

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE TARIFF FILING OF EAST)	
KENTUCKY POWER COOPERATIVE)	
INC. TO ADD A NEW BILLING)	CASE NO.
PROCEDURE TO ITS FUEL)	2004-00401
ADJUSTMENT CLAUSE MECHANISM)	

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

East Kentucky Power Cooperative, Inc. ("East Kentucky"), pursuant to 807 KAR 5:001, shall file with the Commission the original and six copies of the following information, with a copy to all parties of record. The information requested herein is due within 14 days of the date of this request. 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. When applicable, the information requested herein should be provided for total company operations and jurisdictional operations, separately.

1. On a monthly basis, for 2003 and 2004, to date, provide a schedule that includes the following Fuel Adjustment Clause ("FAC") information:

- a. The actual FAC factor reported to the Commission.
 - b. The amount of fuel cost recovered from the actual FAC factor.
 - c. The FAC factor as it would have been reported if the proposed mechanism, with the FAC factor capped at 3 mills, had been in effect.
 - d. The amount of fuel cost that would have been recovered if the proposed mechanism, with the FAC factor capped at 3 mills, had been in effect.
 - e. The amount of fuel cost that would have been unrecovered if the proposed mechanism, with the FAC factor capped at 3 mills, had been in effect.
 - f. The cumulative unrecovered fuel cost that would have been carried forward to the following month if the proposed mechanism, with the FAC factor capped at 3 mills, had been in effect.
2. Assume for this question that East Kentucky has \$5 million in unrecovered fuel costs at the end of a two-year review period. Explain how East Kentucky would propose to recover the unrecovered fuel costs. Include in the explanation whether East Kentucky would continue carrying forward the unrecovered balance under the 3-mill cap or recover it through an increased base fuel factor.
 3. The proposed mechanism's effective date is November 1, 2004, which coincides with the first expense month of a new two-year FAC review period. If the proposed mechanism is not approved in time for use with the November 2004 expense month, state when East Kentucky would propose to begin using the mechanism.
 4. State whether, under the proposed mechanism, East Kentucky will absorb the carrying charges on unrecovered fuel costs.

5. Describe the documents or reports that East Kentucky plans to file to document its FAC billing calculation under the proposed mechanism. Provide an example of the monthly FAC report and backup FAC report if the proposed mechanism is approved.

6. a. Describe East Kentucky's discussions with its member cooperatives concerning the proposed billing mechanism.

b. State whether the proposed mechanism was discussed with all the members and whether all members agree that the proposal is warranted.

c. Describe all alternative mechanisms proposed and identify the person or entity that made the proposal.

d. Provide all correspondence, memoranda, presentations, electronic mail messages, and other documents in which the proposed mechanism or alternatives to the proposed mechanism were discussed.



Beth O'Donnell
Executive Director
Public Service Commission
P. O. Box 615
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DATED November 4, 2004

cc: All Parties