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March 5, 2009

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Via Hand-Delivery

Lawrence W. Cook, Esq.
Assistant Attorney General
Office of the Attorney General
Utility & Rate Intervention
1024 Capital Center Drive
Suite 200
Frankfort, KY 40601-8204

Re: PSC Case No. 2008-00409

Dear Mr. Cook:

Please find enclosed the Information Requests of East Kentucky Power Cooperative, Inc. to the Attorney General of the Commonwealth of Kentucky in the above-referenced case.

Sincerely yours,

Mark David Goss by apw
Mark David Goss

Enclosures

cc: Parties of Record
Jeffrey Derouen, Executive Director- Public Service Commission

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

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In the Matter of:

GENERAL ADJUSTMENT OF ELECTRIC RATES) CASE NO.
OF EAST KENTUCKY POWER) 2008-00409
COOPERATIVE, INC.)

EAST KENTUCKY POWER COOPERATIVE, INC.
INFORMATION REQUESTS TO
THE ATTORNEY GENERAL OF THE COMMONWEALTH OF KENTUCKY

The Attorney General of the Commonwealth of Kentucky (“AG”), pursuant to the Procedural Schedule in this case dated November 26, 2008, is requested to file responses to the following requests for information by March 19, 2009, 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 AG and/or any of its officers, directors, employees, or agents who may have knowledge of the particular matter addressed.

Respectfully submitted,



Mark David Goss ·

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Counsel 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 Attorney General of the Commonwealth of Kentucky in the above-styled case were delivered to the office of Jeffery Derouen, Executive Director of the Public Service Commission, 211 Sower Boulevard, Frankfort, KY 40601, and copies were mailed to Parties of Record listed below, this 5th day of March, 2009.

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

Lawrence W. Cook, Esq.
Assistant Attorney General
Office of the Attorney General
Utility and Rate Intervention Division
1024 Capital Center Drive, Suite 200
Frankfort, Kentucky 40601-8204



Counsel for East Kentucky Power Cooperative, Inc.

INFORMATION REQUESTS FOR MICHAEL J. MAJOROS, JR.

1. Please provide all workpapers, in electronic format with formulae intact, that were used in preparation of Mr. Majoros' testimony.
2. Please refer to page 5 of 14 in Mr. Majoros's Direct Testimony.
 - a) When preparing this portion of his testimony, did Mr. Majoros review and consider the operating and maintenance (O&M) expense analysis EKPC provided in response to the AG's First Data Request No. 18?
 - b) Provide Mr. Majoros' independent analysis of EKPC's O&M expenses compared to the national average.
 - c) Did Mr. Majoros perform an analysis comparing EKPC's average O&M expense to the national average excluding fuel expense? If yes, please provide the analysis. If not, please explain in detail why not.
3. Please refer to Adjustment No. 1 in Mr. Majoros's Direct Testimony, page 6 of 14. Please identify all electric cooperative rate cases where Mr. Majoros has filed direct testimony addressing the determination of the final revenue requirement and/or the recommendation of the appropriate TIER for determining the final revenue requirement.
4. For all G&T cooperatives listed in 3 above, please provide copies of all testimony provided in each proceeding.
5. Please provide the analysis Mr. Majoros performed that supports his recommended 1.25 TIER. Please include all documents reviewed and workpapers developed by Mr. Majoros.
6. Please explain how Mr. Majoros's proposed 1.25 TIER will allow EKPC to improve its equity position.

7. Did Mr. Majoros consider EKPC's Debt Service Coverage (DSC) ratio when making his recommendations?
8. If the answer to 7 above is yes, please provide Mr. Majoros's analysis and calculation of EKPC's DSC ratio reflecting his recommended TIER.
9. Please provide copies of testimony on all electric cooperative rate cases which address TIER and DSC.
10. Please explain how Mr. Majoros's analysis of appropriate TIER for EKPC incorporates the ratemaking concept of cost of capital.
11. Please identify all financings you have managed or on which you have served as the principal advisor that provided you direct market experience.
12. Please identify all factors that Mr. Majoros believes are important to determine the cost of capital.
13. Please refer to Adjustment No. 6 in Mr. Majoros's Direct Testimony, pages 10 and 11 of 14. On page 29 on the December 5, 2007 Order in Case No. 2006-00472 the Commission stated, "Given the magnitude of the associated costs and the extraordinary nature of the event, the Commission believes that, in this case, it is reasonable to provide for the recovery of the 2004 Spurlock 1 forced outage costs through base rates."
 - a) Is it Mr. Majoros's belief that EKPC has recovered all of its 2004 Spurlock 1 forced outage costs through the base rates granted in Case No. 2006-00472?
 - b) Does Mr. Majoros agree that the 2004 Spurlock 1 forced outage costs were not included in the test year expenses in Case No. 2006-00472?
 - c) Please indicate if Mr. Majoros's recommendation would have been different if the Commission had created a regulatory asset for the 2004 Spurlock 1 forced outage costs? If yes, please explain the difference.

d) Please indicate if Mr. Majoros agrees that EKPC's proposed adjustment for the 2004 Spurlock 1 forced outage costs is similar to how the Commission has previously handled the recovery of unamortized balances for rate case expenses and management audit expenses.