

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

IN THE MATTER OF:

ELECTRONIC EXAMINATION OF THE)	
APPLICATION OF THE FUEL ADJUSTMENT)	
CLAUSE OF EAST KENTUCKY POWER)	CASE NO. 2021-00054
COOPERATIVE, INC. FROM NOVEMBER 1, 2018)	
THROUGH OCTOBER 31, 2020)	

MOTION FOR CONFIDENTIAL TREATMENT

Comes now East Kentucky Power Cooperative, Inc. (“EKPC”), by and through counsel, pursuant to KRS 61.878, 807 KAR 5:001, Section 13 and other applicable law, and for its Motion requesting that the Kentucky Public Service Commission (“Commission”) afford confidential treatment to certain information filed in response to a supplemental request for information in the above-captioned proceeding, respectfully states as follows:

1. The Commission issued its Order establishing this case on March 4, 2021 and issued supplemental requests for information to EKPC on April 5, 2021.

2. Request No. 10a from the supplemental request for information states as follows:

If the prices of market purchases are only expected to be slightly higher over the next two years, explain why coal and natural gas prices are expected to be significantly higher over the next two years, and provide a comparison of the forecasted and two-year historic prices as a part of the explanation.

3. In its response to Request No. 10a, EKPC is providing a schedule of forecasted and two-year historic prices

4. The information and documents tendered by EKPC in response to Request No. 10a. are being tendered in redacted form in the public version of EKPC's filing and in an unredacted form filed under seal herewith. Collectively, the portion of the schedule containing forecasted data is hereinafter referred to as the "Confidential Information."

5. The Confidential Information contains EKPC's forecasted pricing for coal, natural gas and market purchases. This information is commercially sensitive and proprietary. If available to the public, competitors and vendors alike would have a distinctly unfair advantage in contract negotiations and bid solicitations as they would know exactly where EKPC believes pricing will fall. Ultimately, this one-sided exchange of knowledge would work to the severe prejudice of EKPC and, by extension, to its Owner-Members and their end-use retail members.

6. The Kentucky Open Records Act exempts the Confidential Information from public disclosure. *See* KRS 61.878(1)(c). As set forth above, disclosure of the Confidential Information would permit an unfair advantage to third parties. Moreover, the Kentucky Supreme Court has stated, "information concerning the inner workings of a corporation is 'generally accepted as confidential or proprietary.'" *Hoy v. Kentucky Industrial Revitalization Authority*, 907 S.W.2d 766, 768 (Ky. 1995). Because the Confidential Information is critical to EKPC's effective execution of business decisions and strategy, as well as its future financial performance, it satisfies both the statutory and common law standards for being afforded confidential treatment. Indeed, the Commission has routinely recognized the confidential nature of the information included in the response and has afforded confidential treatment to identical information in a prior proceeding.¹

¹ *See In the Matter of the Application of East Kentucky Power Cooperative, Inc. for Approval of the Acquisition of Existing Combustion Turbine Facilities from Bluegrass Generating Company, LLC at the Bluegrass Generating Station in LaGrange, Oldham County, Kentucky and for Approval of the Assumption of Certain Evidences of Indebtedness*, Order, Case No. 2015-00267 (Ky. P.S.C. Nov. 24, 2015); *In the Matter of the Application of Kentucky Utilities Company for Certificates of Public Convenience and Necessity and Approval of its 2011 Compliance Plan for Recovery by Environmental Surcharge*, Letter from Jeff Derouen, Case No. 2011-00161 (Ky. P.S.C. Dec. 6, 2011).

7. EKPC does not object to limited disclosure of the Confidential Information, pursuant to an acceptable confidentiality and nondisclosure agreement, to the Attorney General or any other intervenors with a legitimate interest in reviewing the same for the sole purpose of participating in this case.

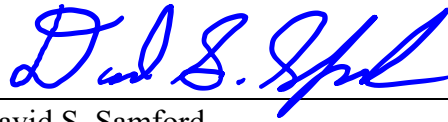
8. In accordance with the provisions of 807 KAR 5:001, Section 13(2), EKPC is filing one copy of the Confidential Information separately under seal. The filing of the Confidential Information is noted in the public version of EKPC's response to Request No. 10a., which include redacted copies of such information.

