

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF EAST KENTUCKY POWER)	
COOPERATIVE, INC. FOR AN ORDER DECLARING)	
LANDFILL GAS TO ENERGY PROJECTS TO BE)	CASE NO.
ORDINARY EXTENSIONS OF EXISTING SYSTEMS)	2002-00352
IN THE USUAL COURSE OF BUSINESS)	

COMMISSION STAFF S FIRST DATA REQUEST
TO EAST KENTUCKY POWER COOPERATIVE, INC.

Pursuant to Administrative Regulation 807 KAR 5:001, Commission Staff requests that East Kentucky Power Cooperative, Inc. (East Kentucky) file the original and 5 copies of the following information with the Commission on or before December 2, 2002, with a copy to all parties of record. Each copy of the information 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 witness who will be responsible for responding to questions relating to the information provided. Careful attention should be given to copied material to ensure its legibility. 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.

1. Refer to the second page of the Prepared Testimony of David D. Drake (Drake Testimony).

a. Mr. Drake states that the Landfill Gas To Energy (LFGTE) fuel source can be developed at an energy price that is competitive with other baseload options. Provide a comparison of the production costs of LFGTE generation and East Kentucky s other generation sources.

b. Provide a comparison between the cost of LFGTE and other sources of fuel.

c. Explain whether or not the Bavarian project proposed in the application is expected to reduce East Kentucky s overall cost of generation.

2. Provide a detailed description of the expected use East Kentucky will make of the proposed generating project, i.e. peaking, intermediate, base load.

3. Mr. Drake states that East Kentucky will seek long-term financing from the Rural Utilities Service (RUS). Provide the interest rates available from RUS.

4. Mr. Drake states that East Kentucky plans to construct, own and operate several LFGTE facilities at landfills in Kentucky.

a. Provide the total number of projects that East Kentucky plans to construct.

b. Over what time period does East Kentucky expect to construct these projects?

c. What will be the maximum generating capacity for each of the future projects?

d. What will be the maximum capital cost for each of the future projects?

5. Mr. Drake states that the Bavarian facilities are expected to cost \$4,730,000. Provide a schedule showing the cost for each component of the project.

6. Refer to the third page of the Drake Testimony. Mr. Drake states that East Kentucky expects the annual cost for operations, maintenance and fuel to be escalated at 3 percent and that it used a discount rate of 8 percent in its Net Present Value calculation. Provide the rationale for using 3 percent to escalate the costs and for using 8 percent as the discount rate.

7. East Kentucky is a winter peaking system. Describe in detail the impact weather or extreme temperatures can have on the reliability of LFGTE as a fuel source.

8. Provide the expected availability of East Kentucky's planned LFGTE units and provide the supporting documentation on which those expectations are based.

9. Explain whether or not landfill gas can be stored and, if so, whether any storage facilities will be included with the Bavarian project.

10. Identify other electric utilities that have successfully used this technology. Include the size of their landfill gas operations, a description of similarities or differences between their units and the units East Kentucky anticipates constructing, and the maintenance costs incurred for those operations.

11. Explain whether East Kentucky included LFGTE generation as a planned supply resource in its Integrated Resource Plan (IRP) filed with the Commission in 2000. Does East Kentucky plan to include LFGTE generation in its next IRP, scheduled to be filed in April 2003? If no, explain why.

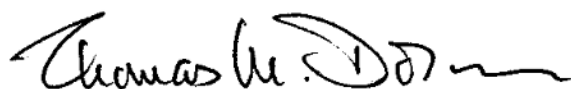
12. Mr. Drake states, at page 3, that the annual cost for operations, maintenance and fuel escalated at 3 percent is approximately \$500,000. Provide a detailed schedule of the operations, maintenance and fuel expense that makes up the \$500,000.

13. Explain the assumptions used to determine the kW generated by a single caterpillar 3516 engine and the expected annual hours used for generation.

14. Has East Kentucky conducted any feasibility studies for LFGTE? If yes, provide copies of the studies.

15. Mr. Drake, at page 3, states that the projects produce power at a cost competitive with other current power supply options. What will be the anticipated cost of the power generated from the Bavarian project?

16. Mr. Drake, at page 4, refers to the contract with Bavarian landfill. Provide copies of all contracts, including leases, with Bavarian landfill. Also provide the estimated gas supply, the minimum heating value of the landfill gas, and the analysis of the landfill gas.



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DATED: NOVEMBER 22, 2002

cc: All Parties