

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 FOR )	
THE CONSTRUCTION OF SELECTIVE CATALYTIC )	CASE NO.
REDUCTION NITROGEN OXIDE CONTROL )	2000-340
FACILITIES IN MASON AND PULASKI COUNTIES, )	
KENTUCKY )	

FIRST DATA REQUEST OF COMMISSION STAFF  
TO EAST KENTUCKY POWER COOPERATIVES INC.

East Kentucky Power Cooperative, Inc., ("East Kentucky"), pursuant to 807 KAR 5:001, is to file with the Commission the original and eight copies of the following information, with a copy to all parties of record. The information requested herein is due on or before August 18, 2000. Each copy of the data requested should be placed in a bound volume with each item tabbed. When a number of sheets are required for an item, each sheet should be appropriately indexed, for example, Item 1(a), Sheet 2 of 6. Include with each response the name of the person who will be responsible for responding to questions relating to the information provided. Careful attention should be given to copied material to ensure that it is legible. Where information herein has been previously provided, in the format requested herein, reference may be made to the specific location of said information in responding to this information request.

1. Refer to Section 2, page 7 of 76, of Exhibit 2. This indicates that the total capital cost for installing Selective Catalytic Reduction ("SCR") at Spurlock 2, Spurlock

1 and Cooper 2, including the TFS2000 at Spurlock 2, is \$90 million. However, Exhibit 5 shows the estimated cost at \$140 million.

- a. Explain the reasons for the difference in these two amounts.
- b. Does the estimate in Exhibit 5 include the TFS2000 cost at

Spurlock 2?

2. Refer to page 4 of the application at paragraph 9 that states, "A decision in this case by October 15, 2000, is urgently needed to support the necessary construction schedules to meet the compliance deadline." Refer also to Exhibit 8 of the application, the Prepared Testimony of James Shipp, at page 5, where Mr. Shipp states, "For East Kentucky to meet the compliance deadline of May 1, 2003, construction work must start on Spurlock Unit 2 by September 1, 2000." Clarify the date by which East Kentucky is requesting a decision in this case and the date by which it intends to begin construction.

3. Refer to Exhibit 2 of the application, the ABB NOx Retrofit Study, at Section 5 – Unit Descriptions & Recommended Technologies.

a. The discussion refers specifically to the TFS2000 Firing System as the overfire air technology for Spurlock 2 while overfire air technology is discussed in a generic manner for Spurlock 1 and Cooper 2. Explain whether the TFS2000 Firing System is feasible at Spurlock 1 and Cooper 2 and, if yes, whether it was considered for either of those units.

b. The discussion on the TFS2000 Firing System indicates it can reduce the emissions rate for Spurlock 2 from .42 lbs. to .25 lbs. The generic discussion of overfire air technologies for Spurlock 1 and Cooper 2 refers to reductions from .42 lbs. to .35 lbs. Explain, generally, the reasons for the differences.

c. The discussion on Spurlock 1 indicates concerns about increasing superheater outlet temperatures as the reason an overfire air system would not be recommended for that unit. The discussion on Cooper 2 indicates that limited NOx reduction from potential in-furnace control technologies is the reason a stand-alone SCR system should be considered as the sole NOx reduction technology for the Cooper 2 Unit. Explain whether increasing superheater outlet temperatures *and* limited NOx reduction levels from overfire air systems are the reasons such systems were not recommended for *both* Spurlock 1 and Cooper 2.

4. Refer to Exhibit 6 of the application, the Prepared Testimony of David Eames, at page 2. Mr. Eames identifies the cost of the proposed construction as \$50 million for Spurlock 2, \$50 million for Spurlock 1, and \$40 million for Cooper 2. However, in Exhibit 8 of the application, at page 6 of his testimony, James Shipp states the estimated cost is \$55 million each for Spurlock Units 1 and 2 and \$30 million for Cooper 2. These amounts agree with the estimates in the ABB NOx Retrofit Study included as Exhibit 2 of the application. Provide a clarification of the correct amounts for the estimated cost of the proposed construction.

5. Refer to Exhibit 6 of the application, the Prepared Testimony of David Eames, at page 4. Mr. Eames states that East Kentucky expects to include the cost of the proposed pollution facilities in an environmental surcharge estimated to be between 1.5 and 2.0 mills per Kwh.

a. Provide, in summary form, the calculations and/or workpapers relied upon by Mr. Eames in deriving the 1.5 to 2.0 mills per Kwh estimate.

b. In Section 10.2, Compliance Plan, at page 131 of East Kentucky's Integrated Resource Plan ("IRP") filed in Case No. 2000-044<sup>1</sup> on July 21, 2000, it states "EKPC's strategy for meeting future SO<sub>2</sub> compliance is highly impacted by the development of the Kentucky Pioneer Energy Project." That section goes on to state "Once this project has received final regulatory review, EKPC will complete an in-depth study of its future compliance plans and options." Provide the present status of the study referenced in the IRP and the current target date for completion of the study.

c. Explain how the completion of the study referenced in the IRP will impact the timing of East Kentucky's filing for approval of an environmental surcharge. Provide the current target date for when East Kentucky expects to make its filing for approval of an environmental surcharge.

6. Refer to Exhibit 8 of the application, the Prepared Testimony of James Shipp, at pages 5-6. Mr. Shipp provides the construction schedules for the installation of the proposed SCRs.

a. Describe the degree of flexibility that East Kentucky retains regarding these schedules in the event the final decision on the NO<sub>x</sub> SIP results in either a delay of the May 1, 2003 compliance deadline or an increase in the emissions rate above the current .15 lbs. limit.

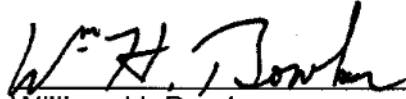
b. Describe the manner in which East Kentucky would adjust or modify the compliance plan included in its application if the NO<sub>x</sub> emissions rate was set at .25 lbs.

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<sup>1</sup> Case No. 2000-044, The Integrated Resource Plan of East Kentucky Power Cooperative, Inc.

c. Identify the firms with which East Kentucky has contracted for (1) the design and construction of the proposed SCRs and (2) installation of the structural steel required in conjunction with the installation of the proposed SCRs.

d. Describe, generally, the terms of East Kentucky's contracts with these firms and the manner by which East Kentucky would be able to avoid the costs of the SCR for Cooper 2 in the event the NOx emissions rate was ultimately set at a rate high enough that a third SCR was not required on East Kentucky's system by May 1, 2003.



William H. Bowker  
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Public Service Commission  
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DATED August 4, 2000

cc: All Parties