

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

**In the Matter of:**

<b>ELECTRONIC APPLICATION OF EAST</b>	)	
<b>KENTUCKY POWER COOPERATIVE, INC.</b>	)	
<b>FOR A GENERAL ADJUSTMENT OF RATES,</b>	)	<b>CASE NO.</b>
<b>APPROVAL OF DEPRECIATION STUDY,</b>	)	<b>2021-00103</b>
<b>AMORTIZATION OF CERTAIN REGULATORY</b>	)	
<b>ASSETS, AND OTHER GENERAL RELIEF</b>	)	

**NUCOR STEEL GALLATIN'S FIRST SET OF DATA REQUESTS TO**  
**EAST KENTUCKY POWER COOPERATIVE, INC.**  
**DATED MAY 14, 2021**

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

**In the Matter of:**

<b>ELECTRONIC APPLICATION OF EAST</b>	)	
<b>KENTUCKY POWER COOPERATIVE, INC.</b>	)	
<b>FOR A GENERAL ADJUSTMENT OF RATES,</b>	)	<b>CASE NO.</b>
<b>APPROVAL OF DEPRECIATION STUDY,</b>	)	<b>2021-00103</b>
<b>AMORTIZATION OF CERTAIN REGULATORY</b>	)	
<b>ASSETS, AND OTHER GENERAL RELIEF</b>	)	

**CERTIFICATE**

**COMMONWEALTH OF KENTUCKY )  
  )  
COUNTY OF CLARK  )**

Michelle K. Carpenter, being duly sworn, states that she has supervised the preparation of the responses of East Kentucky Power Cooperative, Inc. to Nucor Steel Gallatin’s First Set of Data Requests in the above-referenced case dated May 11, 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.

Michelle K. Carpenter

Subscribed and sworn before me on this 21<sup>st</sup> day of May \_\_, 2021.

Gwyn M. Willoughby

Notary Public - #590567  
Commission expires - 11/30/2021



COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF EAST	)	
KENTUCKY POWER COOPERATIVE, INC.	)	
FOR A GENERAL ADJUSTMENT OF RATES,	)	CASE NO.
APPROVAL OF DEPRECIATION STUDY,	)	2021-00103
AMORTIZATION OF CERTAIN REGULATORY	)	
ASSETS, AND OTHER GENERAL RELIEF	)	

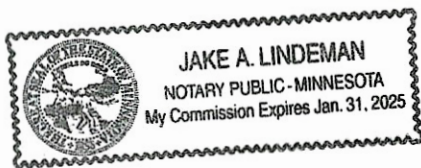
CERTIFICATE

STATE OF MINNESOTA     )  
   )  
 COUNTY OF WASHINGTON    )

Richard J. Macke, being duly sworn, states that he has supervised the preparation of the responses of East Kentucky Power Cooperative, Inc. to Nucor Steel Gallatin's First Set of Data Requests in the above-referenced case dated May 14, 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.

*Richard J. Macke*

Subscribed and sworn before me on this 26 day of May 26, 2021.



*Jake A. Lindeman*

Notary Public - # 1040508100034

Commission expires - 01/31/2025

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF EAST )  
KENTUCKY POWER COOPERATIVE, INC. )  
FOR A GENERAL ADJUSTMENT OF RATES, ) CASE NO.  
APPROVAL OF DEPRECIATION STUDY, ) 2021-00103  
AMORTIZATION OF CERTAIN REGULATORY )  
ASSETS, AND OTHER GENERAL RELIEF )

CERTIFICATE

COMMONWEALTH OF KENTUCKY )  
 )  
COUNTY OF CLARK )

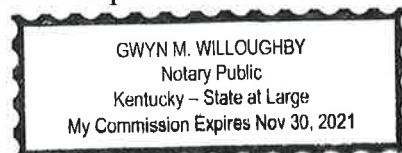
Isaac S. Scott, being duly sworn, states that he has supervised the preparation of the responses of East Kentucky Power Cooperative, Inc. to the Nucor Steel Gallatin's First Set of Data Requests in the above-referenced case dated May 14, 2021, and that the matters and things set forth therein are true and accurate to the best of his knowledge, information and belief, formed after reasonable inquiry.

*Isaac S. Scott*

Subscribed and sworn before me on this *20<sup>th</sup>* day of May \_\_, 2021.