9. In accordance with the provisions of 807 KAR 5:001, Section 13(3), EKPC respectfully requests that the Confidential Information be withheld from public disclosure for a period of ten years. This will assure that the Confidential Information – if disclosed after that time – will be less likely to include information that continues to be commercially sensitive so as to impair the interests of EKPC if publicly disclosed. However, EKPC reserves the right to seek an extension of the grant of confidential treatment if it is necessary to do so at that time.

WHEREFORE, on the basis of the foregoing, EKPC respectfully requests the Commission to enter an Order granting this Motion for Confidential Treatment and to so afford such protection from public disclosure to the unredacted copies of Confidential Information, which is filed herewith under seal, for a period of ten years from the date of entry of such an Order.

This 19th day of April, 2021.

Respectfully submitted,

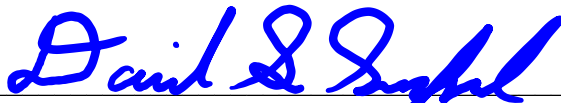


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Counsel for East Kentucky Power Cooperative, Inc.

CERTIFICATE OF SERVICE

This is to certify that foregoing electronic filing is a true and accurate copy of the document being filed in paper medium; that the electronic filing was transmitted to the Commission on April 19, 2021; that there are currently no parties that the Commission has excused from participation by electronic means in this proceeding; and that a copy of the filing in paper medium will be delivered to the Commission within thirty days of the current state of emergency for COVID-19 being lifted.



Counsel for East Kentucky Power Cooperative, Inc.

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

In the Matter of:

ELECTRONIC EXAMINATION OF THE)	
APPLICATION OF THE FUEL ADJUSTMENT)	
CLAUSE OF EAST KENTUCKY POWER)	CASE NO.
COOPERATIVE INC, FROM NOVEMBER 1,)	2021-00054
2018 THROUGH OCTOBER 31, 2020)	

**RESPONSES TO COMMISSION STAFF'S SECOND REQUEST FOR INFORMATION
TO EAST KENTUCKY POWER COOPERATIVE, INC.**

DATED APRIL 5, 2021

EAST KENTUCKY POWER COOPERATIVE, INC.

PSC CASE NO. 2021-00054

PUBLIC SERVICE COMMISSION REQUEST DATED 04/05/21

East Kentucky Power Cooperative, Inc. ("EKPC") hereby submits responses to the Second Request for Information in the Order of the Public Service Commission ("PSC") in this case dated April 5, 2021. Each response with its associated supportive reference materials is individually bookmarked.

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

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ELECTRONIC EXAMINATION OF THE)	
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CLAUSE OF EAST KENTUCKY POWER)	CASE NO.
COOPERATIVE INC, FROM NOVEMBER 1,)	2021-00054
2018 THROUGH OCTOBER 31, 2020)	

CERTIFICATE

STATE OF KENTUCKY)
)
COUNTY OF CLARK)

Mark Horn, 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's Second Request for Information in the above-referenced case dated April 5, 2021, 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.

Mark Horn

Subscribed and sworn before me on this 16th day of April 2021.

Gwyn M. Willoughby

Notary ID 590567
Expires: November 30, 2021



COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC EXAMINATION OF THE)	
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CERTIFICATE

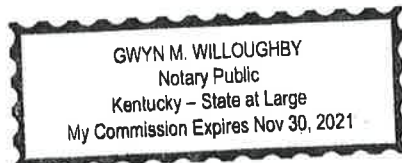
STATE OF KENTUCKY)
)
COUNTY OF CLARK)

Isaac S. Scott, 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's Second Request for Information in the above-referenced case dated April 5, 2021, 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 16th day of April, 2021.


