

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF EAST)	
KENTUCKY POWER COOPERATIVE, INC. FOR)	
APPROVAL TO AMEND ITS ENVIRONMENTAL)	
COMPLIANCE PLAN AND RECOVER COSTS)	CASE NO.
PURSUANT TO ITS ENVIRONMENTAL)	2023-00177
SURCHARGE, AND FOR ISSUANCE OF)	
CERTIFICATES OF PUBLIC CONVENIENCE)	
AND NECESSITY AND OTHER RELIEF)	

COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION
TO EAST KENTUCKY POWER COOPERATIVE, INC.

East Kentucky Power Cooperative, Inc. (EKPC), pursuant to 807 KAR 5:001, shall file with the Commission an electronic version of the following information. The information requested is due on August 29, 2023. The Commission directs EKPC to the Commission's July 22, 2021 Order in Case No. 2020-00085¹ regarding filings with the Commission. Electronic documents shall be in portable document format (PDF), shall be searchable, and shall be appropriately bookmarked.

Each response shall include the question to which the response is made and 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 the

¹ Case No. 2020-00085, *Electronic Emergency Docket Related to the Novel Coronavirus COVID-19* (Ky. PSC July 22, 2021), Order (in which the Commission ordered that for case filings made on and after March 16, 2020, filers are NOT required to file the original physical copies of the filings required by 807 KAR 5:001, Section 8).

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.

EKPC shall make timely amendment to any prior response if EKPC obtains information that indicates the response was incorrect or incomplete when made or, though correct or complete when made, is now incorrect or incomplete in any material respect.

For any request to which EKPC fails or refuses to furnish all or part of the requested information, EKPC shall provide a written explanation of the specific grounds for its failure to completely and precisely respond.

Careful attention shall be given to copied and scanned 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. When filing a paper containing personal information, EKPC shall, in accordance with 807 KAR 5:001, Section 4(10), encrypt or redact the paper so that personal information cannot be read.

1. Refer to Application, page 6, paragraph 12. Provide supporting documentation and calculations of Spurlock Station's costs, capacity factors, and availability relative to the EKPC generation fleet since the integration into PJM Interconnection LLC (PJM) that support the assertion that the four units at the Spurlock Station are the least expensive in EKPC's fleet.

2. Refer to Application, page 7, paragraph 15. Provide supporting documentation and calculations of Cooper Station's costs, capacity factors, and availability relative to the EKPC generation fleet since the integration into PJM.

3. Refer to Application, page 30, paragraph 62. Provide supporting documentation, explanation, and calculations for the rationale as to why EKPC proposes to expense \$47.2 million in costs due to the nature of the Cooper former impoundment (CFI) closure project rather than capitalizing them.

4. Refer to Application, page 19 and Exhibit ISS-1. The charts list the additional 23 projects and the total 41 projects.

a. For each project in Exhibit ISS-1 that has already been completed, provide a detailed accounting of actual expenses.

b. For each project listed in Exhibit ISS-1, indicate whether or not EKPC is currently recovering the expenses through the ESM.

5. Refer to Application, page 14, paragraph 30(d). Identify the future environmental regulations the Peg's Hill (Area D) Phase 2 project preserves.

6. Refer to the Direct Testimony of Patrick Bischoff (Bischoff Direct Testimony), page 3. Provide supporting documentation, explanation, and calculations for the projections of ash production.

7. Refer to the Bischoff Direct Testimony, page 6. Provide supporting documentation, explanation, and calculations for the cost of offsite ash disposal estimated at \$50 per cubic yard.

8. Refer to the Bischoff Direct Testimony, page 7. Provide supporting documentation, explanation, and calculations for EKPC's cost to develop, operate, and maintain the Spurlock Landfill at \$13.41 per cubic yard.

9. Refer to the Bischoff Direct Testimony, page 8. Provide support for cost estimates for each of the major elements of the Peg's Hill project.

10. Refer to the Direct Testimony of Laura Lemaster (Lemaster Direct Testimony) pdf page 8. Explain each of the risks EKPC has identified, the cost associated with those risks as well as the likelihood of the risks occurring. Provide all supporting documentation.