*Gwyn M. Willoughby*

Notary Public - #590567  
Commission expires - 11/30/2021



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

**In the Matter of:**

<b>ELECTRONIC APPLICATION OF EAST</b>	)	
<b>KENTUCKY POWER COOPERATIVE, INC.</b>	)	
<b>FOR A GENERAL ADJUSTMENT OF RATES,</b>	)	<b>CASE NO.</b>
<b>APPROVAL OF DEPRECIATION STUDY,</b>	)	<b>2021-00103</b>
<b>AMORTIZATION OF CERTAIN REGULATORY</b>	)	
<b>ASSETS, AND OTHER GENERAL RELIEF</b>	)	

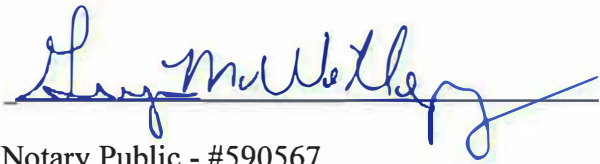
**CERTIFICATE**

**COMMONWEALTH 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 Nucor Steel Gallatin's First Set of Data Requests in the above-referenced case dated May 14, 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.

  
\_\_\_\_\_

Subscribed and sworn before me on this 21<sup>st</sup> day of May \_\_, 2021.

  
\_\_\_\_\_

Notary Public - #590567  
Commission expires - 11/30/2021



**EAST KENTUCKY POWER COOPERATIVE, INC.**

**PSC CASE NO. 2021-00103**

**FIRST SET OF DATA REQUESTS RESPONSE**

**NUCOR STEEL GALLATIN'S FIRST SET OF DATA REQUESTS DATED 5/14/21  
REQUEST 1**

**RESPONSIBLE PERSON:** Isaac S. Scott

**COMPANY:** East Kentucky Power Cooperative, Inc.

**Request 1.** Please provide test year hourly loads for each EKPC rate class in the test year that is allocated fuel and purchased energy cost or is subject to the FAC.

**Response 1.** Please see the Excel spreadsheet *Nucor DRI Response 1 CONFIDENTIAL.xlsx*. EKPC is requesting confidential treatment of the information contained in the spreadsheet.

**EAST KENTUCKY POWER COOPERATIVE, INC.**

**PSC CASE NO. 2021-00103**

**FIRST SET OF DATA REQUESTS RESPONSE**

**NUCOR STEEL GALLATIN'S FIRST SET OF DATA REQUESTS DATED 5/14/21  
REQUEST 2**

**RESPONSIBLE PERSON: Julia J. Tucker**

**COMPANY: East Kentucky Power Cooperative, Inc.**

**Request 2.** For each PJM load zone(s) at which EKPC serves load, please provide the following:

**Request 2a.** The EKPC hourly load during the test year for that zone that was submitted to PJM in the dayahead market.

**Response 2a.** Please see the Excel spreadsheet *Nucor DRI Response 2.xlsx*.

**Request 2b.** Hourly day-ahead LMPs during the test year.

**Response 2b.** Please see the Excel spreadsheet *Nucor DRI Response 2.xlsx*.

**Request 2c.** The EKPC hourly load during the test year for that zone that was billed in the real time PJM energy market.

**Response 2c.** Please see the Excel spreadsheet *Nucor DRI Response 2.xlsx*.

**Request 2d.** Hourly real time LMPs during the test year.

**Response 2d.** Please see the Excel spreadsheet *Nucor DRI Response 2.xlsx*.

**Request 2e.** An identifying name of the PJM load zone.

**Response 2e.** EKPC serves load in both the EKPC\_RESID\_AGG and EKPC-DEOK LOAD zones within the PJM Energy Market.

**Request 2f.** To the extent that the Special Contract class (NUCOR) is served by a single load zone, please identify that zone.

**Response 2f.** NUCOR is served by the EKPC\_RESID\_AGG load zone.



**EAST KENTUCKY POWER COOPERATIVE, INC.**

**PSC CASE NO. 2021-00103**

**FIRST SET OF DATA REQUESTS RESPONSE**

**NUCOR STEEL GALLATIN'S FIRST SET OF DATA REQUESTS DATED 5/14/21  
REQUEST 3**

**RESPONSIBLE PERSON: Michelle K. Carpenter**

**COMPANY: East Kentucky Power Cooperative, Inc.**

**Request 3.** Please provide a detailed breakdown of EKPC's test year fuel and purchased power energy expenses on the following basis:

- a. Purchases from the PJM day-ahead energy market.
- b. Purchases and credits from the PJM real time energy market.
- c. Bilateral contracts, delineated by contract. Also provide a description of the contract, including term and pricing provisions.
- d. All other purchases, with a description of the source.

