

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC TARIFF FILING OF EAST)	
KENTUCKY POWER COOPERATIVE, INC. AND)	
ITS MEMBER DISTRIBUTION COOPERATIVES)	CASE NO.
FOR APPROVAL OF PROPOSED CHANGES TO)	2024-00101
THEIR QUALIFIED COGENERATION AND)	
SMALL POWER PRODUCTION FACILITIES)	
TARIFFS)	

COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION
TO EAST KENTUCKY POWER COOPERATIVE, INC.

East Kentucky Power Cooperative, Inc. (EKPC), pursuant to 807 KAR 5:001, shall file with the Commission an electronic version of the following information. The information requested is due on May 29, 2024. The Commission directs EKPC to the Commission's July 22, 2021 Order in Case No. 2020-00085¹ regarding filings with the Commission. Electronic documents shall be in portable document format (PDF), shall be searchable, and shall be appropriately bookmarked.

Each response shall include the question to which the response is made and 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

¹ Case No. 2020-00085, *Electronic Emergency Docket Related to the Novel Coronavirus COVID-19* (Ky. PSC July 22, 2021), Order (in which the Commission ordered that for case filings made on and after March 16, 2020, filers are NOT required to file the original physical copies of the filings required by 807 KAR 5:001, Section 8).

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 response if EKPC obtains information that indicates the response was incorrect or incomplete when made or, though correct or complete when made, is now incorrect or incomplete 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 and scanned 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. When filing a paper containing personal information, EKPC shall, in accordance with 807 KAR 5:001, Section 4(10), encrypt or redact the paper so that personal information cannot be read.

1. Refer to the Application Letter, page 1. Explain how the proposed tariff structure change better aligns the tariff with the Public Utility Regulatory Policies Act (PURPA) regulation.

2. Refer to EKPC's proposed Grid Connected Qualifying Facilities (QF) Tariffs.

- a. Explain why a QF that elects to supply capacity to EKPC must be studied by PJM Interconnection, LLC (PJM) in its interconnection process.
 - b. Provide any PJM requirements that necessitate a study by PJM of a QF that is proposing to supply capacity to EKPC.
3. Refer to the Application Letter, pages 2-3.
 - a. Provide the analysis that demonstrates that even though EKPC has not yet adopted a definitive plan to address the 2022 Integrated Resource Plan (IRP) projection of a capacity deficit need in winter 2028, it anticipates that the capacity resource addition will be a Reciprocating Internal Combustion Engine (RICE).
 - b. Provide the relative cost, fuel type, and operating characteristics of the anticipated RICE capacity addition relative to other potential resources.
 - c. EKPC has multiple internal combustion engines located at various landfills across its service territory. If not provided above, explain whether the RICE would be a generator located at and fueled by landfill gas.
4. Refer to the Application Letter, page 2. Refer also to Case No. 2023-00153, EKPC's response to Commission Staff's First Request for Information, Item 1(a).²
 - a. Provide an update to the table, EKPC Projected Capacity Needs (MW) that also includes any known large commercial and industrial additions that would increase load, any known large commercial and industrial loss of load, or changes in EKPC's forecasting methodology. If possible, also include in the response the name of

² Case No. 2023-00153, *Electronic Tariff Filing of East Kentucky Power Cooperative, Inc. and Its Member Distribution Cooperatives for Approval of Proposed Changes to Their Qualified Cogeneration and Small Power Production Facilities Tariffs* (filed June 26, 2023).

the industrial or commercial customer that is being added to EKPC's system along with its capacity obligation.

b. According to the table, EKPC has an 18 MW capacity deficit starting in 2028 and its deficit increases every year thereafter. Explain how a RICE unit addresses EKPC's long-term winter capacity deficit.

5. Refer to Application, 20240329_03a-Supporting_Data_-_Avoided_Cost_Calculation_-_AC2024_-_SPP_5MW.xlsx and 20240329_03b-Supporting_Data_-_Avoided_Cost_Calculation_-_AC2024_-_COGEN_20MW.xlsx. For the LoadForecast Tabs, explain how the load forecast was derived.

6. Refer to Application, 20240329_03a-Supporting_Data_-_Avoided_Cost_Calculation_-_AC2024_-_SPP_5MW.xlsx and 20240329_03b-Supporting_Data_-_Avoided_Cost_Calculation_-_AC2024_-_COGEN_20MW.xlsx.

a. For the CapCosts Tabs, explain why there are no gas peaking or gas intermediate costs included in the analyses.

b. For the CapCosts Tabs, Cell U4. Explain the meaning of 216.

7. Refer to Application, 20240329_03a-Supporting_Data_-_Avoided_Cost_Calculation_-_AC2024_-_SPP_5MW.xlsx and 20240329_03b-Supporting_Data_-_Avoided_Cost_Calculation_-_AC2024_-_COGEN_20MW.xlsx, AC Cost Tabs.

a. Confirm that P.W. of PMTS means present worth of payments. If not confirmed, explain what P.W. means.

b. If confirmed, refer to Columns AF and AG. In column AF, the formula for Total Annual Costs includes both total cost amounts and P.W. of PMTS amounts.