Gwyn M. Willoughby, Notary Public
Notary ID 590567
Expires: November 30, 2021



COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC EXAMINATION OF THE)
APPLICATION OF THE FUEL ADJUSTMENT)
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COOPERATIVE INC, FROM NOVEMBER 1,)
2018 THROUGH OCTOBER 31, 2020)

CASE NO.
2021-00054

CERTIFICATE

STATE OF KENTUCKY)
)
COUNTY OF CLARK)

Julia J. Tucker, being duly sworn, states that she has supervised the preparation of the responses of East Kentucky Power Cooperative, Inc. to the Public Service Commission Staff's Second Request for Information in the above-referenced case dated April 5, 2021, and that the matters and things set forth therein are true and accurate to the best of her knowledge, information and belief, formed after reasonable inquiry.

Julia J. Tucker

Subscribed and sworn before me on this 16th day of April 2021.

Gwyn M. Willoughby

Notary ID 590567
Expires: November 30, 2021



EAST KENTUCKY POWER COOPERATIVE, INC.

PSC CASE NO. 2021-00054

FUEL ADJUSTMENT CLAUSE

RESPONSE TO INFORMATION REQUEST

**COMMISSION STAFF'S SECOND REQUEST FOR INFORMATION DATED 04/05/21
REQUEST 1**

RESPONSIBLE PARTY: Julia J. Tucker

Request 1. Refer to the Direct Testimony of Julia J. Tucker (Tucker Testimony) filed March 22, 2021, page 1, lines 18–24. Explain whether EKPC anticipates any potential issues in the wholesale power market that could affect its electric power procurement practices beyond the next two-year period.

Response 1. The two most significant issues that PJM and its membership are wrestling with is resolution of the Minimum Offer Price Rule (“MOPR”) and carbon pricing initiatives in states participating in the Regional Greenhouse Gas Initiative (“RGGI”). FERC recently held a technical conference on the MOPR, signaling that FERC has concluded that the current MOPR is not a sustainable path for PJM and likely creates more problems than it solves. EKPC expects to be active in this policy discussion at both PJM and FERC. EKPC prefers to participate in the Base Residual Auction but could also create value for its members by participating in the Fixed Resource Requirement capacity market. Having states that participate in the RGGI and states that do not participate in RGGI creates seams in the PJM market. There are currently discussions

within the stakeholder process asking if there are changes necessary in the market to address the seams issues between the states participating in RGGI and non-participants. EKPC believes that these seams issues can be managed within the PJM stakeholder process. The price of energy within PJM will go up but EKPC will participate in the stakeholder process and at FERC to mitigate the impacts of increased energy prices resulting from RGGI. If a federal CO2 tax is imposed, EKPC would likely fair better being in PJM than not because EKPC would have access to lower cost energy than it could generate independently with its current resources. The market rules will most likely continue to change and evolve within the PJM market, but EKPC fully expects to continue to participate within that wholesale energy market.

EAST KENTUCKY POWER COOPERATIVE, INC.
PSC CASE NO. 2021-00054
FUEL ADJUSTMENT CLAUSE
RESPONSE TO INFORMATION REQUEST

COMMISSION STAFF'S SECOND REQUEST FOR INFORMATION DATED 04/05/21
REQUEST 2

RESPONSIBLE PARTY: Mark Horn

Request 2. Refer to EKPC's response to the Commission Staff's First Request for Information (Staff's First Request), Item 1, pages 3–4. Explain why there are multiple entries for select companies such as Foresight Coal Sales, LLC, in the same month.

Response 2. The multiple entries for select companies such as Foresight Coal Sales, LLC, is providing three pieces of information. First, the lead digit of "5" indicates the coal is procured for Unit Nos. 1 and 2 at Spurlock Station. Second, a unique order number reflects separate coal supply agreements, whereas 532 is a long-term contract and 551583 is a short-term spot purchase. Third, an order number that is duplicated within a given month means the supplier was paid twice during the month for coal unloaded at Spurlock Station. The quantity in each entry reflects how many tons of coal were paid for in each payment.

EAST KENTUCKY POWER COOPERATIVE, INC.