**Response 3.** Please see page 2 of this response for a detail of 2019 test year purchased power energy expenses. Based upon the information requested in a. through d. above, this request has been interpreted to be limited to only purchased power expense.

**East Kentucky Power Cooperative, Inc.**  
**Case No. 2021-00103**  
**Test Year 2019 Purchased Power Energy Expense**

a.	PJM Day Ahead Energy Market	\$150,807,135.99
b.	PJM Real Time Energy Market	18,581,881.31
c.	Bilateral contracts:	
	Southeast Power Administration (Energy only)	3,658,056.98 (1)
d.	All other energy purchases:	
	Cooperative Solar (Energy only)	12,858.40
	Cox Interior	45,568.71
	Mac Farms	307.69
	Louisville Gas & Electric	300.66
	National Guard Armory	1,238.32
		1,238.32
		\$173,107,348.06

(1) EKPC purchases hydropower from the Southeastern Power Administration at Laurel Dam in Laurel County, Kentucky (70 MW), and the Cumberland River system of dams in Kentucky and Tennessee (100 MW). Associated energy is also purchased, 36,900 mWh annual allocation from Laurel Dam and 150,000 mWh annual allocation from the Cumberland River system. The contract was effective June 30, 1998 and continues until termination on June 30th of any year EKPC provides written notice 37 months in advance. Southeastern Power Administration rates provide for a true-up adjustment on transfers of specific power investment to plant in service for the preceding Fiscal Year. Rates for January 2019 through March 2019 were \$1.943 per kW per month for capacity and \$13.17 mills per kWh for energy. Rates for April 2019 through December 2019 were \$1.950 per kW per month for capacity and \$13.31 mills per kWh for energy.

**EAST KENTUCKY POWER COOPERATIVE, INC.**

**PSC CASE NO. 2021-00103**

**FIRST SET OF DATA REQUESTS RESPONSE**

**NUCOR STEEL GALLATIN'S FIRST SET OF DATA REQUESTS DATED 5/14/21  
REQUEST 4**

**RESPONSIBLE PERSON:** Michelle K. Carpenter / Julia J. Tucker

**COMPANY:** East Kentucky Power Cooperative, Inc.

**Request 4.** Please provide a reconciliation between the dollar amounts provided in response to Questions 3a and 3b and the costs produced by pricing the hourly loads at PJM LMP, as provided in response to Questions 2a through 2d above.

**Response 4.** The dollar amounts provided in Responses 3a and 3b, above, represent the settled hourly energy net purchases for the PJM Day-Ahead and the PJM Real Time markets, which totaled \$150,807,136 and \$18,581,881, respectively. PJM energy purchases and sales for financial reporting purposes are based upon FERC Order No. 668, which requires that each market be settled separately. The Day-Ahead and Real Time market settling processes include netting the load (withdrawal) and generation (injection) quantities to determine if the entity is in a net purchasing or net selling position for each hour.

The dollar amounts calculated based upon the information provided in Requests 2a through 2d (Request 2) for load (withdrawal) at Locational

Marginal Price (LMP) for the Day-Ahead market and Real Time markets calculate to \$353,790,724 and \$1,609,823, respectively. Request 2 only refers to hourly load and does not take into consideration generation. Therefore, the quantities provided in Response 2 are not comparable to the underlying quantities supporting the amounts reported in Response 3. Further, the Day-Ahead and Real Time LMPs as provided in Response 2 include components of energy, congestion, and losses. The amounts reported in Response 3 for the Day-Ahead and Real Time markets only represent the energy component, and do not include congestion or losses. The congestion and loss components are billed separately and reported as part of PJM Balancing, which is provided in Response 6.

Due to the numerous differences cited above, EKPC believes a reconciliation between the dollar amounts provided in Responses 3a and 3b and costs produced by pricing hourly loads at the PJM load centers from the information in Response 2 is not tenable.

