

# RECEIVED

JUL 10 2008 PUBLIC SERVICE COMMISSION

July 10, 2008

HAND DELIVERED

Ms. Stephanie L. Stumbo Executive Director Public Service Commission Post Office Box 615 211 Sower Boulevard Frankfort, KY 40602

Re: Case No. 2008-00115

Dear Ms. Stumbo:

Please find enclosed for filing with the Commission in the above-referenced case an original and ten copies of the Information Requests of East Kentucky Power Cooperative, Inc., to Kentucky Industrial Utility Customers, Inc., pursuant to the procedural schedule dated April 24, 2008.

Very truly yours,

hand a. Lik

Charles A. Lile Corporate Counsel

Enclosures

Cc: Michael L. Kurtz, Esq. Kurt J. Boehm, Esq. Lane Kollen

## COMMONWEALTH OF KENTUCKY BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

# THE APPLICATION OF EAST KENTUCKY)POWER COOPERATIVE, INC., FOR APPROVAL)OF AN AMENDMENT TO ITS ENVIRONMENTAL)COMPLIANCE PLAN AND ENVIRONMENTAL)SURCHARGE)

# EAST KENTUCKY POWER COOPERATIVE, INC. INFORMATION REQUESTS TO KENTUCKY INDUSTRIAL UTILITY CUSTOMERS, INC.

Kentucky Industrial Utility Customers, Inc. ("KIUC"), pursuant to the Procedural Schedule in this case dated April 24, 2008, is requested to file responses to the following requests for information by July 24, 2008, 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

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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 KIUC and/or any of its officers, directors, employees, or agents who may have knowledge of the particular matter addressed.

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Respectfully submitted, Lawelmy DAVID A SMART

hand a. Lile

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 Kentucky Industrial Utility Customers, Inc. in the above-styled case were delivered to the office of Stephanie L. Stumbo, Executive Director of the Public Service Commission, 211 Sower Boulevard, Frankfort, KY 40601, and copies were mailed to Parties of Record listed below, this 10<sup>th</sup> day of July, 2008.

Michael L. Kurtz, Esq. Kurt J. Boehm, Esq. Boehm, Kurtz & Lowry 36 East Seventh Street Suite 1510 Cincinnati, Ohio 45202

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Charles A. Lile

#### **INFORMATION REQUESTS FOR LANE KOLLEN**

1. Regarding Mr. Kollen's recommendation, on pages 8-12 of his Direct Testimony, that the Commission reject EKPC's request for a 1.35 TIER for its environmental compliance plan:

a). Does Mr. Kollen acknowledge that the Commission granted EKPC a 1.35 TIER in PSC Case No. 2006-00472 based on two factors: its need to comply with RUS mortgage covenants and its financial condition?

b). Does Mr. Kollen contend that EKPC's financial condition has improved to the point that the rising interest expense, cash flow and long-term credit concerns discussed in PSC Case No. 2006-00472 have been fully resolved? If so, please explain.

c). By what standard does Mr. Kollen, on page 9 of his Direct Testimony, declare the requested 1.35 TIER in this case to be "extreme and unnecessary"?

d). Does Mr. Kollen contend that current EKPC equity and margins are sufficient to eliminate the risks of unexpected events, such as weather conditions or system forced outages? If so, please explain.

e). Please cite any orders of the Kentucky Public Service Commission wherein a TIER level or rate of return for any electric cooperative or investor-owned utility was determined through an analysis of the "risk associated with cost recovery".

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2. Regarding Mr. Kollen's recommendation, on pages 17-19 of his Direct Testimony, that EKPC's calculated environmental surcharge revenue requirement of \$64 million be reduced to account for expected future reductions in emission allowance expenses:

a). What is the basis for Mr.Kollen's assumption that the EKPC environmental surcharge revenue requirements figure in this case includes emission allowance expenses?

b). Does Mr. Kollen dispute that the current EKPC environmental surcharge methodology will fully reflect any future reductions in emission allowance expense? If so, please explain.