US WHO YOU ARE

Please print. Use one form for each registrant.

NAME _____ TITLE _____

COMPANY _____

ADDRESS _____

CITY _____ STATE _____ ZIP _____

PHONE _____ FAX _____

E-MAIL _____

STEP 2. REVIEW THE FEES

❑ Strategic Issues Conference East/West $575

STEP 3. SELECT A LOCATION

❑ **STRATEGIC ISSUES CONFERENCE — EAST** | December 12-13, 2005 | Gaylord Opryland Resort and Convention Center, Nashville, TN

❑ **STRATEGIC ISSUES CONFERENCE — WEST** | December 15-16, 2005 | Grand Hyatt, Denver, CO

STEP 4. TELL US HOW YOU WANT TO PAY

❑ Check Payable to NRECA Enclosed

❑ Invoice Me**

❑ Charge my: ❑ AMEX ❑ Discover ❑ MC ❑ Visa

NAME ON CARD _____

VALIDATION CODE _____ EXP. DATE _____

CARD NO. _____

SIGNATURE _____

STEP 5. REGISTER

Fax: 703.907.5951

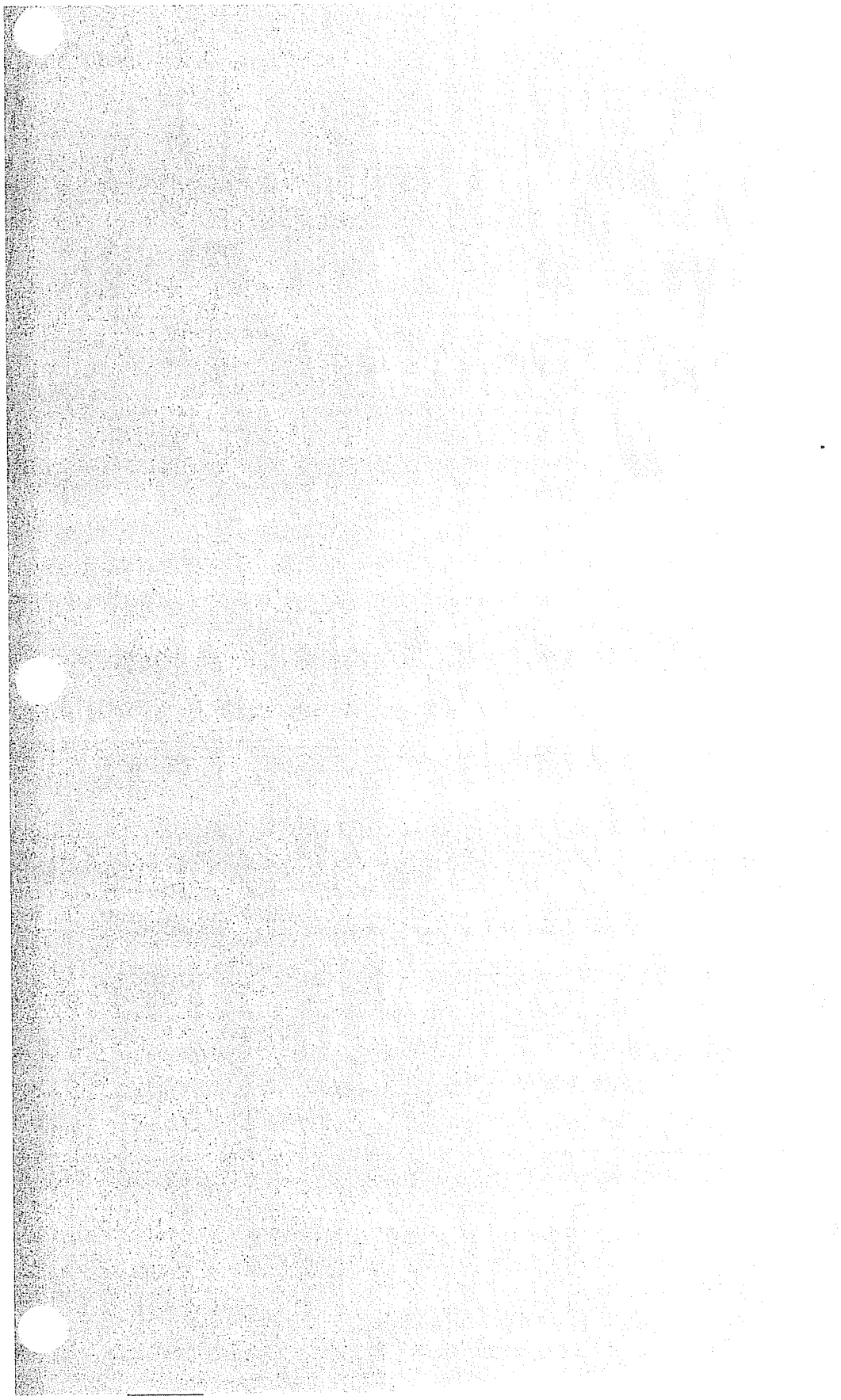
Online: www.cooperative.com

Mail to: NRECA, P.O. Box # 75877, Baltimore, MD 21275-8777

***Please note: Choosing the Invoice Me option will result in immediate billing upon completion of registration.*

CANCELLATION, SUBSTITUTION, AND REFUND POLICY | All changes must be made in writing. Cancellations received before November 28, 2005 are fully refundable. Registrants who cancel after November 28, 2005 will be issued a refund minus a $150 material fee. Substitutions are always welcome. Registrants failing to cancel prior to the start of the event and no-shows are responsible for paying the full registration fee. For more information regarding administrative policies such as cancellations, refunds or complaints, please contact Membership & Association Support Services at 703.907.5868, membership@nreca.coop or fax to 703.907.5951.

