

# Goss ■ Samford PLLC



January 28, 2016

**HAND DELIVERED**

Mr. Jeff Derouen  
Executive Director  
Kentucky Public Service Commission  
P.O. Box 615  
211 Sower Boulevard  
Frankfort, KY 40602

**RECEIVED**  
**JAN 28 2016**  
**PUBLIC SERVICE**  
**COMMISSION**

Re: PSC Case No. 2015-00422

Dear Mr. Derouen:

Please find enclosed for filing with the Commission in the above-referenced case an original and ten copies of the responses of East Kentucky Power Cooperative, Inc. ("EKPC"), to the information requests contained in the Initial Request for Information of the Commission Staff dated January 14, 2016.

Very truly yours,

Mark David Goss

Enclosures

**RECEIVED**

**JAN 28 2016**

**PUBLIC SERVICE  
COMMISSION**

**COMMONWEALTH OF KENTUCKY**

**BEFORE THE PUBLIC SERVICE COMMISSION**

**In the Matter of:**

**APPLICATION OF EAST KENTUCKY POWER  
COOPERATIVE, INC. FOR THE APPROVAL OF A  
SPECIAL CONTRACT**

)  
) **CASE NO.**  
) **2015-00422**

**RESPONSES TO STAFF'S INITIAL REQUEST FOR INFORMATION  
TO EAST KENTUCKY POWER COOPERATIVE, INC.**

**DATED JANUARY 14, 2016**

**EAST KENTUCKY POWER COOPERATIVE, INC.**

**PSC CASE NO. 2015-00422**

**STAFF'S INITIAL REQUEST FOR INFORMATION DATED 01/14/16**

East Kentucky Power Cooperative, Inc. ("EKPC") hereby submits responses to the Initial Request for Information of the Staff ("PSC") in this case dated January 14, 2016. Each response with its associated supportive reference materials is individually tabbed.

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

**In the Matter of:**

<b>THE APPLICATION OF EAST KENTUCKY POWER)</b>	
<b>COOPERATIVE, INC. FOR THE APPROVAL )</b>	<b>CASE NO.</b>
<b>OF A SPECIAL CONTRACT )</b>	<b>2015-00422</b>

**CERTIFICATE**

**STATE OF KENTUCKY )**  
**)**  
**COUNTY OF CLARK )**

Isaac S. Scott, being duly sworn, states that he has supervised the preparation of the responses of East Kentucky Power Cooperative, Inc. to the Public Service Commission Staff's Initial Information Request in the above-referenced case dated January 14, 2016 and that the matters and things set forth therein are true and accurate to the best of his knowledge, information and belief, formed after reasonable inquiry.



Subscribed and sworn before me on this 28<sup>th</sup> day of January, 2016.

  
Notary Public



**EAST KENTUCKY POWER COOPERATIVE, INC.**  
**PSC CASE NO. 2015-00422**  
**INITIAL REQUEST FOR INFORMATION RESPONSE**

**STAFF'S INITIAL REQUEST FOR INFORMATION DATED 01/14/16**  
**REQUEST 1**

**RESPONSIBLE PERSON:** Isaac S. Scott

**COMPANY:** East Kentucky Power Cooperative, Inc.

**Request 1.** Refer to the application, Exhibit A, page 2, numbered paragraph 1, which states that the Agreement shall become effective as of November 1, 2015, and be in effect for one year. State whether EKPC, Nolin, and AGC consider the first year of the contract to begin on November 1, 2015, or the date the Commission approves the contract.

**Response 1.** As acknowledged in paragraph 8 of the Application, the 2015 Industrial Power Agreement ("2015 IPA") is subject to the Commission's approval. Consequently, EKPC, Nolin, and AGC consider the first year of the contract to begin with the date the Commission approves the contract.

