

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

AN EXAMINATION BY THE PUBLIC SERVICE)	
COMMISSION OF THE ENVIRONMENTAL)	
SURCHARGE MECHANISM OF EAST KENTUCKY)	
POWER COOPERATIVE, INC. FOR THE)	
SIX-MONTH BILLING PERIODS ENDING)	CASE NO.
JUNE 30, 2006 AND DECEMBER 31, 2006, FOR)	2007-00378
THE TWO-YEAR BILLING PERIOD ENDING)	
JUNE 30, 2007, AND THE PASS THROUGH)	
MECHANISM FOR ITS SIXTEEN MEMBER)	
DISTRIBUTION COOPERATIVES)	

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

East Kentucky Power Cooperative, Inc. ("EKPC"), pursuant to 807 KAR 5:001, is to file with the Commission the original and 7 copies of the following information, with a copy to all parties of record. The information requested herein is due on or before November 21, 2007. Responses to requests for information shall be appropriately bound, tabbed and indexed. Each response shall include the name of the witness responsible for responding to the questions related to the information provided.

Each response shall be answered under oath or, for representatives of a public or private corporation or a partnership or association or a governmental agency, be accompanied by a signed certification of the preparer or the person supervising the preparation of the response on behalf of the entity that the response is true and accurate to the best of that person's knowledge, information, and belief formed after a reasonable inquiry.

EKPC shall make timely amendment to any prior responses if it obtains information which indicates that the response was incorrect when made or, though correct when made, is now incorrect in any material respect. For any request to which EKPC fails or refuses to furnish all or part of the requested information, EKPC shall provide a written explanation of the specific grounds for its failure to completely and precisely respond.

Careful attention shall be given to copied material to ensure that it is legible. 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. When applicable, the requested information shall be separately provided for total company operations and jurisdictional operations.

1. Refer to the Prepared Testimony of William A. Bosta (“Bosta Testimony”), page 7, and the response to the September 19, 2007 Order, Appendix B, Item 1. On page 7 is the statement, “Movement to a two-month true-up adjustment would exacerbate the factor fluctuation and have a significant effect on the monthly factor.” Using the data included in the response to Item 1, prepare an analysis showing the effect of a two-month true-up adjustment for each month included in the surcharge periods under review. Include all calculations, workpapers, and assumptions utilized to prepare the analysis. The analysis should present the following:

- a. A comparison of Kentucky jurisdictional E(m) as filed with Kentucky jurisdictional E(m) reflecting a two-month true-up adjustment.
- b. A comparison of MESF as filed with MESF reflecting a two-month true-up adjustment.

c. The monthly change in the MESF as filed compared to the monthly change in the MESF reflecting a two-month true-up adjustment.

2. Refer to the Bosta Testimony, page 8.

a. Indicate how many industrial customers contacted EKPC during the review periods to express the need for more certainty in the surcharge factor.

b. Page 8 includes the following statement, "As a result, deferring the timing of the over recovery and then spreading the over recovery over six months has allowed EKPC to retain this money over time." Does EKPC believe this result is consistent with the purpose of the environmental surcharge? Explain the response.

3. Refer to the Bosta Testimony, page 9. The first reason stated by EKPC for not incorporating a portion of the surcharge into existing base rates is that EKPC and its member systems have experienced several base rate changes during 2007 and avoiding a roll-in at this time would provide some stability to EKPC's rates. Would EKPC agree that if a roll-in were calculated and incorporated into base rates properly, the total bill to the member system after the roll-in would essentially be the same as before the roll-in? Explain the response.



Beth O'Donnell
Executive Director
Public Service Commission
P. O. Box 615
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DATED November 7, 2007

cc: All Parties