11. Refer to the Direct Testimony of Don Mosier (Mosier Direct Testimony), page 4. Explain how EKPC maintained reliability for its record peak demand of 3,747 MW on December 23, 2022, with its fleet of 3,400 MW net winter generating capacity during Winter Storm Elliott. Include in the response if any units incurred PJM performance penalties.

12. Refer to the Direct Testimony of Thomas Stachnik (Stachnik Direct Testimony), page 4. Provide supporting documentation, explanation, and calculations as to why the facts in Case No. 2021-00103,² supporting the 1.475 TIER, still apply and its continued application to compute the 6.487 percent rate of return remains fair, just and reasonable.

13. Refer to the Direct Testimony of Isaac Scott (Scott Direct Testimony), page 12. Explain how EKPC's proposal to earn a return on its monthly Construction Work In

² Case No. 2021-00103, *Electronic Application of East Kentucky Power Cooperative, Inc. for a General Adjustment of Rates, Approval of Depreciation Study, Amortization of Certain Regulatory Assets, and Other General Relief* (Ky. PSC Sept. 30, 2021).

Progress (CWIP) balance for the construction of the additional facilities is consistent with the treatment approved in Case No. 2008-00115.³

14. Refer to the Scott Direct Testimony, page 12. Explain why the Commission's rate-making treatment of the ash hauling costs for Dale Station and the ash pond closure costs for Spurlock Station in the cases⁴ mentioned should apply to the rate-making proposal to expense the CFI Closure project.

15. Provide the status of each Cooper Station Unit's environmental compliance under the Environmental Protection Agency (EPA) Mercury and Air Toxics Standard.

16. Provide the status of each Cooper Station Unit's environmental compliance under the EPA Cross State Air Pollution Rule.

17. Provide the status of each Cooper Station Unit's environmental compliance under the EPA Greenhouse Gas Regulations.

18. Provide the status of each Cooper Station Unit's environmental compliance under the EPA National Ambient Air Quality Standard (NAAQS) for ozone.

19. Provide the status of each Cooper Station Unit's environmental compliance under the EPA NAAQS for PM2.5.

³ Case No. 2008-00115, *The Application of East Kentucky Power Cooperative, Inc. for Approval of an Amendment to Its Environmental Compliance Plan and Environmental Surcharge* (Ky PSC Sept. 29, 2008).

⁴ Case No. 2014-00252, *Application of East Kentucky Power Cooperative, Inc. for a Certificate of Public Convenience and Necessity for Construction of an Ash Landfill at J.K. Smith Station, the Removal of Impounded Ash from William C. Dale Station for Transport to J.K. Smith and Approval of a Compliance Plan Amendment for Environmental Surcharge Recovery* (Ky. PSC March 6, 2015) and Case No. 2017-00376, *Application of East Kentucky Power Cooperative, Inc. for Approval to Amend Its Environmental Compliance Plan and Recovery Costs Pursuant to Its Environmental Surcharge, Settlement of Certain Asset Retirement Obligations and Issuance of a Certificate of Public Convenience and Necessity and Other Relief* (Ky. PSC May 18, 2018).

20. Provide the status of each Cooper Station Unit's environmental compliance under the EPA Start-up, Shutdown Malfunction (SSM) Exemptions.

21. Provide the status of each Cooper Station Unit's environmental compliance under the EPA Coal Combustion Residual (CCR) Regulations.

22. Provide the status of each Cooper Station Unit's environmental compliance under the EPA Effluent Limitation Guidelines (ELG).

23. Provide the status of each Cooper Station Unit's environmental compliance under the EPA Clean Water Act impacting Cooling Water Intakes under section 316b of the Clean Water Act.

24. Provide the following for the Cooper Station Generating Units.

- a. Legal SO₂, NO_x, and Hg emission limits for each unit.
- b. Actual and planned SO₂, NO_x, and Hg emissions for the audit period.
- c. A comparison of the actual SO₂, NO_x, and Hg quantities emitted from each unit with the monthly limits for each unit for the past twelve months.
- d. The average pound per Metric Million British Thermal Unit (MMBtu) emission rate separately for SO₂, Hg, and NO_x for each unit for the last 12 months.

25. Provide the most recent Cooper Station environmental compliance reports.

26. Provide Cooper Station's plan to meet current state and federal environments regulations.

27. Provide a copy of Cooper Station's environmental upgrade capital budgets to support current and future environmental compliance regulations.

