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July 25, 2007

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259 West Short Street  
Lexington, KY 40507

Stephen A. Sanders, Esq.  
Greg Howard, Esq.  
Appalachian Citizens Law Center, Inc.  
207 West Court Street, Suite 202  
Prestonsburg, KY 41653

Re: PSC Case No. 2006-00472

Dear Mr. Geraldts and Mr. Sanders:

Please find enclosed the Information Requests of East Kentucky Power Cooperative, Inc. to the Cumberland Chapter of the Sierra Club in the above-referenced case.

Very truly yours,



Charles A. Lile  
Senior Corporate Counsel

Enclosures

Cc: Parties of Record

Elizabeth O'Donnell, Executive Director- Public Service Commission

**COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION**

**In the Matter of:**

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

**EAST KENTUCKY POWER COOPERATIVE, INC.  
INFORMATION REQUESTS TO THE CUMBERLAND  
CHAPTER OF THE SIERRA CLUB**

The Cumberland Chapter of the Sierra Club (the “Sierra Club”), pursuant to the Procedural Schedule in this case dated July 6, 2007, is requested to file responses to the following requests for information by August 8, 2007, with copies to the Commission and to all parties of record, and in accordance with the following:

(1) Please provide written responses, together with any and all exhibits pertaining thereto, in one or more bound volumes, separately indexed and tabbed by each response.

(2) If any request appears confusing, please request clarification directly from EKPC.

(3) The responses provided should first restate the question asked and also identify the person(s) supplying the information.

(4) Please answer each designated part of each information request separately. If you do not have complete information with respect to any interrogatory, so state and give as much information as you do have with respect to the matter inquired about, and identify each person whom you believe may have additional information with respect thereto.

(5) To the extent that the specific document, workpaper or information does not exist as requested, but a similar document, workpaper or information does exist, provide the similar document, workpaper, or information.

(6) To the extent that any request may be answered by way of a computer printout, please identify each variable contained in the printout which would not be self-evident to a person not familiar with the printout.

(7) If the Respondent objects to any request on the grounds that the requested information is proprietary in nature, or for any other reason, please notify EKPC as soon as possible.

(8) For any document withheld on the basis of privilege, state the following: date; author; addressee; indicated or blind copies; all persons to whom distributed, shown, or explained; and, the nature and legal basis for the privilege asserted.

(9) "Document" means the original and all copies (regardless of origin, and whether or not including additional writing thereon, or attached thereto) of memoranda, reports, books, manuals, instructions, directives, records, forms, notes, letters, notices, confirmations, telegrams, pamphlets, notations of any sort concerning conversations, telephone calls, meetings or other communications, bulletins, transcripts, diaries, analyses, summaries, correspondence, investigations, questionnaires, surveys, worksheets, and all drafts, preliminary versions, alterations, modifications, revisions, changes, amendments and written comments concerning the foregoing, in whatever form, stored or contained in, or on whatever medium, including computerized memory or magnetic media. A request to identify a document means to state the date or dates, author or originator, subject matter, all addressees and recipients, type of document (e.g., letter, memorandum, telegram, chart, etc.), code number thereof, or other means of identifying it, and its present location and custodian. If any such document was, but is no longer

in the Respondent's possession or subject to its control, state what disposition was made of it, including the date of such disposition.

(10) "Study" means any written, recorded, transcribed, taped, filmed, or graphic matter, however produced or reproduced, either formally or informally, considering or evaluating a particular issue or situation, in whatever detail, whether or not the study of the issue or situation is in a preliminary stage, and whether or not the study was discontinued prior to completion.

(11) "Person" means any natural person, corporation, professional corporation, partnership, association, joint venture, proprietorship, firm, or the other business enterprise or legal entity. A request to identify a natural person means to state his or her full name and residence address, his or her present last known position and business affiliation at the time in question. A request to identify a person other than a natural person means to state its full name, the address of its principal office, and the type of entity.

(12) "And" and "or" should be considered to be both conjunctive and disjunctive, unless specifically stated otherwise. "Each" and "any" should be considered to be both singular and plural, unless specifically stated otherwise. Words in the past tense should be considered to include the present, and words in the present tense include the past, unless specifically stated otherwise. "You" or "your" means the person whose filed testimony is the subject of these interrogatories and, to the extent relevant and necessary to provide full and complete answers to any request, "you" or "your" may be deemed to include any person with information relevant to any interrogatory who is or was employed by or otherwise associated with the witness or who assisted, in any way, in the preparation of the witness' testimony.

(13) Respondent means the Sierra Club and/or any of its officers, directors, employees, or agents who may have knowledge of the particular matter addressed.

Respectfully submitted,

DAVID A. SMART

A handwritten signature in black ink, appearing to read "Charles A. Lile". The signature is written in a cursive style with a large initial "C".

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 East Kentucky Power Cooperative, Inc. Information Requests to the Cumberland Chapter of the Sierra Club 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 listed below, this 25<sup>th</sup> day of July, 2007.