**EAST KENTUCKY POWER COOPERATIVE, INC.**  
**PSC CASE NO. 2015-00422**  
**INITIAL REQUEST FOR INFORMATION RESPONSE**

**STAFF'S INITIAL REQUEST FOR INFORMATION DATED 01/14/16**  
**REQUEST 2**

**RESPONSIBLE PERSON:** Isaac S. Scott

**COMPANY:** East Kentucky Power Cooperative, Inc.

**Request 2.** Refer to the application, Exhibit A, page 3. Explain why the demand charge, energy rate, and customer charge set forth on this page differ from the demand charge, energy rate, and customer charge currently in effect for AGC as shown in Nolin's tariff filing effective June 1, 2011.

**Response 2.** Because of a clerical error made during the drafting process, the demand charge, energy rate, and customer charge from the 2009 Industrial Power Agreement ("2009 IPA") were set forth in the 2015 IPA. There was no intention on the part of the parties to change the rates currently charged by Nolin to AGC. Nolin has been charging AGC the Commission-approved tariff rates since June 1, 2011 and proposes to continue to do so. The parties are in the process of executing a corrected 2015 IPA which will include the Commission-approved tariff filing effective June 1, 2011 and will file the corrected 2015 IPA for approval as soon as it is available.

**EAST KENTUCKY POWER COOPERATIVE, INC.**  
**PSC CASE NO. 2015-00422**  
**INITIAL REQUEST FOR INFORMATION RESPONSE**

**STAFF'S INITIAL REQUEST FOR INFORMATION DATED 01/14/16**  
**REQUEST 3**

**RESPONSIBLE PERSON:** Isaac S. Scott

**COMPANY:** East Kentucky Power Cooperative, Inc.

**Request 3.** Provide a schedule showing by month for the period July 1, 2014, through June 30, 2015, the following information:

**Request 3a.** The customer charge, demand charge per kW, interruptible demand credit per kW, and energy rate per kWh as charged by Nolin to AGC.

**Response 3a.** Please see pages 3 and 4 of 4 of this response.

**Request 3b** AGC's billed kW of demand, billed kW of interruptible demand credit, and billed kWh of energy.

**Response 3b.** Please see pages 3 and 4 of 4 of this response.

**Request 3c.**           The revenue produced by Nolin's billing to AGC for the customer charge, demand charge, interruptible demand credit, and energy charge.

**Response 3c.**           Please see pages 3 and 4 of 4 of this response.

PSC Request 3

Request 3a:

	Service for July 2014	Service for August 2014	Service for September 2014	Service for October 2014	Service for November 2014	Service for December 2014
Customer Charge	\$1,188.66	\$1,188.66	\$1,188.66	\$1,188.66	\$1,188.66	\$1,188.66
Demand Charge per kW	\$6.83	\$6.83	\$6.83	\$6.83	\$6.83	\$6.83
Interruptible Demand Credit per kW	(\$3.50)	(\$3.50)	(\$3.50)	(\$3.50)	(\$3.50)	(\$3.50)
Energy Rate per kWh	\$0.04342	\$0.04342	\$0.04342	\$0.04342	\$0.04342	\$0.04342

Please note that during this time period, AGC had elected a notice period of 60 minutes with a total annual interruption of up to 200 hours. Nolln's Schedule 15 - Interruptible Service, was revised effective September 30, 2015 and the credits were increased; 200 hours qualifies for a credit of \$4.20 per kW.

Request 3b:

	Service for July 2014	Service for August 2014	Service for September 2014	Service for October 2014	Service for November 2014	Service for December 2014
<b>Billed kW Demand:</b>						
Total Demand	19,149.12	19,149.12	19,149.12	19,149.12	19,149.12	19,149.12
Firm Demand	10,000.00	10,000.00	10,000.00	10,000.00	10,000.00	10,000.00
Interruptible Demand	9,149.12	9,149.12	9,149.12	9,149.12	9,149.12	9,149.12
<b>Billed kWh Energy</b>	<b>10,629,376</b>	<b>11,339,194</b>	<b>11,089,290</b>	<b>11,468,691</b>	<b>11,001,573</b>	<b>9,679,694</b>

Please note that Billing Demand is the greater of the contract demand or AGC's highest demand during the current month or preceding eleven months coincident with EKPC's system peak demand.

