

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF EAST KENTUCKY POWER)
COOPERATIVE, INC. FOR A CERTIFICATE OF)
PUBLIC CONVENIENCE AND NECESSITY, AND)
A SITE COMPATIBILITY CERTIFICATE, FOR) CASE NO. 2004-00423
THE CONSTRUCTION OF A 278 MW (NOMINAL))
CIRCULATING FLUIDIZED BED COAL-FIRED)
UNIT IN MASON COUNTY, KENTUCKY)

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

Pursuant to 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 15, 2004, 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. In Exhibit 3, page 6, East Kentucky's additional base load capacity needs are shown as 275 MW by April 2008 and an additional 275 MW by December

2008. Has East Kentucky considered the option of constructing one 550 MW unit to meet all its needs instead of the proposed 278 MW unit? Explain in detail whether it is feasible to construct one 550 MW unit and provide a 20-year present value analysis supporting your conclusion.

2. Refer to Exhibit 4, page 7 of East Kentucky's application. In this independent economic ranking by EnerVision of proposals for base load capacity, the results are shown in \$ / MWh.

a. Did either EnerVision or East Kentucky perform an economic analysis based on the present value revenue requirements associated with the different base load proposals? If no, explain why not. If yes, provide the results of the analysis.

b. The text of the EnerVision analysis in Exhibit 4 seems to indicate that East Kentucky performed its own analysis. Is it correct that a separate economic analysis was performed by East Kentucky? If no, explain why not.

3. In Exhibit 7, pages 3-4, the Prepared Testimony of Roy M. Palk refers to Warren Rural Electric Cooperative Corporation ("Warren RECC") becoming a member of East Kentucky as of April 1, 2008, and East Kentucky's "commitment to Warren." Identify and describe the reasons why East Kentucky decided to make such a commitment and chose to have Warren RECC become a member.

4. In Exhibit 8, page 4, the Prepared Testimony of David G. Eames refers to the proposed financing for the Spurlock 4 project through the RUS, with the loan amortized over a period of up to 35 years. Should the term of the financing (up to 35 years) dictate the number of years over which the present value revenue requirements

of the Spurlock 4 project, and other proposals received by East Kentucky, are evaluated? If no, explain why not.

5. In Exhibit 12, page 2, the Prepared Testimony of Jerry Bordes refers to a fuel cost study performed for East Kentucky by Energy Venture Analysis, Inc. ("EVA"), which Mr. Bordes states formed the basis for the fuel costs included in Exhibit 6 of the application, the "Five Year Annual Project Cost Estimate." Provide the results of the EVA study or the report that resulted from it.

6. Refer to Exhibit 1, page 3, of East Kentucky's application, the note in the resolution regarding "Fleming-Mason's concern as to the effect, if any, which a partial requirements contract might have in financing." Explain in detail both the basis for the concern and whether it has been alleviated.

7. Identify and describe East Kentucky's ability to supply the load of Warren RECC starting April 1, 2008 if Spurlock 4 is not operational by that date.

8. Describe in detail the steps East Kentucky has taken to date to supply Warren RECC if Spurlock 4 is not operational by April 1, 2008. If no steps have been taken to date, identify the expected dates when such steps will need to be taken and describe the steps to be taken.



Beth O'Donnell
Executive Director
Public Service Commission
P. O. Box 615
Frankfort, KY 40602

DATED December 7, 2004

cc: All Parties