**EAST KENTUCKY POWER COOPERATIVE, INC.**

**PSC CASE NO. 2021-00103**

**FIRST SET OF DATA REQUESTS RESPONSE**

**NUCOR STEEL GALLATIN'S FIRST SET OF DATA REQUESTS DATED 5/14/21  
REQUEST 5**

**RESPONSIBLE PERSON: Michelle K. Carpenter**

**COMPANY: East Kentucky Power Cooperative, Inc.**

**Request 5.** Please provide a breakdown of all other PJM items included in the Company's Fuel and Purchased Power expense, including Sales into the PJM energy markets.

**Response 5.** Listed below are the additional PJM items included in EKPC's Fuel and Purchased Power Expense for the 2019 test year. It should be noted that "PJM Balancing" represents all PJM billing codes includable in the fuel adjustment clause calculation, per the Commission's Order in Case No. 2014-00451.

<b>Description</b>	<b>Amount</b>
PJM Balancing	\$668,237.64
PJM York Haven Refund	<u>(6,218.43)</u>
	<u>\$662,019.21</u>

**EAST KENTUCKY POWER COOPERATIVE, INC.**

**PSC CASE NO. 2021-00103**

**FIRST SET OF DATA REQUESTS RESPONSE**

**NUCOR STEEL GALLATIN'S FIRST SET OF DATA REQUESTS DATED 5/14/21  
REQUEST 6**

**RESPONSIBLE PERSON: Michelle K. Carpenter**

**COMPANY: East Kentucky Power Cooperative, Inc.**

**Request 6.** Please provide a reconciliation of the booked test year Fuel and Purchased Power expense to the amounts provided in response to the previous questions.

**Response 6.** Please see page 2 of this response for a reconciliation of the booked test year Purchased Power Expense (Account 555) to the amounts provided in Responses 3 and 5.

East Kentucky Power Cooperative, Inc.  
Case No. 2021-00103  
Reconciliation of Account 555, Purchase Power Expense to Responses 3 and 5  
2019 Test Year

**Amounts Reported in Response 3:**

PJM Day Ahead Energy Market	\$ 150,807,135.99
PJM Real Time Energy Market	18,581,881.31
Southeast Power Administration (Energy only)	3,658,056.98
Cooperative Solar (Energy only)	12,858.40
Cox Interior	45,568.71
Mac Farms	307.69
Louisville Gas & Electric	300.66
National Guard Armory	1,238.32
	<u>173,107,348.06</u>

**Amounts Reported in Response 5:**

PJM Balancing	668,237.64
PJM York Haven Refund	(6,218.43)
	<u>662,019.21</u>

**Plus: Demand Charges**

Southeast Power Administration (Demand only)	2,860,881.90
Cooperative Solar (Demand only)	2,540.98
	<u>2,863,422.88</u>

**Total Purchase Power Expense, Account 555** \$ 176,632,790.15

**EAST KENTUCKY POWER COOPERATIVE, INC.**

**PSC CASE NO. 2021-00103**

**FIRST SET OF DATA REQUESTS RESPONSE**

**NUCOR STEEL GALLATIN'S FIRST SET OF DATA REQUESTS DATED 5/14/21  
REQUEST 7**

**RESPONSIBLE PERSON: Richard J. Macke**

**COMPANY: East Kentucky Power Cooperative, Inc.**

**Request 7.** With regard to PSC DR1 Response 16 – App Exhibit 39 COSS and RD Confidential, please provide the following:

**Request 7a.** Monthly system CP demands for each month of the test year calculated in the same manner as the 3,105 MW demand shown on TAB AED Plant Ex ESC, cell G172.

**Response 7a.** EKPC's Monthly CP demands are on page 106 of its 2019 FERC Form No. 1.

**Request 7b.** A reconciliation between the total system energy value of 12,186,820 shown on TAB AED Plant Ex Esc, cell E173 and the Energy Sales (MWH) value of 12,953,761 shown on TAB AED Alloc Factor, cell E30.



**Response 7b.** The MWh used for calculation of system load factor on TAB AED Plant Ex Esc are EKPC's MWh system output as reported on page 106 of its 2019 FERC Form No. 1. The MWh used for determining class allocators are total sales for resale and steam sales per sales data provided by EKPC.

**Request 7c.** The monthly CP demands for each rate class consistent with the 12 CP demands shown on Row 26 of TAB AED Alloc Factor.