Michael L. Kurtz, Esq.  
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Charles A. Lile

1. Reference Page 3 of your filed testimony. Please provide testimony you filed in the following Cases: 98-426, 98-474, 2000-459, Administrative Case 387 and the Testimony filed by KYDOE in Administrative Case 341.
2. Beginning on page 5, line 10 of your testimony, you refer several times to “energy waste.” On page 5, line 13, you refer to “energy inefficiency.” Please define these two terms. Please explain whether they are the same or different from one another.
3. Reference Page 8, Lines 7 and 9 of your testimony. Please provide copies of studies and other evidence that support the assertion: “The more electricity EKPC sells, the more money it makes”.
4. On page 14, lines 8-9, you say that in Kentucky, “Those DSM programs designed to shift peak loads to non-peak periods have tended to be somewhat larger and more effective.” To which DSM programs are you referring? Please identify and provide copies of the studies or other evidence that show that these programs are “more effective.”
5. On page 14, lines 9-12, you say that Kentucky’s “utilities have invested in new coal-fired power plants that have saddled customers with costs that are significantly higher than it would have cost to save the same amount of energy by improving end-use efficiency.” You also state, on page 15, lines 19-20, that “DSM is generally a much cheaper energy resource than building new power plants.” Please identify the specific DSM or end-use efficiency programs that are much cheaper than Kentucky’s newer coal-fired plants. Please provide copies of the studies that support the assertion that these programs are much cheaper than Kentucky’s newer coal-fired plants, and that quantify the costs of these programs. Please provide documented examples of how these specific programs have led, in actual practice, to energy services that are much cheaper than Kentucky’s newer coal-fired plants, and that quantify the costs of these energy services.

6. Reference Page 14 of your testimony. On Line 12 you make that statement that;  
“Revenue requirements, electric rates and customers’ bills have ended up being higher than they might have been if each utility company’s lowest cost strategy had been implemented”. Is Mr. Young suggesting that EKPC has not employed the lowest cost strategy for managing changes in base rates, in light of the fact that its last base rate case increase occurred 23 years ago, in 1984? Please explain your response.
7. Beginning at line 23 on page 14, you say that: “When we look at EKPC’s marketing programs and DSM programs together, the energy savings are zero. There is some shifting of demand from peak load periods to off-peak periods.” Please identify and provide copies of the studies or other evidence that support these assertions.
8. On page 24, line 22, you refer to “legitimate DSM program costs.” Please provide examples of “legitimate DSM program costs.” Is there also such a thing as “illegitimate DSM program costs”? If so, please provide examples of “illegitimate DSM program costs,” and please indicate how large a potential problem is posed by “illegitimate DSM program costs”.
9. On page 35, you propose that QF prices be set low for highly polluting generation technologies and that they be set high (perhaps through net metering) for environmentally sound generation technologies. On page 36, you define an “environmentally sound generation technology” as “a generating technology that causes less environmental damage per delivered kWh than EKPC’s existing fleet of generating units.”
  - a. How do you define “highly polluting generation technologies”?
  - b. Given that the environmental damage arising from each generating technology depends upon that technology’s particular mix pollutants, wildlife impacts, and so



forth, how do you propose to measure the “environmental damage” due to each type of generating technology?

- c. Suppose that EKPC’s existing fleet of generating units causes 10.00 units of environmental damage per delivered kWh. Would “environmentally sound generation technologies” include all technologies that cause 9.99 units or less of environmental damage per delivered kWh? Would “highly polluting generation technologies” include all technologies that cause 10.01 units or more of environmental damage per delivered kWh? Please explain your answers.
- d. What is the legal basis for your proposed price discrimination among QF technologies? How is your proposal consistent with the Kentucky statutory requirement, cited by you at page 27, lines 21-22, that QF rates shall be “nondiscriminatory”?

10. Please provide studies that present quantitative evidence in support of your statement, on page 38, lines 8-12, that the “economic benefits that accrue to the electrical system when small-scale, distributed generation is added to the grid... almost always far outweigh the additional utility costs that have been emphasized by the utility personnel who presented testimony in Administrative Case No. 2006-00045.” The evidence should identify particular technologies and include detailed quantitative information on their operating characteristics, costs, and benefits. (Please note that your Attachment D includes no quantitative information, and that many of the 2007 benefits are duplicates or variants of one another; so Attachment D is not sufficient to verify the statement quoted above.)

11. On page 40, lines 9-11, you state that “if decoupling/SR is not implemented, EKPC will continue to be punished financially if it helps its ultimate customers save energy or if it enters into contracts with cogenerators or small power producers.” Please explain how

EKPC is presently being “punished financially... if it enters into contracts with cogenerators or small power producers.” Please explain how decoupling/SR will stop or mitigate this financial punishment for entering into contracts with cogenerators or small power producers.