

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 AND NECESSITY TO) CASE NO. 10368
CONSTRUCT CERTAIN ELECTRIC TRANSMISSION)
AND DISTRIBUTION FACILITIES IN JOHNSON,)
FLOYD AND MAGOFFIN COUNTIES IN KENTUCKY)

O R D E R

IT IS ORDERED that East Kentucky Power Cooperative, Inc. ("EKPC"), shall file an original and 7 copies of the following information with this Commission, with a copy to all parties of record, within 10 days of the date of this Order. If the information cannot be provided by this date, you should submit a motion for an extension of time stating the reason a delay is necessary and include a date by which it will be furnished. Such motion will be considered by the Commission.

1. a. In Mr. Hopper's answer to Question 8 of his testimony, in lines 6-8, please clarify the statement that the add-on oil cooler ". . . may provide approximately 2 years to implement a permanent solution to the problem."

b. If the Commission rejects the application, how long will EKPC be able to effectively operate under the status quo?

2. What is the estimated time that will be needed to construct the proposed facilities?

3. If Kentucky Power Company ("KPC") would agree to maintain a 1.5 mil concurrent exchange rate, would EKPC then withdraw its application? Please provide a complete and detailed explanation.

4. a. Provide the energy growth rates for Big Sandy RECC for the years: (1) 1978-82; (2) 1978-88; and (3) 1980-84.

b. Provide the annual KWH billings for the Middle Creek and Jenny Wiley Substations for 1977 to 1988.

c. Provide the annual MW loads on Middle Creek and Jenny Wiley for 1977 to 1988.

5. Has EKPC examined the effect a recession would have on its present worth analysis? If no, then please give a complete and detailed explanation as to why. If yes, please provide the results and any workpapers of that analysis.

6. Provide a Present Worth Analysis as done in Exhibit VI with the following changes: (1) use a 4 percent inflation rate on facilities; (2) a 3.2 percent growth rate on loads; and (3) a 2 percent escalation on wheeling stepped every 5 years.

7. Provide the Commission with reasons as to why EKPC believes it will have an annually compounded 3.2 percent load growth for the next 30 years. Include a detailed and complete explanation as to why this is a realistic assumption.

8. What, if any, negotiations has EKPC held with KPC since the Commission issued its final Order in Case No. 10062, The Application of East Kentucky Power Cooperative, Inc., for a Certificate of Public Convenience and Necessity to Construct Certain Electric Transmission and Distribution Facilities in

Johnson, Floyd, and Magoffin Counties in Kentucky? Please describe these negotiations and provide copies of any correspondence or memoranda relating to such negotiations. If no negotiations have been held, please explain why.

9. Exhibit II of EKPC's application contains an excerpt from American Electric Power Company's FERC filing for an increase in its short-term wheeling rate. Please provide a complete copy of the letter.

10. Describe the discussions which EKPC has held with KPC since 1978 concerning the reliability problems experienced by the Middle Creek and Jenny Wiley Stations. Provide copies of any correspondence or memoranda relating to these discussions.

11. Please explain why, in EKPC's opinion, the Jenny Wiley and Middle Creek Stations have a greater amount of outage time than stations served directly by EKPC.

Done at Frankfort, Kentucky, this 21st day of October, 1988.

PUBLIC SERVICE COMMISSION


For the Commission

ATTEST:

Executive Director