**Response 7c.** Monthly CP demand data by rate class is provided in the COSS Excel file *Nucor DR1 Response 10 EKPC 2019 COS and RD V5 CONFIDENTIAL.xlsx* on the TABs named "Rate X Pres2020" where X is the letter name of the relevant service or type of service provided and is subject to a motion for confidential treatment. Each TAB is totaled at the bottom.

**Request 7d.** Provide a copy, in excel with formulas intact, of each workpaper ("WP") referenced in the spreadsheet. For example, WP2.1, WP2.2, WP 17.

**Response 7d.** See workpapers provided as follows:

*Macke WP2.1 (13.1).xlsx*  
*Macke WP2.2 (13.3).xlsx*  
*Macke WP4.1 (4.1).xlsx*  
*Macke WP4.2 (4.2).xlsx*  
*Macke WP4.3 (4.3).xlsx*  
*Macke WP4.4 (4.4).pdf*

*Macke WP4.5 (4.5).xlsx*  
*Macke WP11 (8.2).xlsx*  
*Macke WP11.1 (8.1).xlsx*  
*Macke WP16 (7.1).xlsx*  
*Macke WP16.1 (7.2).xlsx*

**Request 7e.** With regard to footnote #2 (“In 2019, 55.91% of fuel and purchased energy cost occurred during the on-peak period, with the remaining 44.09% occurring during the off-peak period.”) in TAB AED Cost Alloc Ex ESC, please provide the supporting analysis used to develop these factors, including hourly LMPs and any loads used to weight those LMPs.

**Response 7e.** The split between on and off-peak fuel and purchased power costs are based on the following excerpt from the COSS Excel file (TAB AED Cost Alloc Ex ESC, begin Cell P7).

<i>Based on 2019 DA-LMP</i>							
<u>Determination of On-Peak / Off-Peak Split</u>							
	<u>Avg LMP</u>	<u>kWh</u>	<u>Total</u>	<u>%</u>			<u>Total Split</u>
On-Peak	30.56923	6,039,974	184,637,345	57.5%			
Off-Peak	23.04011	5,931,946	136,672,693	42.5%			
	7.52912		321,310,038	100.0%			
<u>Contract On-Peak / Off-Peak Split</u>							
On-Peak	31.932	294,907	9,416,977	36.5%	6,334,881	194,054,321	55.9%
Off-Peak	23.818	686,933	16,361,380	63.5%	6,618,880	153,034,073	44.1%
	8.114		25,778,357	100.0%		347,088,395	

The DA-LMP data used to determine the above averages are found in Workpapers 2.1 and 2.2 included in response to request 7d.

**Request 7f.** Please provide the definition of On-Peak and Off-Peak used in the determination of the On-Peak/Off-Peak split, and any supporting documentation for the definition used.

**Response 7f.** On Peak and Off Peak and the relevant time periods are defined in EKPC’s current tariff and/or the relevant contract which are:

Months	On-Peak Hours - EPT	Off-Peak Hours - EPT
<i>Tariff – Hours for Rate E TOU Energy and On Peak Window for all Demand Charges (Hours apply each day of the week)</i>		
October through April	7:00 a.m. to 12:00 Noon	12:00 Noon to 5:00 p.m.
	5:00 p.m. to 10:00 p.m.	10:00 p.m. to 7:00 a.m.
May through September	10:00 a.m. to 10:00 p.m.	10:00 p.m. to 10:00 a.m.
<i>Contract - Hours for TOU Energy Charge and On Peak Window for Demand Charge (Weekends are Off-Peak)</i>		
October through April	7:00 a.m. to 12:00 Noon	12:00 Noon to 5:00 p.m.
	5:00 p.m. to 10:00 p.m.	10:00 p.m. to 7:00 a.m.
May through September	10:00 a.m. to 10:00 p.m.	10:00 p.m. to 10:00 a.m.

**Request 7g.** With regard to TAB Summary Comparison, please provide the support for the values shown in Columns H and I, at rows 17 to 27. Include a narrative explaining how these amounts were developed, the excel spreadsheet used to develop the amounts (dollars in Column H and percentages in Column I) and an explanation of “Opt 1”. If Opt 1 is a model, please provide a copy of the model.

**Response 7g.** The referenced information represents figures from prior versions of the cost of service which have been superseded. The original purpose was to establish an approximate cost of service result to be used in establishing a revenue target for each rate class. Again, this was a process used to develop some very early rate design work that is now obsolete and not relevant to the rate design proposed in the instant rate case.