NRECA
A Touchstone Energy® Cooperative



4301 Wilson Boulevard
Arlington, Virginia 22203-1860
www.nreca.coop

EAST KENTUCKY POWER COOPERATIVE, INC.
PSC CASE NO. 2006-00472
FOURTH DATA REQUEST RESPONSE

COMMISSION STAFF'S FOURTH DATA REQUEST DATED 05/30/07
REQUEST 15
RESPONSIBLE PERSON: **William A. Bosta**
COMPANY: **East Kentucky Power Cooperative, Inc.**

Request 15. Refer to the response to the Staff's Third Request, Item 43.

Request 15a. Provide copies of the complete 2006 Generation and Transmission ("G&T") Compensation Survey. In addition, identify the preparer of the survey.

Response 15a. The requested information is provided on the attached CD.

Request 15b. Provide a profile for each of the G&Ts listed by identification code below. The profile should include the number of member distribution cooperatives of the G&T, the number of ultimate retail customers served by the G&T, the total revenues for 2006, the total megawatt hours generated and sold during 2006, and the number of directors of the G&T.

(1) B02
(2) B15
(3) B20
(4) B22
(5) B28
(6) B34
(7) B35
(8) B41

Response 15b. The only information available to EKPC by G&T code is the 2006 Total Gross Revenue. That is shown below. All other information is not available in the survey and EKPC was not provided the match of the code to the G&T cooperative. As a result, EKPC is unable to provide the requested information.

G&T	2006 Total Revenue
B02	$909,364,069
B15	$546,091,000
B20	Not Available
B22	$737,679,000
B28	$185,213,000
B34	$211,600,779
B35	$ 41,770,240
B41	$282,000,000

EAST KENTUCKY POWER COOPERATIVE, INC.
PSC CASE NO. 2006-00472
FOURTH DATA REQUEST RESPONSE

COMMISSION STAFF'S FOURTH DATA REQUEST DATED 05/30/07
REQUEST 16
RESPONSIBLE PERSON: **William A. Bosta**
COMPANY: **East Kentucky Power Cooperative, Inc.**

Request 16. Concerning the directors of EKPC:

Request 16a. Identify the representatives to the NRECA and the Kentucky Association of Electric Cooperatives.

Response 16a. NRECA – Mr. Wayne Stratton – Chairman of the Board
Mr. Robert Marshall – President/CEO of EKPC (Alternate)
KAEC – Mr. Lonnie Vice – Vice-Chairman of Board
Mr. Robert Marshall – President/CEO of EKPC (Manager-Director)

Request 16b. Provide the total directors' fees and expenses for calendar years 2001 through 2006.

Response 16b. The total directors' fees and expenses for calendar years 2001 through 2006 are listed below.

Year	Amount
2001	306,667.87
2002	325,904.16
2003	312,749.70
2004	363,284.57
2005	321,120.28
2006	288,079.00

Request 16c. Provide the occupation or profession of each director serving on the board as of test-year end. If the director is retired, provide the director's occupation or profession while employed.

Response 16c. Big Sandy Rural Electric Cooperative Corporation - Wade May
- Self-employed, Floor Covering Business

Blue Grass Energy Cooperative Corporation - E. A. Gilbert
- Farmer

Clark Energy Cooperative, Inc. - William P. Shearer
- Banker and Farmer

Cumberland Valley Electric - Elbert Hampton
- Retired Superintendent of Operations/Electric Cooperative

Farmers Rural Electric Cooperative Corporation - Randy D. Sexton
- Contractor and Consultant

Fleming-Mason Energy Cooperative - Lonnie Vice
- Retired Educator

Grayson Rural Electric Cooperative Corporation - Donnie Crum
- Self-employed-Furniture Craft Mall

Inter-County Energy Cooperative Corporation - Daniel L. Divine
- Farmer

Jackson Energy Cooperative - Fred M. Brown
- Retired Farmer

Licking Valley Rural Electric Cooperative Corporation - Michael Adams

- Retired Medical Services Administrator w/State Department of Vocational Rehabilitation

Nolin Rural Electric Cooperative Corporation - A. L. Rosenberger

- Farmer

Owen Electric Cooperative - Hope Kinman

- Retired Administrative Secretary w/Board of Education

Salt River Electric Cooperative Corporation - Jimmy Longmire

- Real Estate Broker

Shelby Energy Cooperative, Inc. - R. Wayne Stratton

- CPA

South Kentucky Rural Electric Cooperative Corporation – Richard Stephens

- Self-employed Business Owner since 1960

Taylor County Rural Electric Cooperative Corporation - P. D. Depp

- Retired State Government w/Department for Health Services

EAST KENTUCKY POWER COOPERATIVE, INC.
PSC CASE NO. 2006-00472
FOURTH DATA REQUEST RESPONSE

COMMISSION STAFF'S FOURTH DATA REQUEST DATED 05/30/07
REQUEST 17
RESPONSIBLE PERSON: **William A. Bosta**
COMPANY: **East Kentucky Power Cooperative, Inc.**

Request 17. Refer to the response to the Staff's Third Request, Item 45, page 2 of 2. EKPC states that its economic/industrial development activities promote both its economic well-being and the Kentucky economy in general. Indicate the primary focus of these activities, promoting EKPC or the Kentucky economy. Explain how this conclusion was reached.

Response 17. EKPC believes that they go hand-in-hand. EKPC's financial well-being ensures that jobs remain available for many Kentuckians and that the communities served by EKPC and its Member Systems are economically strong and vibrant. In many of the more rural communities of the state, the presence of EKPC and its Member Systems is one of the few locally owned, permanent businesses. This is important to the economy of these smaller communities and valuable to the state's economy in general. It is also consistent with the Cooperative's mission of serving our members.