PSC CASE NO. 2021-00054

FUEL ADJUSTMENT CLAUSE

RESPONSE TO INFORMATION REQUEST

**COMMISSION STAFF'S SECOND REQUEST FOR INFORMATION DATED 04/05/21
REQUEST 3**

RESPONSIBLE PARTY: Mark Horn

Request 3. Refer to EKPC's response to the Staff's First Request, Item 2. For each coal supplier under long-term contract from whom EKPC made spot purchases, compare and contrast the spot and long-term purchase prices and the circumstances of the spot purchases.

Response 3. For the period from May 1, 2020, to October 31, 2020 (the last six months of the period under review), Foresight Coal Sales, LLC ("Foresight") from the Illinois Basin and CCU Coal & Construction, LLC ("CCU") from the Northern Appalachian Basin both supplied coal to Spurlock Station under long-term contracts and spot purchases. Due to the coal market conditions, the short-term spot purchases were at a lower price in both cases. The Foresight spot purchase was 100 Btu/lb. higher quality than the long-term contract, but \$5.50 per ton lower priced, f.o.b. barge. The CCU spot purchase was 200 Btu/lb. lower quality than the long-term contract, but \$11.20 per ton lower priced, f.o.b. barge. The Foresight spot purchase was made from proposals received in response to a written request for proposal ("RFP") for long-term contract coal. The CCU spot purchase was made from proposals received in response to a written RFP for

spot coal. In both cases, the circumstances for the spot purchases related to the need to augment the fuel hedge and maintain the physical coal inventory level at Spulock Station, as defined by Board policy, following the 2020 summer actual burn and in preparation for the 2020/2021 winter project burn.

EAST KENTUCKY POWER COOPERATIVE, INC.

PSC CASE NO. 2021-00054

FUEL ADJUSTMENT CLAUSE

RESPONSE TO INFORMATION REQUEST

**COMMISSION STAFF'S SECOND REQUEST FOR INFORMATION DATED 04/05/21
REQUEST 4**

RESPONSIBLE PARTY: Mark Horn

Request 4. Refer to EKPC's response to the Staff's First Request, Items 7–8. If EKPC were to experience extreme cold weather similar to that recently experienced in Texas, explain how that would affect EKPC and what actions, if any, EKPC would undertake in response to ensure there were no disruptions to service.

Response 4. EKPC's nine simple-cycle combustion turbines located at Smith Station ("Smith") have access to natural gas from two interstate pipelines, Tennessee Gas Pipeline ("TGP") and Texas Eastern Transmission Company ("TETCO"). The physical location of Smith is desirable due to the ability to buy and schedule natural gas that is either flowing north to south or south to north. EKPC's three simple-cycle combustion turbines located at Bluegrass Station ("Bluegrass") have access to natural gas from Texas Gas Transmission ("TGT"). Smith has dual-fuel capability on seven of the nine generating units, and Bluegrass has dual-fuel capability on all three generating units, meaning the units can run and produce power from natural gas or fuel oil. EKPC also has the ability to buy power from the PJM market. As a regulated utility that has

experience with extreme cold weather, a diverse portfolio of generation assets, transmission, and the ability to buy power from the PJM market, EKPC does not have the same exposure to disruptions to service as Texas. EKPC hedging activities are designed to reduce price volatility and have a history of proven performance to ensure there are no disruptions to service due to fuel not being available. EKPC is not currently hedging natural gas, due to the intermittent dispatch of the combustion turbines, but continues to evaluate the feasibility.

EAST KENTUCKY POWER COOPERATIVE, INC.
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COMMISSION STAFF'S SECOND REQUEST FOR INFORMATION DATED 04/05/21
REQUEST 5

RESPONSIBLE PARTY: Mark Horn

Request 5. Refer to EKPC's response to the Staff's First Request, Item 11, page 2. Explain what is meant by "off-premises trading" and how that differs from EKPC's other trading practices.

