

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

FILING OF EAST KENTUCKY POWER	)	
COOPERATIVE, INC. TO REQUEST	)	
APPROVAL OF PROPOSED CHANGES TO	)	CASE NO. 2008-00128
ITS QUALIFIED COGENERATION AND	)	
SMALL POWER PRODUCTION FACILITIES	)	
TARIFF	)	

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 is to file with the Commission the original and 6 copies of the following information, with a copy to all parties of record. The information requested herein is due May 21, 2008. 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.

East Kentucky 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 East Kentucky fails or refuses to furnish all or part of the requested information, East Kentucky 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 Exhibit II of East Kentucky's March 31, 2008 Application ("the Application"), specifically, Section II.B.1. Explain why 100 MW is the amount of reduced load used in comparing costs based on East Kentucky's proposed capacity expansion plan with costs based on a capacity expansion plan that assumes a load reduction.

2. Refer to Exhibit II of the Application, specifically, Section II.B.2.a.

a. Explain whether the choice of 5 years as the length of contract is based solely on the fact that 5 years is the time period associated with forecasted rates.

b. Does the period of 5 years associated with forecasted rates refer to East Kentucky's in-house financial forecast? If no, explain to what it refers.

c. Is East Kentucky aware that other jurisdictional utilities allow for a term of only 1 year when the contract covers only the purchase of energy? Explain whether East Kentucky objects to a term less than 5 years for energy-only contracts.

3. Refer to Exhibit II of the Application, specifically, Section III, which deals with avoided costs.

a. In the paragraph under the heading EKPC Avoided Capacity Cost Calculation, the second sentence states that East Kentucky's "anticipated annual load growth is in the 70-80 MW range." The fourth sentence in the paragraph concludes with the phrase "is then divided by the average load growth to derive the avoided capacity cost for a given year." Does "average load growth" in the fourth sentence have the same meaning as "anticipated annual load growth" has in the second sentence? If no, explain what it means.

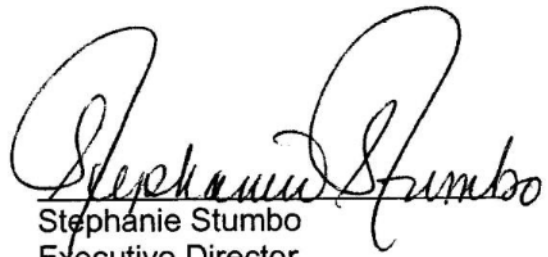
b. Explain why the difference in the costs of the 2 expansion plan scenarios is divided by the amount of average load growth to derive the avoided capacity cost rather than being divided by the amount of the load reduction.

c. Explain why 10 years is the period of time over which the avoided capacity cost is levelized.

4. Refer to page 1 of 2 of the CapacityCalc.pdf worksheet on the compact disc included with the Application.

a. Two columns on the right-hand side of the worksheet are headed "Supply-side" and "Demand-Side." Provide a narrative explanation and the calculations of how the Supply-side annual growth of 80.5 MW is reduced to 71.875 MW on the Demand-side.

b. Provide calculations showing how the levelized savings amounts, stated in \$/kW-YR in both the Supply-side and Demand-side columns, are adjusted for transmission losses to arrive at the amounts of levelized savings at the distribution substation.

A handwritten signature in black ink, appearing to read 'Stephanie Stumbo', written in a cursive style.

Stephanie Stumbo  
Executive Director  
Public Service Commission  
P.O. Box 615  
Frankfort, KY 40602

Dated: May 12, 2008

cc: Parties of Record