EAST KENTUCKY POWER COOPERATIVE, INC.
PSC CASE NO. 2006-00472
FOURTH DATA REQUEST RESPONSE

COMMISSION STAFF'S FOURTH DATA REQUEST DATED 05/30/07
REQUEST 18
RESPONSIBLE PERSON: **William A. Bosta**
COMPANY: **East Kentucky Power Cooperative, Inc.**

Request 18. Refer to the response to the Staff's Third Request, Item 46(c). Explain in detail how EKPC determined the appropriate level of Partners Plus program promotional-type expenses to exclude for rate-making purposes. Include all workpapers, calculations, assumptions, and other supporting documentation.

Response 18. EKPC conducted an item-by-item assessment of Partners Plus expenditures for the Test Period. All promotional expenditures, brand recognition, image advertising, donations and sponsorships were eliminated. Expenditures relating to energy efficiency, conservation, safety and the associated education of these topics were retained.

REDACTED

EAST KENTUCKY POWER COOPERATIVE, INC.
PSC CASE NO. 2006-00472
FOURTH DATA REQUEST RESPONSE

COMMISSION STAFF'S FOURTH DATA REQUEST DATED 05/30/07
REQUEST 19
RESPONSIBLE PERSON: **Ann F. Wood**
COMPANY: **East Kentucky Power Cooperative, Inc.**

Request 19. Refer to the response to the Staff's Third Request, Item 49(c). EKPC was requested to provide a schedule detailing the transactions that made up the $32,507,300 balance for Account No. 426 listed as "Other." While identifying three types of transactions and the amounts, EKPC responded that a difference of $32,554,641 was redacted. However, EKPC did not submit the redacted information or request confidential treatment pursuant to 807 KAR 5:001, Section 7. Provide the originally requested information for the difference of $32,554,641. EKPC may seek confidential treatment of the response by complying with the requirements of the applicable regulation.

Response 19. Below is a revised response to Staff's Third Request, Item 49c.

Material write-offs	166,483
Propane	(173,407)
Life Ins	(40,416)
[redacted]	[redacted]

EAST KENTUCKY POWER COOPERATIVE, INC.
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FOURTH DATA REQUEST RESPONSE

COMMISSION STAFF'S FOURTH DATA REQUEST DATED 05/30/07
REQUEST 20
RESPONSIBLE PERSON: **Ann F. Wood**
COMPANY: **East Kentucky Power Cooperative, Inc.**

Request 20. Refer to the response to the Staff's Third Request, Item 50. Concerning the satisfaction survey services provided by Cooper Research and Preston Osborne Research:

Request 20a. Explain why EKPC conducts these surveys for its member systems.

Response 20a. EKPC and its member systems work jointly to perform retail customer satisfaction surveys because the information obtained is useful and relevant to both. While EKPC does not serve retail customers, it is nonetheless influenced by retail customer behavior. Satisfaction surveys, just like retail appliance saturation surveys, produce information and insight that are useful and important to EKPC. For example, concepts such as smart metering and net metering are retail based ideas that EKPC needs to understand. Questions on the satisfaction survey that relate to reliability are likewise relevant and pertinent to EKPC.

Request 20b. Provide the amounts paid during the test year by the member systems to reimburse EKPC for the cost of the satisfaction surveys. If no reimbursement was provided, explain why.

Response 20b. As noted in (a) above, customer satisfaction measurement is a joint project between EKPC and its member systems. No reimbursement was requested due to the fact that the information and insight provided is valuable and pertinent to EKPC.

EAST KENTUCKY POWER COOPERATIVE, INC.
PSC CASE NO. 2006-00472
FOURTH DATA REQUEST RESPONSE

COMMISSION STAFF'S FOURTH DATA REQUEST DATED 05/30/07
REQUEST 21
RESPONSIBLE PERSON: **Ann F. Wood**
COMPANY: **East Kentucky Power Cooperative, Inc.**

Request 21. Refer to the response to the Staff's Third Request, Item 52.

Request 21a. Provide the member annual service fees for 2007.

Response 21a. EKPC paid ACES member service fees totaling $818,306 for the period January 1, 2007 to May 31, 2007.

Request 21b. Refer to the responses to Items 52(j)(1) and 52(k)(1). Explain why there were no written reports or written documentation of the presentations.

Response 21b. The Coopers & Lybrand presentation was located and is provided on the enclosed CD.

EAST KENTUCKY POWER COOPERATIVE, INC.
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COMMISSION STAFF'S FOURTH DATA REQUEST DATED 05/30/07
REQUEST 22
RESPONSIBLE PERSON: **Ann F. Wood**
COMPANY: **East Kentucky Power Cooperative, Inc.**

Request 22. Refer to the response to the Staff's Third Request, Item 53(e), the Attachment, page 5 of 22. Article II of the Operating Agreement for Envision Energy Services, LLC ("Envision") states in part that the business and purpose of Envision shall be to sell or otherwise provide energy. Explain in detail how Envision can sell or provide energy.

Response 22. At the time that Envision was founded, there was much talk about deregulation and open access of the electric industry. One thought at the time was that distribution systems might only be able to transport energy. This clause was added so that, in the event this might happen, Envision might be able to sell energy to retail customers. As deregulation and open access have yet to happen, it is unforeseen that Envision could or would sell energy.

EAST KENTUCKY POWER COOPERATIVE, INC.
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FOURTH DATA REQUEST RESPONSE

COMMISSION STAFF'S FOURTH DATA REQUEST DATED 05/30/07
REQUEST 23
RESPONSIBLE PERSON: **Ann F. Wood**
COMPANY: **East Kentucky Power Cooperative, Inc.**

Request 23. Refer to the response to the Staff's Third Request, Item 54(a).

Request 23a. Did each borrower in the propane gas program begin making monthly payments of principal and interest on August 1, 2005? If no, indicate when these payments began.

Response 23a. Yes. Each borrower began making monthly payments of principal and interest on August 1, 2005.

Request 23b. Are all borrowers current on their loans? Explain the response.

Response 23b. Yes. Borrowers are current on their loans.