Response 5. Most fuel or fuel-related commodities are procured through the fair competitive bidding process, not trading practices. All power and gas transactions must be executed via a recorded communication method. Off-premises bilateral trading and scheduling are prohibited with few exceptions. Due to the need to execute transactions after normal business hours or over weekends, it was necessary to have the ability to execute same-day and day-ahead natural gas transactions off premises, as long as the execution is recorded. The CEO or designee may approve off-premises trade execution in other limited instances. The need for off-premises trading was magnified with the COVID-19 global pandemic.

EAST KENTUCKY POWER COOPERATIVE, INC.
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RESPONSE TO INFORMATION REQUEST

COMMISSION STAFF'S SECOND REQUEST FOR INFORMATION DATED 04/05/21
REQUEST 6

RESPONSIBLE PARTY: Craig A. Johnson

Request 6. Refer to EKPC's response to the Staff's First Request, Item 15, page 2. Explain whether Cooper station has a rodent problem and what actions have been taken to alleviate the problem.

Response 6. Cooper Station does not have a rodent problem. This was an isolated incident that occurred in the Cooper Substation. The control cable has been repaired and all control cables inspected. EKPC personnel have increased our inspections in the area to watch for rodents.

EAST KENTUCKY POWER COOPERATIVE, INC.
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RESPONSE TO INFORMATION REQUEST

COMMISSION STAFF'S SECOND REQUEST FOR INFORMATION DATED 04/05/21
REQUEST 7

RESPONSIBLE PARTY: Craig A. Johnson

Request 7. Refer to EKPC's response to the Staff's First Request, Item 15, page 19. Explain what is meant by HGPI/Dual Fuel Conversion and why Bluegrass Station Unit 003 apparently had trouble making the conversion successful.

Response 7. This FAC review period ended on October 31st. Bluegrass Unit 3's dual fuel conversion and Hot Gas Path Inspection ("HGPI") were successfully completed during the period under review. The numerous outages were part of commissioning and testing of the new equipment installed. Bluegrass Unit 1 and 2 dual fuel conversion and HGPI were being performed during this review, but these units had not yet undergone testing and commissioning which was completed successfully during November and December 2020. The PSC can expect to see similar numerous outages for those two units in the next review period. The dual fuel conversion and HPGIs for each unit is a success.

EAST KENTUCKY POWER COOPERATIVE, INC.
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RESPONSE TO INFORMATION REQUEST

COMMISSION STAFF'S SECOND REQUEST FOR INFORMATION DATED 04/05/21
REQUEST 8

RESPONSIBLE PARTY: **Craig A. Johnson**

Request 8. Refer to EKPC's response to the Staff's First Request, Item 16, pages 5–6.

Request 8a. Explain how the Glasgow County Landfill Unit 1 can have a capacity factor greater than 100 percent.

Response 8a. The amount of gas being produced by the landfill improved during the month of May 2020 and the engine had a high availability allowing the unit to achieve a slightly higher electric production than is normally expected.

Request 8b. Explain how the Hardin County Landfill Unit 3 can have negative capacity factors.

Response 8b. The station service for Hardin County is divided between the operating units located there. Unit 3 was offline in June and July of 2020 due to fuel supply issues. The negative capacity factor is due to the station service apportioned to that unit being greater than the amount of generation produced by that unit.

EAST KENTUCKY POWER COOPERATIVE, INC.
PSC CASE NO. 2021-00054
FUEL ADJUSTMENT CLAUSE
RESPONSE TO INFORMATION REQUEST

COMMISSION STAFF'S SECOND REQUEST FOR INFORMATION DATED 04/05/21
REQUEST 9

RESPONSIBLE PARTY: Mark Horn

Request 9. Refer to EKPC's response to the Staff's First Request, Item 21. Even though EKPC has rail transportation available at Cooper and Spurlock, it does not appear to be used. Explain whether the rail prices render rail delivery uncompetitive, and provide a price comparison to both truck and barge transportation options.

Response 9. Rail transportation has not been utilized at Cooper in decades. Cooper is located near the coal fields in the CAPP basin, making trucking the least cost option. CSXT railroad primarily serves the coal producers near Cooper, but Cooper is located on the Norfolk Southern railroad. The issue of requiring transportation from two railroads can put upward pressure on the rail prices as well.

