

ATTORNEYS AT LAW 36 EAST SEVENTH STREET SUITE 1510 CINCINNATI, OHIO 45202 TELEPHONE (513) 421-2255

TELECOPIER (513) 421-2764

RECEIVED

MAY 0 1 2008

PUBLIC SERVICE COMMISSION

Via Overnight Mail

April 29, 2008

Stephanie Stumbo, Executive Director Kentucky Public Service Commission 211 Sower Boulevard Frankfort, Kentucky 40602

Re: <u>Case No. 2008-00115</u>

Dear Ms. Stumbo:

Please find enclosed the original and twelve (12) copies of the FIRST SET OF DATA REQUESTS OF KENTUCKY INDUSTRIAL UTILITY CUSTOMERS, INC. TO EAST KENTUCKY POWER COOPERATIVE, INC. filed in the above-referenced matter. By copy of this letter, all parties listed on the Certificate of Service have been served.

Please place this document of file.

Very Truly Yours, rolp

Michael L. Kurtz, Esq. Kurt J. Boehm, Esq. **BOEHM, KURTZ & LOWRY**

MLKkew Attachment cc: Certificate of Service

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing was served by mailing a true and correct copy, by first-class postage prepaid mail, to all parties on the 29th day of April, 2008.

Honorable Charles A Lile Senior Corporate Counsel East Kentucky Power Cooperative, Inc. 4775 Lexington Road P. O. Box 707 Winchester, KY 40392-0707 Honorable David A Smart Attorney at Law East Kentucky Power Cooperative, Inc. 4775 Lexington Road P. O. Box 707 Winchester, KY 40392-0707

Michael L. Kurtz, Esq. Kurt J. Boehm, Esq.

COMMONWEALTH OF KENTUCKY BEFORE THE PUBLIC SERVICE COMMISSION

:

:

:

Case No. 2008-00115

RECEIVED

MAY 01 2008

PUBLIC SERVICE COMMISSION

In The Matter Of: Application Of East Kentucky Power Cooperative, Inc. For Approval Of An Amendment To Its Environmental Compliance Plan And Environmental Surcharge

FIRST SET OF DATA REQUESTS OF

KENTUCKY INDUSTRIAL UTILITY CUSTOMERS, INC.

Dated:

April 29, 2008

DEFINITIONS

- 1. "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.
- 2. "Study" means any written, recorded, transcribed, taped, filmed, or graphic matter, however produced or reproduced, either formally or informally, a particular issue or situation, in whatever detail, whether or not the consideration of the issue or situation is in a preliminary stage, and whether or not the consideration was discontinued prior to completion.
- 3. "Person" means any natural person, corporation, professional corporation, partnership, association, joint venture, proprietorship, firm, or the other business enterprise or legal entity.
- 4. 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.
- 5. 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.), number of 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 Company's possession or subject to its control, state what disposition was made of it?
- 6. 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.
- 7. "And" and "or" should be considered to be both conjunctive and disjunctive, unless specifically stated otherwise.
- 8. "Each" and "any" should be considered to be both singular and plural, unless specifically stated otherwise.
- 9. 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.
- 10. "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.
- 11. "EKPC" means Eastern Kentucky Power Cooperative and/or any of their officers, directors, employees, or agents who may have knowledge of the particular matter addressed.

INSTRUCTIONS

- 1. If any matter is evidenced by, referenced to, reflected by, represented by, or recorded in any document, please identify and produce for discovery and inspection each such document.
- 2. These interrogatories are continuing in nature, and information which the responding party later becomes aware of, or has access to, and which is responsive to any request is to be made available to Kentucky Industrial Utility Customers. Any studies, documents, or other subject matter not yet completed that will be relied upon during the course of this case should be so identified and provided as soon as they are completed. The Respondent is obliged to change, supplement and correct all answers to interrogatories to conform to available information, including such information as it first becomes available to the Respondent after the answers hereto are served.
- 3. Unless otherwise expressly provided, each interrogatory should be construed independently and not with reference to any other interrogatory herein for purpose of limitation.
- 4. The answers provided should first restate the question asked and also identify the person(s) supplying the information.
- 5. 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.
- 6. In the case of multiple witnesses, each interrogatory should be considered to apply to each witness who will testify to the information requested. Where copies of testimony, transcripts or depositions are requested, each witness should respond individually to the information request.
- 7. The interrogatories are to be answered under oath by the witness(es) responsible for the answer.
- 8. Responses to requests for revenue, expense and rate base data should provide data on the basis of Total company as well as Intrastate data, unless otherwise requested.

KIUC'S FIRST SET OF DATA REQUESTS TO EKPC Case No. 2008-00115

- 1. Refer to Exhibit WAB-3 page 1 of 2. Please describe the second numeric column on this exhibit entitled "Amount at end of Test Year (Millions \$)" and identify the source of the amounts in that column.
- 2. Refer to the response to the preceding question. If the amounts in the referenced column represent amounts at the end of the test year in Case No. 2006-00472, then please explain why these amounts are not included in the computation of the BESF factor detailed on Exhibit WAB-2.
- 3. Refer to Exhibit WAB-3 page 1 of 2. Please provide the computation and all other support for the 15% pollution control portion of the Spurlock 4 pollution control facilities.
- 4. Refer to Exhibit WAB-3 page 2 of 2. Please explain why the Company used the amount of \$474.3 million for the capital costs to determine the "Annual Revenue Requirement New ES Projects" given that this amount includes AFUDC, which the Company states that it does not intend to include in the surcharge.
- 5. Refer to Exhibit WAB-3 page 2 of 2. Please provide the computation of the 14.3% fixed charge rate.
- 6. Please provide the September 30, 2006 and March 30, 2007 CWIP balances for each of the Company's environmental compliance projects 3-10. Reconcile the Spurlock 1 and 4 environmental CWIP amounts to the CWIP amounts shown in the second numeric column on Exhibit WAB-3 page 1 of 2
- 7. Please confirm that the Company will discontinue AFUDC on all CWIP amounts included in rate base in the environmental surcharge. If this will not be the case, please explain why the Company should earn a current return through the surcharge and defer another return on the same CWIP balance and add it to the CWIP cost for accounting purposes.
- 8. Refer to Exhibit AFW-2 page 1 of 2. Please provide all support for the operation and maintenance expense associated with the old Spurlock 2 scrubber.
- 9. Please provide a copy of all economic studies, e-mails, or other documents that address in any respect savings, particularly in operation and maintenance expenses, resulting from replacing the Spurlock 2 scrubber.
- 10. Please explain how the Company tracks the operation and maintenance expense associated with the Spurlock 2 scrubber in its accounting system. Provide a copy of documentation that supports your response, such as relevant pages from an accounting procedures manual.
- 11. Please provide a copy of all monthly financial reports filed with the Commission for January 2007 through the most recent month available, including, but not limited to, the additional financial information required by the interim and final orders in Case No. 2006-00472.

Michael L. Kurtz, Esq. **BOEHM, KURTZ & LOWRY** 36 East Seventh Street, Suite 1510 Cincinnati, Ohio 45202 513.421.2255 Fax: 513.421.2764 E: mail: <u>mkurtz@BKLlawfirm.com</u>

COUNSEL FOR KENTUCKY INDUSTRIAL UTILITY CUSTOMERS INC.