Request 3c:

	Service for July 2014	Service for August 2014	Service for September 2014	Service for October 2014	Service for November 2014	Service for December 2014
Customer Charge	\$1,188.66	\$1,188.66	\$1,188.66	\$1,188.66	\$1,188.66	\$1,188.66
<b>Billed kW Demand:</b>						
Total Demand	\$130,788.49	\$130,788.49	\$130,788.49	\$130,788.49	\$130,788.49	\$130,788.49
Interruptible Demand Credit	(\$32,021.92)	(\$32,021.92)	(\$32,021.92)	(\$32,021.92)	(\$32,021.92)	(\$32,021.92)
<b>Net Demand Charge</b>	<b>\$98,766.57</b>	<b>\$98,766.57</b>	<b>\$98,766.57</b>	<b>\$98,766.57</b>	<b>\$98,766.57</b>	<b>\$98,766.57</b>
<b>Billed kWh Energy</b>	<b>\$461,527.51</b>	<b>\$492,347.80</b>	<b>\$481,931.17</b>	<b>\$497,970.56</b>	<b>\$477,688.30</b>	<b>\$420,292.31</b>
<b>Total Revenue from Customer Charge, Demand Charges, and Energy Charges</b>	<b>\$561,482.74</b>	<b>\$592,303.03</b>	<b>\$581,886.40</b>	<b>\$597,925.79</b>	<b>\$577,643.53</b>	<b>\$520,247.54</b>

PSC Request 3

Page 4 of 4

Request 3a:

	Service for January 2015	Service for February 2015	Service for March 2015	Service for April 2015	Service for May 2015	Service for June 2015
Customer Charge	\$1,188.66	\$1,188.66	\$1,188.66	\$1,188.66	\$1,188.66	\$1,188.66
Demand Charge per kW	\$6.83	\$6.83	\$6.83	\$6.83	\$6.83	\$6.83
Interruptible Demand Credit per kW	(\$3.50)	(\$3.50)	(\$3.50)	(\$3.50)	(\$3.50)	(\$3.50)
Energy Rate per kWh	\$0.04342	\$0.04342	\$0.04342	\$0.04342	\$0.04342	\$0.04342

Please note that during this time period, AGC had elected a notice period of 60 minutes with a total annual interruption of up to 200 hours. Nolin's Schedule 15 - Interruptible Service, was revised effective September 30, 2015 and the credits were increased; 200 hours qualifies for a credit of \$4.20 per kW.

Request 3b:

	Service for January 2015	Service for February 2015	Service for March 2015	Service for April 2015	Service for May 2015	Service for June 2015
<b>Billed kW Demand:</b>						
Total Demand	19,149.12	19,149.12	19,149.12	16,994.88	16,994.88	17,285.76
Firm Demand	10,000.00	10,000.00	10,000.00	10,000.00	10,000.00	10,000.00
Interruptible Demand	9,149.12	9,149.12	9,149.12	6,994.88	6,994.88	7,285.76
<b>Billed kWh Energy</b>	<b>10,563,987</b>	<b>9,773,205</b>	<b>11,105,080</b>	<b>11,139,219</b>	<b>11,269,867</b>	<b>11,351,276</b>

Please note that Billing Demand is the greater of the contract demand or AGC's highest demand during the current month or preceding eleven months coincident with EKPC's system peak demand.

Request 3c:

	Service for January 2015	Service for February 2015	Service for March 2015	Service for April 2015	Service for May 2015	Service for June 2015	Totals
Customer Charge	\$1,188.66	\$1,188.66	\$1,188.66	\$1,188.66	\$1,188.66	\$1,188.66	\$14,263.92
<b>Billed kW Demand:</b>							
Total Demand	\$130,788.49	\$130,788.49	\$130,788.49	\$116,075.03	\$116,075.03	\$118,061.74	\$1,527,308.21
Interruptible Demand Credit	(\$32,021.92)	(\$32,021.92)	(\$32,021.92)	(\$24,482.08)	(\$24,482.08)	(\$25,500.16)	(\$362,661.60)
<b>Net Demand Charge</b>	<b>\$98,766.57</b>	<b>\$98,766.57</b>	<b>\$98,766.57</b>	<b>\$91,592.95</b>	<b>\$91,592.95</b>	<b>\$92,561.58</b>	<b>\$1,164,646.61</b>
<b>Billed kWh Energy</b>	<b>\$458,888.32</b>	<b>\$424,352.56</b>	<b>\$482,182.57</b>	<b>\$483,664.89</b>	<b>\$489,337.63</b>	<b>\$492,872.40</b>	<b>\$5,662,856.02</b>
<b>Total Revenue from Customer Charge, Demand Charges, and Energy Charges</b>	<b>\$558,643.55</b>	<b>\$524,307.79</b>	<b>\$582,137.80</b>	<b>\$576,446.50</b>	<b>\$582,119.24</b>	<b>\$586,622.64</b>	<b>\$6,841,766.55</b>