The last time rail transportation was utilized at Spurlock was February 2020. For EKPC, rail delivery of coal has been uncompetitive simply due to the rail pricing itself. Historically for EKPC, if the barge transportation rate has been "T," then the trucking transportation rate has been "T x 2" and rail transportation rate has been "T x 3" on a per ton basis.

EAST KENTUCKY POWER COOPERATIVE, INC.
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FUEL ADJUSTMENT CLAUSE
RESPONSE TO INFORMATION REQUEST

COMMISSION STAFF'S SECOND REQUEST FOR INFORMATION DATED 04/05/21
REQUEST 10

RESPONSIBLE PARTY: Isaac S. Scott

Request 10. Refer to EKPC's response to the Staff's First Request, Item 22, page 2.

Request 10a. If the prices of market purchases are only expected to be slightly higher over the next two years, explain why coal and natural gas prices are expected to be significantly higher over the next two years, and provide a comparison of the forecasted and two-year historic prices as a part of the explanation.

Response 10a. The above statement reflects an over-simplification of the response to the Staff's First Request, Item 22, page 2 of 5. The response states that coal costs for the Cooper generating units and natural gas costs for the Smith combustion turbines were expected to be significantly higher in 2021 and 2022. The response further states that coal costs for the Spurlock generating units were expected to be higher in 2021 and 2022 and the natural gas costs for the Bluegrass combustion turbines were expected to be slightly higher in 2021 and 2022. The attached schedule, which is subject to a request of confidential treatment, of forecasted and two-year historic

prices generally supports these statements. However, EKPC acknowledges that the schedule shows an expected reduction in natural gas prices for the Bluegrass combustion turbines and it regrets this error in interpreting the data.

Concerning the price of market purchases, the attached schedule, provided on page 6 of this response, actually indicates significantly higher prices are expected, rather than slightly higher as stated in the response to Request 22, page 2. The attached schedule reflects the 24 months of historic prices compared to the forecasted 2021 and 2022 prices. The slightly higher statement in the response to Request 22 was based on an analysis comparing the average purchase power price for the 12 months under consideration as a representative month¹ compared to the forecasted prices for 2021 and 2022. As noted in the response to Request 22, the other 12 months were initially eliminated because the respective FACs were below the mathematic average for the 24 months. This was a more conservative approach to evaluating the expected impact of the forecasted market purchase prices.

Looking at the attached schedule, the response to Request 22 should have stated that the price of market purchases were expected to be significantly higher in 2021 and 2022 than were experienced during the two-year review. The expectation on market purchase prices would then have been in better alignment with the expected higher Cooper coal prices and Smith natural gas prices. EKPC regrets the confusion this may have caused in Commission Staff's evaluation.

¹ The months under consideration as a representative month were November and December 2018, January through July 2019, September 2019, and November and December 2019.

Request 10b. Provide a table showing the entire 24-month review period and the 2021 and 2022 budget showing actual fuel costs broken out by total amount, generation and purchases.

Response 10b. Please see the attached schedule, on page 7 of this response, showing the actual and budgeted fuel costs broken out by total amount, generation, and purchases.

Request 10c. Refer to page 4. Presumably, the estimated average fuel costs account for both generation mix and purchases. The proposed base fuel rate of \$0.02624 is greater than the highest estimated 2021 budgeted average fuel costs and only \$0.00004/kWh below the highest estimated 2022 budgeted average fuel rate of \$0.02628/kWh. Explain why it is it is not more reasonable to set the proposed base fuel rate more in line with forecasted fuel prices as opposed to above all but the highest forecasted rate.

Response 10c. Certainly the estimated average fuel costs reflect the generation mix and purchases. But the determination of a reasonable representative month to use for the base fuel cost is more than simply an evaluation of how closely the month's fuel costs match the forecasted fuel prices. EKPC understood that the Commission in previous two-year FAC review cases also gave consideration and weight to the mix of generation and purchases and the mix of generation resources.