28. Explain whether fuel conversion was evaluated for Cooper Station. If so, provide a copy of each analysis, including any modeling, that was utilized to evaluate environmental compliance through fuel switching for Cooper Station.

29. Provide a detailed summary of EKPC's environmental monitoring program to include the tracking of environmental allowance transactions for Cooper Station.

30. Provide EKPC's written environmental policies and procedures for both Cooper Station and Spurlock Station, as related to and including the following:

- a. Least cost principles utilized to maximize the use of coal.
- b. The monitoring of the emission's market.
- c. The forecasting of emission allowance values.
- d. Procedure for the sales and purchase of emission allowances.
- e. Procedures utilized to incorporate emission allowances in dispatch and fuel procurement.

31. From January 2017 through July 2023, provide a performance profile for each of the Cooper Station Generating Units that includes:

- a. Equivalent availability factor.
- b. Equivalent forced outage rate.
- c. North American Reliability Corporation (NERC) Generation Availability Data System (GADS) reports.
- d. List of the top 10 major availability detractors.
- e. Capacity factor.
- f. Heat rate.
- g. Variable production costs \$/MWH.

- h. Rated maximum load capability.
- i. Rated dependable minimum load capability.

32. From January 2017 through July 2023, provide a summary of any forced outages at each of EKPC's generating facility and provide the associated root cause analysis for each.

33. From January 2017 through July 2023, provide an analysis of the impact a forced outage has had on fuel cost and purchased power costs for EKPC.

34. Provide the status of each Spurlock Station Units' environmental compliance under the EPA Mercury and Air Toxics Standard.

35. Provide the status of each Spurlock Station Units' environmental compliance under the EPA Cross State Air Pollution Rule.

36. Provide the status of each Spurlock Station Units' environmental compliance under the EPA Greenhouse Gas Regulations.

37. Provide the status of each Spurlock Station Units' environmental compliance under the EPA NAAQS for ozone.

38. Provide the status of each Spurlock Station Units' environmental compliance under the EPA NAAQS for PM2.5.

39. Provide the status of each Spurlock Station Units' environmental compliance under the EPA Start-up, Shutdown Malfunction Exemptions.

40. Provide the status of each Spurlock Station Units' environmental compliance under the EPA Coal Combustion Residual Regulations.

41. Provide the status of each Spurlock Station Units' environmental compliance under the USEPA Effluent Limitation Guidelines.

42. Provide the status of each Spurlock Station Units' environmental compliance under the USEPA Clean Water Act impacting Cooling Water Intakes under section 316b of the Clean Water Act.

43. Provide the following for the Spurlock Generating Units:

- a. Legal SO₂, NO_x, and Hg emission limits for each unit.
- b. Actual and planned SO₂, NO_x, and Hg emissions for the audit period.
- c. A comparison of the actual SO₂, NO_x, and Hg quantities emitted from each unit with the monthly limits for each unit for the past twelve months.
- d. The average pound per Metric Million British Thermal Unit (MMBtu) emission rate separately for SO₂, Hg, and NO_x for each unit for the last 12 months.

44. Provide the most recent Spurlock Station environmental compliance reports.

45. Provide Spurlock Station's plan to meet current State and Federal environments regulations.

46. Provide a copy of Spurlock Station's environmental upgrade capital budgets to support current and future environmental compliance regulations.

47. Explain whether fuel conversion was evaluated for Spurlock Station. If so, provide a copy of all analyses, including modeling, which were utilized to evaluate environment compliance through fuel switching at Spurlock Station.

48. Provide copies of all analyses, including modeling, which were utilized to support EKPC's environmental compliance alternatives at Spurlock Station.

49. Provide a detailed summary of EKPC's environmental monitoring program to include the tracking of environmental allowance transactions for Spurlock Station.

50. From January 2017 through July 2023, provide a performance profile for each of the Spurlock Generating Units outlining the following:

- a. Equivalent availability factor.
- b. Equivalent forced outage rate.
- c. NERC GADS reports.
- d. List of the top 10 major availability detractors.
- e. Capacity factor.
- f. Heat rate.
- g. Variable production costs \$/MWH.
- h. Rated maximum load capability.
- i. Rated dependable minimum load capability.



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DATED AUG 15 2023

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