

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

AN EXAMINATION OF THE APPLICATION OF)
THE FUEL ADJUSTMENT CLAUSE OF EAST)
KENTUCKY POWER COOPERATIVE, INC. FROM) CASE NO. 2006-00508
NOVEMBER 1, 2004 TO OCTOBER 31, 2006)

COMMISSION STAFF'S INTERROGATORIES AND
REQUESTS FOR PRODUCTION OF DOCUMENTS 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, with a copy to all parties of record. The information requested herein is due on or before February 23, 2007. Each copy of the information requested shall 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 shall 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 East Kentucky's December 2005 and January 2006 Analysis of Coal Purchases filed with its monthly fuel adjustment charge backup reports. For Spurlock Unit 2, purchases from MC Mining were made at a cost of \$74.98 per ton in

December 2005 and \$65.00 per ton in January 2006. Explain why coal purchased under a long-term contract would experience such a variance in price from one month to the next.

2. Refer to East Kentucky Fuel Department's purchase order no. 51245 to Calla Synfuel, LLC, dated October 27, 2006. "As Received" sulfur content is limited to a percentage no higher than computed by the formula:

$$\text{Percent Sulfur} = \frac{1.2 \times \text{Btu/lb.}}{20,000}$$

Explain what the values 1.2 and 20,000 represent and how each value was derived.

3. Refer to East Kentucky's responses to Items 7 and 8 of the Commission's December 18, 2006 Order. Explain whether the power purchases and sales attributed to Louisville Gas and Electric Company ("LG&E") are actually purchases and sales to and from both Kentucky Utilities Company ("KU") and LG&E. If the responses for Items 7 and 8 can be separated between KU and LG&E, provide a revised response for each item.

4. Refer to East Kentucky's response to Item 9 of the Commission's December 18, 2006 Order. Explain why Cumberland (SEPA) is identified under "Generation Capability," but is not included under the "Maintenance/Derates" section. Include a narrative of the expected effect, if any, of the lowering of the lake level at Cumberland Lake upon East Kentucky's SEPA power purchases.

5. Refer to page 6 of East Kentucky's response to Item 15 of the Commission's December 18, 2006 Order. Only 63 percent of the 2006 annual tonnage requirements under the Keystone Industries, LLC ("Keystone") contract were received. Explain whether the shortfall is expected to be made up by Keystone.

6. Refer to East Kentucky's response to page 2 of Item 25 of the Commission's December 18, 2006 Order. On April 4, 2006, an oral solicitation was made for 95,000 tons of coal for the Cooper Station. Explain what conditions existed at Cooper that required an immediate response through an oral solicitation for a relatively large amount of coal.



Beth O'Donnell
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Public Service Commission
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DATED February 8, 2007
cc: All Parties