In the current review, EKPC identified three months with actual fuel costs that fell within the range of the estimated fuel costs. The following tables compare those three months with 2021 and 2022 budget information and the current base fuel month of February 2018.

Period	Fuel Costs (\$ / kWh)	Generation %	Purchases %
2021 Budget	\$0.02416	66.22%	33.78%
May 2019	\$0.02427	37.62%	62.37%
January 2019	\$0.02510	55.71%	44.29%
March 2019	\$0.02609	43.34%	56.66%
February 2018	\$0.02624	62.22%	37.78%
2022 Budget	\$0.02628	65.77%	34.23%

Period	Mix		Resources		
	Generation %	Purchases %	Cooper	Total Spurlock	CT & Landfill
2021 Budget	66.22%	33.78%	0.48%	95.89%	3.62%
May 2019	37.62%	62.37%	-0.46%	96.42%	3.64%
January 2019	55.71%	44.29%	6.86%	83.63%	9.44%
March 2019	43.34%	56.66%	2.81%	90.68%	6.26%
February 2018	62.22%	37.78%	6.03%	92.36%	1.50%
2022 Budget	65.77%	34.23%	1.54%	93.65%	4.82%

While the fuel costs for January, March, and May 2019 fell within the estimated fuel cost range, the mix of generation and purchases was significantly below the budgeted mix of generation and purchases. When looking at the resource percentages, while it is true that the total Spurlock and CT & Landfill generation for May 2019 was close to the 2021 budget estimates, this month represented the lowest generation percentage of the three months. The other two months did not align well with the budgeted resource percentages. By contrast, the current base fuel month of February 2018 fell within the range of estimated fuel costs for the two-year period, was the closest

to the budgeted generation and purchases mix, and the total Spurlock generation was close to the budgeted levels.

EKPC believes that the mix of generation and purchases for January, March, and May 2019 is significantly different from the budget expectations for the next two years. After considering both the prices and the mix of generation and purchases, EKPC believes none of the months from the current review period qualifies as a reasonable representative month to use for the base fuel cost. While the estimated fuel costs reflect the budgeted mix of generation and purchases, the reasonable representative month needs to align well not only with the expected fuel costs but the mix of generation and purchases reflected in those expected fuel costs.

Response 10a - Historic and Forecasted Prices - Coal, Natural Gas, and Purchased Power

Month	Coal and Natural Gas Prices (\$ / MMBtu)					Average Purchased Power Prices (\$/kWh)
	Cooper	Spurlock 1 & 2	Gilbert & Spurlock 4	Smith	Bluegrass	
Historic						
November 2018	\$3.017	\$1.774	\$1.847	\$4.395	\$4.163	\$0.03623
December	\$3.053	\$1.745	\$1.833	\$3.885	\$4.163	\$0.03090
January 2019	\$2.991	\$1.886	\$1.869	\$3.397	\$3.905	\$0.02826
February	\$2.876	\$1.934	\$1.913	\$3.200	\$4.599	\$0.02529
March	\$2.755	\$1.929	\$1.843	\$3.845	\$4.195	\$0.02825
April	\$2.754	\$1.917	\$1.877	\$2.863	\$3.191	\$0.02559
May	\$3.143	\$1.914	\$1.891	\$2.612	\$17.584	\$0.02424
June	\$3.205	\$1.857	\$1.851	\$2.331	\$2.692	\$0.02257
July	\$0.000	\$1.895	\$1.834	\$2.389	\$2.793	\$0.02349
August	\$2.609	\$1.936	\$1.860	\$2.210	\$2.728	\$0.02281
September	\$0.000	\$1.911	\$1.854	\$2.580	\$2.981	\$0.02290
October	\$2.578	\$1.972	\$1.850	\$2.337	\$2.624	\$0.02166
November	\$2.585	\$1.920	\$1.873	\$2.879	\$3.452	\$0.02584
December	\$2.580	\$1.897	\$1.864	\$2.404	\$3.199	\$0.02282
January 2020	\$2.592	\$1.821	\$1.839	\$2.063	\$0.000	\$0.02133
February	\$0.000	\$1.836	\$1.758	\$1.982	\$0.000	\$0.01873
March	\$0.000	\$1.795	\$1.719	\$1.871	\$0.000	\$0.01707
April	\$0.000	\$1.832	\$1.774	\$1.814	\$2.289	\$0.01646
May	\$2.470	\$1.863	\$1.752	\$1.772	\$2.297	\$0.01606
June	\$2.451	\$1.875	\$1.802	\$1.699	\$2.208	\$0.01809
July	\$0.000	\$1.835	\$1.768	\$1.821	\$2.255	\$0.02066
August	\$2.507	\$1.604	\$1.613	\$2.356	\$2.841	\$0.02208
September	\$2.514	\$1.538	\$1.660	\$2.249	\$2.805	\$0.01888
October	\$0.000	\$1.627	\$1.558	\$2.570	\$3.160	\$0.02051
Average Monthly Historic Cost:						
2018 (2 months)	\$3.035	\$1.760	\$1.840	\$4.140	\$4.163	\$0.03400
2019	\$2.340	\$1.914	\$1.865	\$2.754	\$4.495	\$0.02400
2020 (10 months)	\$1.045	\$1.763	\$1.724	\$2.020	\$1.786	\$0.01900
24 Month Average	\$1.945	\$1.838	\$1.804	\$2.564	\$3.339	\$0.02300
Forecasted						
Budget 2021						
Budget 2022						
Percentage Change						
Compared to Budget 2021:						
2018						
2019						
2020						
24 Month Average						
Compared to Budget 2022:						
2018						
2019						
2020						
24 Month Average						