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FOURTH DATA REQUEST RESPONSE

COMMISSION STAFF'S FOURTH DATA REQUEST DATED 05/30/07
REQUEST 24
RESPONSIBLE PERSON: **William A. Bosta**
COMPANY: **East Kentucky Power Cooperative, Inc.**

Request 24. Refer to the response to the Staff's Third Request, Item 55. Provide a schedule listing all the Electric Power Research Institute projects EKPC has purchased since April 1, 2007. Include a description of the project and the project cost.

Response 24. At this point in time, no EPRI projects have been purchased.

EAST KENTUCKY POWER COOPERATIVE, INC.
PSC CASE NO. 2006-00472
FOURTH DATA REQUEST RESPONSE

COMMISSION STAFF'S FOURTH DATA REQUEST DATED 05/30/07
REQUEST 25
RESPONSIBLE PERSON: **Ann F. Wood**
COMPANY: **East Kentucky Power Cooperative, Inc.**

Request 25. Refer to the response to the Staff's Third Request, Item 57.

Request 25a. How much of the $54,205 cost of the depreciation study was expensed during the test year?

Response 25a. EKPC expensed $42,725 relating to the depreciation study during the test year.

Request 25b. Did EKPC propose to remove this expense as a non-recurring expense? Explain the response.

Response 25b. EKPC did not propose to remove this expense as a non-recurring expense. This amount is immaterial.

EAST KENTUCKY POWER COOPERATIVE, INC.
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FOURTH DATA REQUEST RESPONSE

COMMISSION STAFF'S FOURTH DATA REQUEST DATED 05/30/07
REQUEST 26
RESPONSIBLE PERSON: **Frank J. Oliva**
COMPANY: **East Kentucky Power Cooperative, Inc.**

Request 26. Refer to the response to the Staff's Third Request, Item 58. Provide the minimum Times Interest Earned Ratio and the Debt Service Coverage Ratio EKPC would need to achieve for calendar year 2007 to meet the Rural Utilities Service mortgage covenants.

Response 26. Because EKPC's Debt Service Coverage Ratio was .662 and .979 for the years 2005 and 2006, respectively, a DSC ratio of at least 1.03 would have to be earned in 2007 in order to meet the RUS mortgage covenants requirements. Based on EKPC's 2007 budget projection, the net margin needed to earn a DSC ratio of 1.03 in 2007 would result in a Times Earned Interest Ratio of 1.15 for the year.

EAST KENTUCKY POWER COOPERATIVE, INC.
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RESPONSES TO THIRD SET OF DATA REQUESTS

KIUC'S THIRD SET OF DATA REQUESTS DATED 05/30/07
REQUEST 13
RESPONSIBLE PERSON: **Frank J. Oliva**
COMPANY: **East Kentucky Power Cooperative, Inc.**

Request 13. Refer to the Company's response to KIUC 2-38. Please provide an update on the status of the RUS loan of approximately $481 million. In this update, please describe in detail why the RUS final approval has been delayed and when this loan will be available to pay down the credit facility. Provide a copy of all documents, including correspondence with the RUS related to the approval and timing of these funds.

Response 13. The RUS loan of $481 million has not received final approval from RUS. EKPC anticipates the full $481 million to be approved by RUS within six months. A new mortgage is in the process of being filed in the seventy-seven counties EKPC owns property. After the filings are complete, these mortgages will be returned to RUS along with various other executed documents. These documents and mortgages must be returned to RUS by July 13, 2007. After their return, RUS must inspect each document for proper execution prior to the final approval.

EAST KENTUCKY POWER COOPERATIVE, INC.
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RESPONSES TO THIRD SET OF DATA REQUESTS

KIUC'S THIRD SET OF DATA REQUESTS DATED 05/30/07
REQUEST 14
RESPONSIBLE PERSON: **Frank J. Oliva**
COMPANY: **East Kentucky Power Cooperative, Inc.**

Request 14. Refer to the Company's response to KIUC 2-39. If the loan was granted final approval today and the RUS released the funds, what would the interest rate be? Provide a copy of any source document relied on for this response.

Response 14. The rate, if granted final approval and release of loan funds today, June 5, 2007, would be approximately 5.145 percent annually.

This rate is the "Approximate FFB Quarterly Rates" as updated daily by the USDA Rural Development's Electric Programs - Interest Rates web page plus one-eighth of one percent (see attached).

http://www.usda.gov/rus/electric/rates

Treasury and Federal Financing Bank (FFB) Rates

The following list of interest rates for loans shall not constitute an offer or commitment to make a loan at these rates. The interest rates listed are illustrative only of the rates that would apply to funds advanced on the date identified here as the "Issue Date." These rates change daily.

ISSUE DATE: 06/05/07

06/04/07 TREASURY YIELD CURVE SEMIANNUAL RATES

3-mo	6-mo	1-yr	2-yr	3-yr	5-yr	7-yr	10-yr	20-yr	30-yr
4.81	4.99	4.99	4.97	4.92	4.91	4.91	4.93	5.11	5.02

APPROXIMATE FFB QUARTERLY RATES*

3-mo	6-mo	1-yr	2-yr	3-yr	5-yr	7-yr	10-yr	20-yr	30-yr	+ 1/8 of 1% =	Approx. FFB Rate
4.81	4.96	4.95	4.93	4.89	4.88	4.88	4.91	5.05	5.02	0.125	5.145

*These approximate FFB rates are based upon a common type of RUS loan in which the quarterly loan payments are derived by amortizing over 30 years, but the loan matures with a balloon payment at the maturity indicated in the column heading (for example, 10 years). The column headings are approximate maturity terms, since the loans end on quarterly payment dates.

Treasury rate loans are not available for terms less than one year.