**EAST KENTUCKY POWER COOPERATIVE, INC.**  
**PSC CASE NO. 2015-00422**  
**INITIAL REQUEST FOR INFORMATION RESPONSE**

**STAFF'S INITIAL REQUEST FOR INFORMATION DATED 01/14/16**  
**REQUEST 4**

**RESPONSIBLE PERSON:** Isaac S. Scott

**COMPANY:** East Kentucky Power Cooperative, Inc.

**Request 4.** Provide a schedule showing by month for a hypothetical 12-month period, the following information:

**Request 4a.** The customer charge, demand charge per kW, interruptible demand credit per kW, and energy rate per kWh that will be charged by Nolin to AGC under the special contract filed in this case.

**Response 4a.** As noted in the response to Request 2, because of a clerical error the customer charge, demand charge, and energy rates set forth in the 2015 IPA reflected the rates from the 2009 IPA rather than the rates the Commission approved effective June 1, 2011. It was never the intention of the parties to change the rates Nolin currently charges AGC. The parties are in the process of executing a corrected 2015 IPA which will reflect the Commission-approved tariff filing effective June 1, 2011 and will file the corrected 2015 IPA for approval as soon as it is available. In light of this clarification,

EKPC requests that it be relieved from providing the requested information as it would reflect the same results as shown in the responses to Request 3. The only difference would be the increase in the interruptible credit as noted in the response to Request 3a.

**Request 4b** AGC's billed kW of demand, billed kW of interruptible demand credit, and billed kWh of energy for the period July 1, 2014, through June 30, 2015, as if those billed amounts will be the same for the hypothetical 12-month period.

**Response 4b.** Please see the response to Request 4a.

**Request 4c.** The revenue that would be produced by Nolin's billing to AGC for the customer charge, demand charge, interruptible demand credit, and energy charge during the hypothetical 12-month period.

**Response 4c.** Please see the response to Request 4a.

**EAST KENTUCKY POWER COOPERATIVE, INC.  
PSC CASE NO. 2015-00422  
INITIAL REQUEST FOR INFORMATION RESPONSE**

**STAFF'S INITIAL REQUEST FOR INFORMATION DATED 01/14/16  
REQUEST 5**

**RESPONSIBLE PERSON: Isaac S. Scott**

**COMPANY: East Kentucky Power Cooperative, Inc.**

**Request 5.** Has Nolin performed a cost-of-service study to support the rates included in the AGC special contract filed in this case? If so, file a copy of the cost-of-service study. If not, explain in detail why such a study was not performed and why the rates proposed for AGC appear to be lower than the rates that it has been paying since June 1, 2011.

**Response 5.** As noted in the response to Request 2, because of a clerical error the customer charge, demand charge, and energy rates set forth in the 2015 IPA reflected the rates from the 2009 IPA rather than the rates the Commission approved effective June 1, 2011. It was never the intention of the parties to change the rates Nolin currently charges AGC. The parties are in the process of executing a corrected 2015 IPA which will reflect the Commission-approved tariff filing effective June 1, 2011 and will file the corrected 2015 IPA for approval as soon as it is available. Nolin has not performed a cost-of-service study to support the rates that were included in error in the originally

submitted 2015 IPA. It was never Nolin's intention to charge anything other than the Commission-approved tariff rates effective June 1, 2011.