Response 10b - Historic and Forecasted Fuel Costs

Month	Fuel Costs		
	Total	Generation	Purchases
Historic			
November 2018	\$31,026,230	\$12,653,529	\$18,372,701
December	\$28,204,770	\$15,506,929	\$12,697,841
January 2019	\$34,627,556	\$17,451,484	\$17,176,072
February	\$26,033,529	\$11,610,429	\$14,423,100
March	\$28,928,708	\$10,944,370	\$17,984,338
April	\$21,053,390	\$7,073,516	\$13,979,874
May	\$22,463,047	\$8,175,415	\$14,287,632
June	\$22,107,668	\$9,377,899	\$12,729,769
July	\$25,589,807	\$17,640,926	\$7,948,881
August	\$24,783,716	\$16,610,552	\$8,173,164
September	\$23,682,093	\$14,852,560	\$8,829,533
October	\$19,817,228	\$13,110,159	\$6,707,069
November	\$27,981,639	\$11,929,940	\$16,051,699
December	\$26,032,942	\$12,765,455	\$13,267,487
January 2020	\$25,337,468	\$11,458,349	\$13,879,119
February	\$23,078,920	\$14,530,539	\$8,548,381
March	\$18,232,499	\$8,803,677	\$9,428,822
April	\$14,729,110	\$6,897,247	\$7,831,863
May	\$15,704,238	\$9,584,763	\$6,119,475
June	\$18,731,664	\$15,403,708	\$3,327,956
July	\$25,956,942	\$24,133,034	\$1,823,908
August	\$22,843,802	\$19,497,416	\$3,346,386
September	\$18,550,654	\$14,348,340	\$4,202,314
October	\$18,699,880	\$9,071,870	\$9,628,010
Totals for:			
2018 (2 months)	\$59,231,000	\$28,160,458	\$31,070,542
2019	\$303,101,323	\$151,542,705	\$151,558,618
2020 (10 months)	\$201,865,177	\$133,728,943	\$68,136,234
12 Months Nov. 2018 Oct. 2019	\$308,317,742	\$155,007,768	\$153,309,974
12 Months Nov. 2019 Oct. 2020	\$255,879,758	\$158,424,338	\$97,455,420
Forecasted			
Budget 2021	\$329,776,819	\$218,362,310	\$111,414,510
Budget 2022	\$376,966,310	\$247,946,781	\$129,019,528