Then amounts in Column AG is taking the present worth of amounts in Column AF. Explain the rationale for taking the present worth of amounts that are already on a present basis.

c. For the carrying charge rates, explain how EKPC derived at a 6.00 percent interest rate, a 4.50 percent discount rate, and 2.50 percent depreciation rate. Provide all necessary justification for these percentages.

8. Refer to the Application, 02-SUPPORTING_DATA_-_Cogen-SPP_Market_participation_cost_-_7MAR24.xlsx.

a. Provide the breakdown of the ACES expense attributed to PJM fees.

b. Provide the breakdown of the ACES expense in the same format as the MOCS expense provided on tab Dept. 132-Form 20.

c. For both the ACES expense and the MOCS expense, provide a breakdown of what the following categories consist of: Travel and Training and Other Miscellaneous.

d. Provide the current ACES contract.

9. In Case No. 2023-00153, the Commission found that neither EKPC nor the Commission know which resource EKPC will procure as its next capacity resource, considering that is greatly dependent on the results of a specific request for proposal (RFP) and economic analysis, and therefore the Commission found that a combustion turbine (CT) is the best generic substitute as it is generally regarded as the least-cost

capacity resource, and it has variable sizing.³ Provide updated avoided capacity costs and QF rates based on a proxy CT.



_____ FAR

Linda C. Bridwell, PE
Executive Director
Public Service Commission
P.O. Box 615
Frankfort, KY 40602

DATED MAY 14 2024

cc: Parties of Record

³ Case No. 2023-00153, *Electronic Tariff Filing of East Kentucky Power Cooperative, Inc. and Its Member Distribution Cooperatives for Approval of Proposed Changes to Their Qualified Cogeneration and Small Power Production Facilities Tariffs* (Ky. PSC Oct. 31, 2023), Order.

*L. Allyson Honaker
Honaker Law Office, PLLC
1795 Alysheba Way
Suite 6202
Lexington, KENTUCKY 40509

*Fulton, Hubbard & Hubbard
117 E. Stephen Foster Avenue
P.O. Box 88
Bardstown, KENTUCKY 40004

*Kevin Newton
System Planning Engineer
South Kentucky R.E.C.C.
200 Electric Avenue
Somerset, KY 42501

*Billy Frasure
Clark Energy Cooperative, Inc.
2640 Ironworks Road
P. O. Box 748
Winchester, KY 40392-0748

*Gregory R. Lee
Nolin R.E.C.C.
411 Ring Road
Elizabethtown, KY 42701-6767

*Lauren Logan
Blue Grass Energy Cooperative Corp.
1201 Lexington Road
P. O. Box 990
Nicholasville, KY 40340-0990

*Bradley Cherry
Grayson R.E.C.C.
109 Bagby Park
Grayson, KY 41143

*Heather Temple
Honaker Law Office, PLLC
1795 Alysheba Way
Suite 6202
Lexington, KENTUCKY 40509

*Michael Moriarty
Shelby Energy Cooperative, Inc.
620 Old Finchville Road
Shelbyville, KY 40065

*Brittany H. Koenig
Honaker Law Office, PLLC
1795 Alysheba Way
Suite 6202
Lexington, KENTUCKY 40509

*John Douglas Hubbard
Fulton, Hubbard & Hubbard
117 E. Stephen Foster Avenue
P.O. Box 88
Bardstown, KENTUCKY 40004

*East Kentucky Power Cooperative, Inc.
4775 Lexington Road
P. O. Box 707
Winchester, KY 40392-0707

*Carol Wright
President & CEO
Jackson Energy Cooperative Corporation
115 Jackson Energy Lane
McKee, KY 40447

*Jennifer L McRoberts
Fleming-Mason Energy Cooperative, Inc.
1449 Elizaville Road
P. O. Box 328
Flemingsburg, KY 41041

*Michael L Cobb
Manager - Corporate Accounting
Owen Electric Cooperative, Inc.
P. O. Box 400
Owenton, KY 40359

*Chris Adams
East Kentucky Power Cooperative, Inc.
P. O. Box 707
Winchester, KY 40392-0707

*Jennie G Phelps
Farmers R.E.C.C.
504 South Broadway
P. O. Box 1298
Glasgow, KY 42141-1298

*Robert Tolliver
Officer Manager
Cumberland Valley Electric, Inc.
Highway 25E
P. O. Box 440
Gray, KY 40734

*J H Dean
Legal Counsel
Inter-County Energy Cooperative Corporation
1009 Hustonville Road
P. O. Box 87
Danville, KY 40423-0087

*Jeffrey R Williams
Taylor County R.E.C.C.
625 West Main Street
P. O. Box 100
Campbellsville, KY 42719

*Robin Slone
Big Sandy R.E.C.C.
504 11th Street
Paintsville, KY 41240

*Vice President of Operations Tim Sharp
P.E.
Salt River Electric Cooperative Corp.
111 West Brashear Avenue
P. O. Box 609
Bardstown, KY 40004

*Travis Stacy
Licking Valley R.E.C.C.
P. O. Box 605
271 Main Street
West Liberty, KY 41472