

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF EAST KENTUCKY	)	
POWER COOPERATIVE, INC. FOR A	)	
CERTIFICATE OF PUBLIC CONVENIENCE	)	CASE NO.
AND NECESSITY FOR THE CONSTRUCTION	)	2008-00472
OF AN AIR QUALITY CONTROL SYSTEM AT	)	
COOPER POWER STATION	)	

SECOND DATA REQUEST OF COMMISSION STAFF  
TO EAST KENTUCKY POWER COOPERATIVE, INC.

Pursuant to 807 KAR 5:001, East Kentucky Power Cooperative, Inc. ("East Kentucky") is to file with the Commission the original and 7 copies of the following information, with a copy to all parties of record. The information requested herein is due on or before March 13, 2009. Responses to requests for information shall be appropriately bound, tabbed and indexed. Each response shall include the name of the witness responsible for responding to the questions related to the information provided.

Each response shall be answered under oath or, for representatives of a public or private corporation or a partnership or association or a governmental agency, be accompanied by a signed certification of the preparer or person supervising the preparation of the response on behalf of the entity that the response is true and accurate to the best of that person's knowledge, information, and belief formed after a reasonable inquiry.

East Kentucky shall make timely amendment to any prior response if it obtains information which indicates that the response was incorrect when made or, though correct when made, is now incorrect in any material respect. For any request to which

East Kentucky fails or refuses to furnish all or part of the requested information, East Kentucky shall provide a written explanation of the specific grounds for its failure to completely and precisely respond.

Careful attention should be given to copied material to ensure that it is legible. When the requested information has been previously provided in this proceeding in the requested format, reference may be made to the specific location of that information in responding to this request. When applicable, the requested information shall be separately provided for total company operations and jurisdictional operations.

1. Refer to the response to item 1 of the Commission Staff's First Data Request ("Staff's First Request"), which lists specific transmission and voltage problems that would be caused by shutting down the Dale Station.

a. Explain whether the transmission projects identified in the response to item 9 of Staff's First Request would address all of the problems. If no, identify which problems those projects would not address and describe the additional transmission upgrades that would be required to deal with those problems.

b. If additional transmission upgrades are identified in the response to part a. of this request, provide their impact on the Net Present Value ("NPV") analysis results for Case E (Retire Dale) shown in the October 31, 2008 Cooper/Dale Study Report ("Cooper/Dale Report") included as Exhibit 3 of East Kentucky's application.

2. Refer to the responses to items 3 and 11 of Staff's First Request, both of which reference East Kentucky's expectation that further environmental requirements, such as Best Available Retrofit Technology ("BART") will apply to its Cooper Station in the future. Explain whether it is East Kentucky's position that, absent Case B (Scrub

Cooper) having a significantly higher cost than the other options, that is the preferred option due to it bringing Cooper into compliance with the BART requirements.

3. Refer to the response to item 9 of Staff's First Request, which identifies transmission projects that would need to be installed under Case E (Retire Dale).

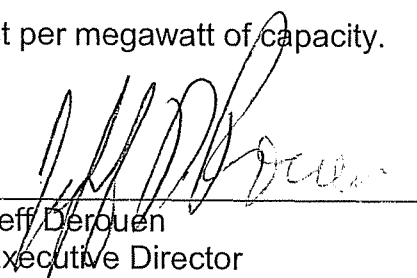
a. Clarify whether East Kentucky's \$10 to \$15 million estimate of "[t]he additional expense" for dynamic resources (static var compensators, distributed static synchronous compensators, etc.) that could be needed if the Dale units were removed from service refers to the capital costs of these devices.

b. Explain whether the costs of these devices were included in the net present revenue ("NPR") analysis East Kentucky performed to evaluate Case E, the "Retire Dale" option for complying with the Environmental Protection Agency consent decree. If not included, provide the estimated impact of including them.

4. Refer to the response to item 10 of Staff's First Request, which pertains to Case F1 in the Cooper/Dale Report, under which Dale 3 and 4 would be repowered in a combined cycle mode with a resulting 330 megawatt increase in generating capacity. The response addresses how the RTSim model would treat the units in East Kentucky's power supply portfolio.

a. The results of the NPR analysis performed using the RTSim model reflect total operating costs of each of the alternatives modeled. Clarify whether Staff is correct in concluding that no analysis was performed to evaluate the various options on the basis of "the cost per megawatt of capacity provided."

b. Provide the NPR results for Case B (Scrub Cooper) and Case F1 (repower Dale with gas) if evaluated on the basis of cost per megawatt of capacity.



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Jeff Derouen  
Executive Director  
Public Service Commission  
P.O. Box 615  
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DATED FEBRUARY 27, 2009

cc: All parties

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