EAST KENTUCKY POWER COOPERATIVE, INC.
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RESPONSES TO THIRD SET OF DATA REQUESTS

KIUC'S THIRD SET OF DATA REQUESTS DATED 05/30/07
REQUEST 15
RESPONSIBLE PERSON: **Ann F. Wood**
COMPANY: **East Kentucky Power Cooperative, Inc.**

Request 15. Refer to the Company's response to KIUC 2-44. Please update this response for April 2007.

Response 15. The table below reflects the updated response for April 2007 to KIUC 2-44.

Oct 05-Sept 06

	Base Rates	FAC	ES	Green Power	Total
October	$ 36,256,129	$ 7,839,503	$ 4,457,295	$ 8,576	$ 48,561,503
November	$ 41,471,828	$ 7,818,712	$ 4,674,894	$ 9,059	$ 53,974,493
December	$ 54,287,752	$ 8,664,213	$ 6,646,702	$ 9,243	$ 69,607,910
January	$ 46,045,807	$14,485,338	$ 3,386,525	$ 9,053	$ 63,926,723
February	$ 46,769,947	$ 8,278,260	$ 4,345,255	$ 9,127	$ 59,402,589
March	$ 43,371,423	$ 7,137,164	$ 4,393,841	$ 9,202	$ 54,911,630
April	$ 34,025,811	$ 5,053,563	$ 3,527,736	$ 9,027	$ 42,616,137
May	$ 38,596,632	$ 6,262,727	$ 3,933,880	$ 9,130	$ 48,802,369
June	$ 40,880,460	$ 7,228,617	$ 4,624,694	$ 9,138	$ 52,742,909
July	$ 47,100,136	$ 5,207,893	$ 5,326,879	$ 9,305	$ 57,644,213
August	$ 48,465,315	$ 6,604,086	$ 7,021,816	$ 9,390	$ 62,100,607
September	$ 34,803,085	$ 6,413,228	$ 5,133,457	$ 9,463	$ 46,359,233
	$512,074,325	$90,993,304	$57,472,974	$ 109,713	$660,650,316

Oct 06-Apr 07	Base Rates	FAC	ES	Green Power	Total
Oct-06	$ 37,131,095	$ 6,019,626	$ 4,903,490	$ 9,451	$ 48,063,662
Nov-06	$ 41,471,298	$ 2,498,092	$ 4,340,414	$ 9,264	$ 48,319,068
Dec-06	$ 49,487,414	$ 5,868,041	$ 5,222,473	$ 9,236	$ 60,587,164
Jan-07	$ 53,002,598	$ 8,536,387	$ 5,083,197	$ 9,243	$ 66,631,425
Feb-07	$ 55,542,700	$10,316,043	$ 6,069,617	$ 9,441	$ 71,937,801
Mar-07	$ 42,620,504	$14,909,257	$ 5,159,359	$ 9,178	$ 62,698,298
Apr-07	$ 40,991,416	$ 7,788,220	$ 4,502,790	$ 9,185	$ 53,291,611

EAST KENTUCKY POWER COOPERATIVE, INC.
PSC CASE NO. 2006-00472
RESPONSES TO THIRD SET OF DATA REQUESTS

KIUC'S THIRD SET OF DATA REQUESTS DATED 05/30/07
REQUEST 16
RESPONSIBLE PERSON: **William A. Bosta**
COMPANY: **East Kentucky Power Cooperative, Inc.**

Request 16. Refer to the Company's response to KIUC 2-45. Please provide the information requested to annualize all revenues other than ECR and FAC revenues reflecting customer sales growth over the 12 months ending March 31, 2007. Provide all supporting assumptions and computations, including electronic spreadsheets with formulas intact.

Response 16. Please see the attached information. The additional base rate revenues are an estimate based solely on the change in customers at retail for these time periods.

Note that the information has been provided in electronic form on the attached compact disk.

East Kentucky Power Cooperative, Inc.

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Schedule E Per Test Year

I.

MWh (1)	Total Revenue (2)	Revenue/ MWh (3)=(2)/(1)
9,181,636	$506,592,611	$55.17

II.	Number of Customers as of 3/31/07	500,240
	12-month average # of Customers	496,881
	% Differential of Number of Customers as of 3/31/07 to 12-month average # of Customers	0.676%
III.	Schedule E MWh	9,181,636
	x % Differential of Number of Customers as of 3/31/07 to 12-month average # of Customers	0.676%
	Additional MWh	62,068
IV.	Revenue per MWh	$55.17
	x Additional MWh	62,068
	Additional Revenue	$3,424,292
V.	Variable Cost per MWh per Test Year*	$36.57
	x Additional MWh	62,068
	Additional Variable Cost	$2,269,827
VI.	Additional Revenue less Additional Variable Cost	**$1,154,465**

* Includes Fuel and Variable O&M and energy-related purchased power.

Schedule B Per Test Year

I.

MWh (1)	Total Revenue (2)	Revenue/ MWh (3)=(2)/(1)
835,266	$39,844,967	$47.70

II.	Number of Customers as of 3/31/07	58
	12-month average # of Customers	56.50
	% Differential of Number of Customers as of 3/31/07 to 12-month average # of Customers	2.6549%
III.	Schedule B MWh	835,266
	x % Differential of Number of Customers as of 3/31/07 to 12-month average # of Customers	2.6549%
	Additional MWh	22,175
IV.	Revenue per MWh	$47.70
	x Additional MWh	22,175
	Additional Revenue	$1,057,748
	Year	
V.	Variable Cost per MWh per Test Year*	$36.57
	x Additional MWh	22,175
	Additional Variable Cost	$810,940
VI.	Additional Revenue less Additional Variable Cost	**$246,808**

* Includes Fuel and Variable O&M and energy-related purchased power.

Schedule C Per Test Year

I.

