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	**)**	**2020-00005**
COOPERATIVE, INC FROM MAY 1, 2019	**)**	
THROUGH OCTOBER 31, 2019	**)**	

RESPONSES TO COMMISSION STAFF'S SECOND

REQUEST FOR INFORMATION

TO EAST KENTUCKY POWER COOPERATIVE, INC.

DATED APRIL 2, 2020

EAST KENTUCKY POWER COOPERATIVE, INC.

PSC CASE NO. 2020-00005
FUEL ADJUSTMENT CLAUSE
RESPONSE TO INFORMATION REQUEST

STAFF'S SECOND REQUEST FOR INFORMATION DATED 04/02/2020
REQUEST 1
RESPONSIBLE PARTY: Mark Horn

Request 1. Refer to EKPC's Response to Staff's First Request, Item 5, page 2 of 3. Explain in detail the reasoning of "Immediate Price Required for Hedging" given for the June 3, 2019 oral coal solicitation.

Response 1. EKPC's Fuel Procurement Strategy, within the Board Hedging Policy, is structured for the current delivery year and three forward calendar years. In the summer of 2019, it was identified that the hedge position for Cooper Station was slightly below target for calendar year 2021. EKPC acted swiftly and prudently to maintain compliance with the Hedging Policy. The immediate price required for hedging was necessary so the tons would be fully hedged, physically and financially. This small, 5,000-ton spot purchase satisfied the hedging requirement for 2021 while providing useful market intelligence and price discovery for the 2020 budget cycle.

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STAFF'S SECOND REQUEST FOR INFORMATION DATED 04/02/2020
REQUEST 2
RESPONSIBLE PARTY: Mark Horn

Request 2. Refer to EKPC's Response to Staff's First Request, Item 5, page 2 of 3. Provide an update of the Cooper station coal test purchases and the results of those tests. Be sure to include any changes since the April 16, 2019 Hearing in Case No. 2019-0003.[1]

Response 2. Cooper Station's plant management requested a large "block" coal to crush and blend with the coal in its long-term stockpile when the station foresees having moisture issues during the startup of Unit Nos. 1 and 2. From the verbal solicitations, only one supplier was capable of supplying the requested-size coal that would still meet Cooper Station's coal quality specifications. This test block coal could have a maximum size of

[1] Hearing held on April 16, 2019, EKPC's response at 9:40:34 AM for Case No. 2019-0003,*Electronic Examination of the Application of the Fuel Adjustment Clause of East Kentucky Power Cooperative, Inc. From November 1, 2016 Through October 31, 2018*

12 inches while the typical size specification is for a maximum size of 2 inches. Based on the brief runs of the generating units in October, November, and December of 2019, the results of the 3,000-ton test spot coal purchase have been deemed successful.

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STAFF'S SECOND REQUEST FOR INFORMATION DATED 04/02/2020
REQUEST 3
RESPONSIBLE PARTY: Craig A. Johnson

Request 3. Refer to EKPC's Response to Staff's First Request, Item 15 and 807 KAR5:056 Section 1(4).

Request 3a. EKPC has listed generation unit forced outages ranging from 9 minutes (J.K. Smith Unit 9) to 96 hours (Spurlock Unit 2). Explain how EKPC defines scheduled and forced outages.

Response 3a. EKPC follows the North American Electric Reliability Corporation's ("NERC") mandatory reporting requirements outlined in its Generating Availability Data System ("GADS"). A link to the NERC definition of, and reason for, GADS is; *nerc.com/pa/RAPA/gads/pages/generatingavailabilitydatasystem-(GADS).aspx*.

EKPC is also a participant in the PJM Market. PJM follows the GADS manual on how outages are classified. EKPC follows the outage classification definitions found in the GADS manual. A scheduled outage defined by GADS is one that can be planned in advance (Planned Outage), while a required Maintenance Outage is defined by GADS as an outage that can be deferred beyond the next weekend but requires that the unit be removed from service before the next Planned Outage. A forced outage, or Unplanned Outage, is defined by GADS as an outage that requires immediate removal of a unit from service. EKPC has control of outage durations for Planned Outages and Maintenance Outages. EKPC has very little control over the duration of an Unplanned Outage, which depends on the issue causing the outage. A PDF of the GADS user's manual is attached as "Request 3a Attachment – GADS Manual".

Request 3b. If not answered above, explain whether EKPC defines any unscheduled outage as a forced outage regardless of duration and, if so, how that comports with 807 KAR 5:056, Section 1(4).

Response 3b. Planned and Maintenance Outages are scheduled and approved through PJM. EKPC typically schedules Planned Outages one year in advance. Maintenance Outages are scheduled based upon need throughout the year. Planned and Maintenance Outages are studied in advance by both PJM and EKPC

to assess reliability of the grid during the outage. An Unplanned Outage is not scheduled due to the nature of the outage. EKPC follows the GADS definitions to classify outages, including classification of an unscheduled outage as a forced outage which complies with the regulation. Even though all Unplanned Outages are reported in the NERC GADS system, only Unplanned Outages over six hours in duration factor into the FAC calculation as defined in the regulation.

Request 3c. On page 4 of 56, EKPC has a scheduled outage lasting 57 minutes and an outage lasting approximately 496 hours. Explain EKPC's process for scheduling an outage and PJM's role in the process, if any.

Response 3c. See responses 3a and 3b.

Request 3d. Regarding the landfill generators, there appears to be occasions in which there are multiple outages for the same generator on the same day, both forced and scheduled. For example, see page 36 of 56. Explain whether EKPC's process for defining and applying the definitions of scheduled and forced outages as applied to landfill generators is different from fossil fuel generators.

Response 3d. EKPC follows the same process for reporting of landfill generator outages as for its fossil units. EKPC does not have to schedule or report outages through PJM for its landfill generators because these units are not sold into the PJM market.