

**COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION**

**In the Matter of:**

<b>ELECTRONIC EXAMINATION OF THE</b>	)	
<b>APPLICATION OF THE FUEL ADJUSTMENT</b>	)	<b>CASE NO.</b>
<b>CLAUSE OF EAST KENTUCKY POWER</b>	)	<b>2018-00019</b>
<b>COOPERATIVE, INC FROM MAY 1, 2017</b>	)	
<b>THROUGH OCTOBER 31, 2017.</b>	)	

**RESPONSE OF EAST KENTUCKY POWER COOPERATIVE, INC.  
TO COMMISSION'S DATA REQUEST FROM  
HEARING HELD ON APRIL 18, 2018**

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

IN THE MATTER OF:

ELECTRONIC EXAMINATION OF THE	)	
APPLICATION OF THE FUEL ADJUSTMENT	)	CASE NO.
CLAUSE OF EAST KENTUCKY POWER	)	2018-00019
COOPERATIVE, INC FROM MAY 1, 2017	)	
THROUGH OCTOBER 31	)	

CERTIFICATE

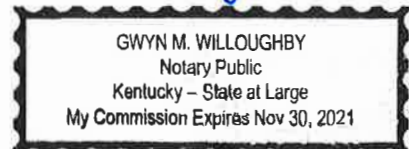
STATE OF KENTUCKY )  
                                           )  
COUNTY OF CLARK )

Craig A. Johnson, being duly sworn, states that he has supervised the preparation of the responses of East Kentucky Power Cooperative, Inc. to the Public Service Commission Staff Data Request from the hearing in the above-referenced case held on April 18, 2018 and that the matters and things set forth therein are true and accurate to the best of his knowledge, information and belief, formed after reasonable inquiry.



Subscribed and sworn before me on this 27<sup>th</sup> day of April, 2018.

  
Notary Public



**EAST KENTUCKY POWER COOPERATIVE, INC.**

**PSC CASE NO. 2018-00019**

**FUEL ADJUSTMENT CLAUSE**

**RESPONSE TO POST HEARING DATA REQUEST**

**COMMISSION'S DATA REQUEST FROM HEARING HELD ON 04/18/18**

**REQUEST 1**

**RESPONSIBLE PARTY:            Craig A. Johnson**

**Request 1.**            Refer to East Kentucky's response to Item 5a of Commission Staff's Second Request for Information ("Staff's Second Request"). Provide the dates upon which the Hardin County units were commissioned

**Response 1.**            The Hardin County units were placed into commercial operation on January 30, 2006, with a depreciable life of 35 years.

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**REQUEST 2**

**RESPONSIBLE PARTY: Craig A. Johnson**

**Request 2.** Refer to East Kentucky's response to Item 5a of Staff's Second Request. Provide the costs incurred for maintaining the Hardin County Unit 1 when the unit is not operating.

**Response 2.** EKPC does not account for the landfill gas plant O&M expenses on a per-unit basis. Please refer to Response 3 for expenses associated with the entire Hardin County landfill gas plant for the period under review.

EKPC manages its fleet of engines to maximize the overall generation of the six LFG stations. There are twenty-one engines in the fleet. Nineteen of those engines are Caterpillar 3516, one is a Caterpillar 3520 and one is a Caterpillar 3516A. Included in the nineteen Caterpillar 3516s are two spare engines that EKPC can quickly move around when a major engine overhaul is required on an engine. A good utilization of the Hardin County Unit 1 asset is to treat it as a spare since the lack of gas supply won't allow for a

three-engine operation. The relocation of the spare Caterpillar 3516 engines has been an effective way to maximize the generation of the fleet. For instance, a major overhaul takes about three months to complete. The cost to relocate an engine is approximately \$5,000 and can be completed in three days using only EKPC labor. Alternatively, the lost generation would be in excess of \$50,000 during the 3-month period. It costs very little in O&M expenses to maintain a spare engine in EKPC's fleet.

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**REQUEST 3**

**RESPONSIBLE PARTY: Craig A. Johnson**

**Request 3.** Provide the revenues generated by the Hardin County Units and the expenses incurred to operate and maintain the units, including fuel.

**Response 3.** EKPC does not recognize revenue at the generating unit or plant level. The Hardin County LFG Station generated 3,093 MW hours during the period May 1, 2017 to October 31, 2017. EKPC also earns Renewable Energy Credits based upon the Station's generation. The expenses during the same period were \$227,002, all of which results in a generation cost of approximately \$73 per megawatt hour. Below is a breakdown of those expenses. However, the entire landfill gas fleet, including the Hardin County Station, generated 49,192 megawatt hours with expenses of \$2,442,718 for the period under review, which resulted in an approximate cost per megawatt hour of \$50. In comparison, EKPC's coal-fired units' cost per megawatt hour was approximately \$58 per megawatt hour for the same period, thus establishing that in its entirety, the landfill gas fleet is cost effective for our rate payers.

Operations and Supervision	\$30,023
Fuel	\$9,643
Non-Fuel Operation Expenses	\$99,125
Maintenance Expense	\$37,931
Depreciation	<u>\$50,280</u>
Total for Period	\$227,002