MWh (1)	Total Revenue (2)	Revenue/ MWh (3)=(2)/(1)
430,699	$21,069,707	$48.92

II.	Number of Customers as of 3/31/07	14
	12-month average # of Customers	14.67
	% Differential of Number of Customers as of 3/31/07 to 12-month average # of Customers	95.43%
III.	Schedule C MWh	430,699
	x % Differential of Number of Customers as of 3/31/07 to 12-month average # of Customers	-4.57%
	Additional MWh	(19,683)
IV.	Revenue per MWh	$48.92
	x Additional MWh	(19,683)
	Additional Revenue	($962,892)
V.	Variable Cost per MWh per Test Year*	$36.57
	x Additional MWh	(19,683)
	Additional Variable Cost	($719,807)
VI.	Additional Revenue less Additional Variable Cost	**($243,085)**

Summary

Schedule E	$1,154,465
Schedule B	$246,808
Schedule C	($243,085)
Total Change in Revenues	**$1,158,188**

* Includes Fuel and Variable O&M and energy-related purchased power.

EAST KENTUCKY POWER COOPERATIVE, INC.
PSC CASE NO. 2006-00472
RESPONSES TO THIRD SET OF DATA REQUESTS

KIUC'S THIRD SET OF DATA REQUESTS DATED 05/30/07
REQUEST 17
RESPONSIBLE PERSON: **William A. Bosta**
COMPANY: **East Kentucky Power Cooperative, Inc.**

Request 17. Please provide member load and customer information for the 13 months ending March 31, 2007 sufficient to compute EKPC's annualized base revenues using customer levels at March 31, 2007 and average usage per customer for the 12 months ending March 31, 2007. In addition, provide the actual revenues and revenues per customer for the same period in sufficient detail to make this computation.

Response 17. The attached information provides an annualization of the metering point, substation and base rate revenues compared to a 13-month average. These are estimates based on the change in the number of customers over time. It is similar to the response provided in Item 16.

Shown below is the average usage per customer by Wholesale rate schedule.

For Schedule "E" customers – 12 months ended March 2007:

KWH usage	9,334,989,531
No. of retail customers	500,240
KWH per customer	18,661

For Schedule "B" customers – 12 months ended March 2007:

KWH usage	851,053,830
No. of retail customers	58
KWH per customer	14,673,342

For Schedule "C" customers – 12 months ended March 2007:

KWH usage	429,422,763
No. of retail customers	14
KWH per customer	30,673,055

East Kentucky Power Cooperative, Inc.

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Schedule E Per Test Year

I.

MWh (1)	Total Revenue (2)	Revenue/ MWh (3)=(2)/(1)
9,181,636	$506,592,611	$55.17

II. Number of Customers as of 3/31/07	500,240
13-month average # of Customers	496,551
% Differential of Number of Customers as of 3/31/07 to 13-month average # of Customers	0.7429%
III. Schedule E MWh	9,181,636
x % Differential of Number of Customers as of 3/31/07 to 13-month average # of Customers	0.7429%
Additional MWh	68,210
IV. Revenue per MWh	$55.17
x Additional MWh	68,210
Additional Revenue	$3,763,146
V. Variable Cost per MWh per Test Year*	$36.57
x Additional MWh	68,210
Additional Variable Cost	$2,494,440
VI. Additional Revenue less Additional Variable Cost	**$1,268,706**

Includes Fuel and Variable O&M and energy-related purchased power.

Schedule B Per Test Year

I.

MWh (1)	Total Revenue (2)	Revenue/ MWh (3)=(2)/(1)
835,266	$39,844,967	$47.70

II. Number of Customers as of 3/31/07	58
13-month average # of Customers	56.31
% Differential of Number of Customers as of 3/31/07 to 13-month average # of Customers	3.0012%
III. Schedule B MWh	835,266
x % Differential of Number of Customers as of 3/31/07 to 13-month average # of Customers	3.0012%
Additional MWh	25,068
IV. Revenue per MWh	$47.70
x Additional MWh	25,068
Additional Revenue	$1,195,744
V. Variable Cost per MWh	$36.57
x Additional MWh	25,068
Additional Variable Cost	$916,737
VI. Additional Revenue less Additional Variable Cost	**$279,007**

Includes Fuel and Variable O&M and energy-related purchased power.

Schedule C Per Test Year

I.

MWh (1)	Total Revenue (2)	Revenue/ MWh (3)=(4)/(1)
430,699	$21,069,707	$48.92

II. Number of Customers as of 3/31/07	14
13-month average # of Customers	14.62
% Differential of Number of Customers as of 3/31/07 to 13-month average # of Customers	95.76%
III. Schedule C MWh	430,699
x % Differential of Number of Customers as of 3/31/07 to 13-month average # of Customers	-4.24%
Additional MWh	(18,262)
IV. Revenue per MWh	$48.92
x Additional MWh	(18,262)
Additional Revenue	($893,377)
V. Variable Cost per MWh	$36.57
x Additional MWh	(18,262)
Additional Variable Cost	($667,841)
VI. Additional Revenue less Additional Variable Cost	**($225,536)**

* Includes Fuel and Variable O&M and energy-related purchased power.

Total Billing Units - March 2006 - March 2007 (Thirteen months)

Member System	Metering Point $125	2000 KVA $944	5000 KVA $2,373	10000 KVA $2,855	20000 KVA $4,605
1 Big Sandy	104	0	13	91	0
2 Blue Grass	407	13	47	256	91
3 Clark	291	13	156	83	13
4 Cumberland Valley	195	0	39	143	13
5 Farmers	156	0	13	130	13
6 Fleming Mason	169	0	0	117	39
7 Grayson	169	0	78	91	0
8 Inter-County	156	0	13	117	26
9 Jackson	351	0	39	260	52
10 Licking Valley	130	0	39	91	0
11 Nolin	234	0	26	156	52
12 Owen	299	0	0	203	96
13 Salt River	342	13	52	248	29
14 Shelby	156	0	13	104	26
15 South Kentucky	439	0	39	335	52
16 Taylor County	169	0	13	156	0
Totals	3,767	39	580	2,581	502

Billing Units as of March 31, 2007

Member System	Metering Point $125	2000 KVA $944	5000 KVA $2,373	10000 KVA $2,855	20000 KVA $4,605
1 Big Sandy	8	0	1	7	0
2 Blue Grass	33	1	3	22	7
3 Clark	22	1	12	6	1
4 Cumberland Valley	15	0	3	11	1
5 Farmers	12	0	1	10	1
6 Fleming Mason	13	0	0	9	3
7 Grayson	13	0	6	7	0
8 Inter-County	12	0	1	9	2
9 Jackson	27	0	3	19	5
10 Licking Valley	10	0	3	7	0
11 Nolin	18	0	2	12	4
12 Owen	23	0	0	15	8
13 Salt River	28	1	4	20	3
14 Shelby	12	0	1	8	2
15 South Kentucky	34	0	3	26	4
16 Taylor County	13	0	1	12	0
Totals	293	3	44	200	41

Monthly AVERAGE of the 13 months

Member System	Metering Point $125	2000 KVA $944	5000 KVA $2,373	10000 KVA $2,855	20000 KVA $4,605
1 Big Sandy	8.00	0.00	1.00	7.00	0.00
2 Blue Grass	31.31	1.00	3.62	19.69	7.00
3 Clark	22.38	1.00	12.00	6.38	1.00
4 Cumberland Valley	15.00	0.00	3.00	11.00	1.00
5 Farmers	12.00	0.00	1.00	10.00	1.00
6 Fleming Mason	13.00	0.00	0.00	9.00	3.00
7 Grayson	13.00	0.00	6.00	7.00	0.00
8 Inter-County	12.00	0.00	1.00	9.00	2.00
9 Jackson	27.00	0.00	3.00	20.00	4.00
10 Licking Valley	10.00	0.00	3.00	7.00	0.00
11 Nolin	18.00	0.00	2.00	12.00	4.00
12 Owen	23.00	0.00	0.00	15.62	7.38
13 Salt River	26.31	1.00	4.00	19.08	2.23
14 Shelby	12.00	0.00	1.00	8.00	2.00
15 South Kentucky	33.77	0.00	3.00	25.77	4.00
16 Taylor County	13.00	0.00	1.00	12.00	0.00
Totals	289.77	3.00	44.62	198.54	38.62

Ln.	**Analysis**					
1.	Ratio of Billing Units as of March 31, 2007 to 13-month AVG	1.0111	1.0000	0.9862	1.0074	1.0618
2.	Increase (Decrease) in Monthly Billing Units	3.23	0.00	(0.62)	1.46	2.38
3.	Monthly Rate/Billing Unit	$125	$944	$2,373	$2,855	$4,605
4.	Monthly Rev. Inc/(Dec) Ln. (2) x Ln. (3)	$404	$0	($1,460)	$4,173	$10,981
5.	Annual Rev. Inc/ (Dec) Ln. (4) x 12	$4,846	$0	($17,524)	$50,072	$131,774
6.	Total Annual Inc/(Dec) in Rev of Metering Pts. & Substations					**$169,169**

EAST KENTUCKY POWER COOPERATIVE, INC.
PSC CASE NO. 2006-00472
RESPONSES TO THIRD SET OF DATA REQUESTS

KIUC'S THIRD SET OF DATA REQUESTS DATED 05/30/07
REQUEST 18
RESPONSIBLE PERSON: **Ann F. Wood**
COMPANY: **East Kentucky Power Cooperative, Inc.**

Request 18. Refer to the Company's response to KIUC 2-54. The question was directed toward capitalization v. expense policies for payroll and other costs. The response addressed functional allocations. Please provide the information originally requested.

Response 18. EKPC follows generally accepted accounting principles and Accounting Requirements for RUS Electric Borrowers (Part 1767). Part 1767 is included on the attached CD. EKPC does not have additional written policies addressing the expensing versus capitalizing of payroll and related costs, other than the documents submitted in the response to KIUC 2-54.

EAST KENTUCKY POWER COOPERATIVE, INC.
PSC CASE NO. 2006-00472
RESPONSES TO THIRD SET OF DATA REQUESTS

KIUC'S THIRD SET OF DATA REQUESTS DATED 05/30/07
REQUEST 19
RESPONSIBLE PERSON: **Ann F. Wood**
COMPANY: **East Kentucky Power Cooperative, Inc.**

Request 19. Refer to the Company's response to KIUC 2-55. Please explain the Company's capitalization v. expense policies for payroll and other costs for each function. For example, what are the Company's policies on capitalizing employee payroll and overheads to power plant construction projects? Which costs are included and which costs are excluded? Are A&G expenses allocated to the power plant construction projects and capitalized? If so, which costs are included and which costs are excluded? Be specific and provide a copy of all written guidelines and policies not already provided in response to the preceding question.

Response 19. Other than the power delivery expansion allocation discussed in response to KIUC 2-55, payroll and other costs are capitalized only if that particular employee is specifically working on a capital project. Other costs include that employee's travel expenses. EKPC does not allocate any other A&G expenses to capital projects. Please also see the response to KIUC 2-58.

EAST KENTUCKY POWER COOPERATIVE, INC.
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KIUC'S THIRD SET OF DATA REQUESTS DATED 05/30/07
REQUEST 20
RESPONSIBLE PERSON: **Ann F. Wood**
COMPANY: **East Kentucky Power Cooperative, Inc.**

Request 20. Refer to the Company's response to KIUC 2-57. Please identify any A&G costs other than benefits and payroll taxes that are capitalized. If no other A&G costs are capitalized, please explain why not? Be specific and provide a copy of all written guidelines and policies not already provided in response to the preceding two questions.

Response 20. Please see the response to Item 19 herein.

EAST KENTUCKY POWER COOPERATIVE, INC.
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KIUC'S THIRD SET OF DATA REQUESTS DATED 05/30/07
REQUEST 21
RESPONSIBLE PERSON: **Ann F. Wood**
COMPANY: **East Kentucky Power Cooperative, Inc.**

Request 21. Refer to the Company's response to KIUC 2-58. Please explain why the Company apparently does not capitalize any other costs to the power plant construction projects, e.g. the A&G costs of the Company's CEO and other management and administrative costs associated with these construction projects. In addition, please indicate whether the Company is prohibited from doing so by RUS regulations and/or other accounting requirements.

Response 21. RUS regulations/other accounting requirements do not prohibit EKPC from capitalizing A&G costs to the power plant construction projects. However, EKPC has historically not allocated such A&G costs. Note that capital projects are audited by EKPC's external auditor and are subject to audit by RUS. Both the RUS auditors and the external auditors have accepted EKPC's capitalization methods.

EAST KENTUCKY POWER COOPERATIVE, INC.
PSC CASE NO. 2006-00472
RESPONSES TO THIRD SET OF DATA REQUESTS

KIUC'S THIRD SET OF DATA REQUESTS DATED 05/30/07
REQUEST 22
RESPONSIBLE PERSON: **Ann F. Wood**
COMPANY: **East Kentucky Power Cooperative, Inc.**

Request 22. Refer to the Company's response to KIUC 2-63. Please provide the full actuarial report when it is available.

Response 22. As previously stated, there is not a full actuarial report associated with the projections. The full actuarial report for 2006 was provided in response to KIUC Second Data Request 1.64.

EAST KENTUCKY POWER COOPERATIVE, INC.
PSC CASE NO. 2006-00472
RESPONSES TO THIRD SET OF DATA REQUESTS

KIUC'S THIRD SET OF DATA REQUESTS DATED 05/30/07
REQUEST 23
RESPONSIBLE PERSON: **Frank J. Oliva**
COMPANY: **East Kentucky Power Cooperative, Inc.**

Request 23. Refer to the Company's response to KIUC 2-69 page 3 of 3. Do the emission allowance amounts include inventories necessary to resolve the USEPA and KYEPA NOVs on Dale 1 and 2? If so, please provide the NOV allowance amounts (tons and dollars) for each month October 2005 through March 2007, separating the amounts into non-penalty and penalty amounts.

Response 23. The emission allowance inventory balance shown in the referenced response includes all of the SO2 and NOx emission allowances owned by EKPC. No distinction has been made between allowances potentially held to satisfy penalties and allowances held to comply with annual emission requirements. It is possible that some inventoried allowances, as well as some allowances yet to be acquired, will be relinquished to the USEPA in settlement of a claim. But, because the matter is still under litigation, it is not possible to confirm the amount of each type allowance that may be needed to settle, nor the source of any such allowances.

EAST KENTUCKY POWER COOPERATIVE, INC.
PSC CASE NO. 2006-00472
RESPONSES TO THIRD SET OF DATA REQUESTS

KIUC'S THIRD SET OF DATA REQUESTS DATED 05/30/07
REQUEST 24
RESPONSIBLE PERSON: **Frank J. Oliva**
COMPANY: **East Kentucky Power Cooperative, Inc.**

Request 24. Refer to the Company's response to KIUC 2-68. Please confirm that the Company removed the NOV expense and writeoff amounts from the test year expense amounts, but did not remove the interest expense associated with either the non-penalty or penalty allowance amounts. If the Company did remove the interest expense associated with the NOV allowances, then please describe where this adjustment was made and provide the related quantifications, including all computational support.

Response 24. EKPC did remove the NOV expense and writeoff amounts from the test year expense amounts. See Exhibit F, Schedule 20. No interest expense related to these allowances was removed from the test year expense.

EAST KENTUCKY POWER COOPERATIVE, INC.
PSC CASE NO. 2006-00472
RESPONSES TO THIRD SET OF DATA REQUESTS

KIUC'S THIRD SET OF DATA REQUESTS DATED 05/30/07
REQUEST 25
RESPONSIBLE PERSON: **Ann F. Wood**
COMPANY: **East Kentucky Power Cooperative, Inc.**

Request 25. Refer to the Company's response to PSC 3-10. Please confirm that the annual savings of $878,476 is not reflected in the Company's filing as a reduction in expense.

Response 25. The annual savings of $878,476 is not reflected in EKPC's filing as a reduction in expense, as this event occurred in April 2007.

EAST KENTUCKY POWER COOPERATIVE, INC.
PSC CASE NO. 2006-00472
RESPONSES TO THIRD SET OF DATA REQUESTS

KIUC'S THIRD SET OF DATA REQUESTS DATED 05/30/07
REQUEST 26
RESPONSIBLE PERSON: **Ann F. Wood**
COMPANY: **East Kentucky Power Cooperative, Inc.**

Request 26. Refer to the Company's response to PSC 3-37. Please provide further details on the cooperative propane buyout. Provide the date of the buyout, amount of the buyout, the amount of the notes, the interest rate on the notes, the interest income earned during the test year on the notes. In addition, please describe where the Company removed the related amounts from its capitalization and interest expense and the amounts it removed.

Response 26. Further details on the cooperative propane buyout follow. The date of the buyout was June 30, 2000. The amounts of the buyout/notes, by cooperative, were:

Clark	$813,783
Farmers	$965,515
Jackson	$728,449
Shelby	$942,253

The annual interest rate on the notes equals the "Prime Rate" as published in the "Money Rates" section of The Wall Street Journal minus one-half of one percent (.50%.) This rate is adjusted annually on each anniversary of the loan. Copies of the loan agreements were provided in Commission Staff's Third Data Request 54a. Interest income earned

during the test year on the notes totaled $225,542. EKPC did not incur interest expense relating to these loans.