**EAST KENTUCKY POWER COOPERATIVE, INC.**

**PSC CASE NO. 2021-00103**

**FIRST SET OF DATA REQUESTS RESPONSE**

**NUCOR STEEL GALLATIN'S FIRST SET OF DATA REQUESTS DATED 5/14/21  
REQUEST 8**

**RESPONSIBLE PERSON:** Isaac S. Scott

**COMPANY:** East Kentucky Power Cooperative, Inc.

**Request 8.** Please provide a detailed schedule of all fuel expense, purchased power, and sales which remain in the Company's CCOSS after removing the FAC expense.

**Response 8.** For the fuel expense remaining in the COSS, please see the Excel spreadsheet *Nucor DRI Response 8 – Fuel.xlsx*. For the purchased power remaining in the COSS, please see the schedule on page 2 of this response. For sales, if the request is concerning Account Nos. 911 through 916, as shown on Exhibit ISS-1, Schedule 1.00 – Summary and Schedule 1.01 – FAC, there was no FAC expenses removed from the test year balances for these accounts

0	Nucor DR1 Response 8 - Purchased Power.xlsx	
1		
2	<b>Determination of Purchase Power Expenses Remaining in COSS after FAC Expenses</b>	
3		
4		
5	Test Year Actual Total for Account 555 - Purchased Power	\$176,632,790
6		
7	Less: Purchased Power Recoverable through FAC, Exhibit ISS-1, Schedule 1.01 - FAC	<u>\$150,321,787</u>
8		
9	Purchased Power Expenses Remaining in COSS	<u><u>\$26,311,003</u></u>
10		
11	<b>Detailed Listing of Purchased Power Expenses Remaining in COSS</b>	
12		
13	PJM Balancing - PJM billing codes included in the monthly FAC calculation, which are recorded to	
14	purchased power on the General Ledger, but are reflected as part of "Company Generation" on the	
15	FAC filing.	\$668,238
16		
17	Gallatin Load following - excluded from FAC as reduction in purchases	\$33,429
18		
19	Cranston and Saloma - excluded from FAC as reduction in purchases	\$4,042,352
20		
21	Cooperative Buy Throughs - excluded from FAC as reduction in purchases	\$365,336
22		
23	Salt River Generator Lock 7 - included in purchases on FAC	(\$383,799)
24		
25	FAC Highest Cost Exclusion	\$492,122
26		
27	FAC Disallowed Forced Outages	\$1,236,831
28		
29	FERC Order No. 668/DART methodology difference (See Note)	\$16,980,215
30		
31	Solar License - included in General Ledger	\$12,858
32		
33	Southeast Power demand charges	\$2,860,882
34		
35	Other Renewable Supplier demand charges	\$2,541
36		
37	Rounding	<u>(\$2)</u>
38		
39		<u><u>\$26,311,003</u></u>
40		
41		
42	Note: For general ledger purposes, PJM purchases are determined based upon FERC Order No. 668, which requires hourly	
43	settlement by each market [Day Ahead (DA) Market and Real Time (RT) Market or DART]. For FAC purposes, purchases are	
44	determined based upon the DART method, which is the hourly netting of both markets to determine if EKPC is a net purchaser.	
45		
46		
47		
48		
49		

**EAST KENTUCKY POWER COOPERATIVE, INC.**

**PSC CASE NO. 2021-00103**

**FIRST SET OF DATA REQUESTS RESPONSE**

**NUCOR STEEL GALLATIN'S FIRST SET OF DATA REQUESTS DATED 5/14/21  
REQUEST 9**

**RESPONSIBLE PERSON: Michelle K. Carpenter**

**COMPANY: East Kentucky Power Cooperative, Inc.**

**Request 9.** Please provide a schedule of all 2019 purchased power or sales demand or capacity charges, and whether those charges are recovered through the FAC mechanism or base rates.

**Response 9.** Please see page 2 of this response for a schedule of 2019 Purchased Power Expense (Account 555), detailing whether recovered through the FAC mechanism or base rates.

East Kentucky Power Cooperative, Inc.  
Case No. 2021-00103  
Purchase Power Expense Detail and Method of Recovery  
Test Year 2019

PJM Day Ahead Energy Market	\$ 150,807,135.99	(1)
PJM Real Time Energy Market	18,581,881.31	(1)
Southeast Power Administration (Energy only)	3,658,056.98	(2)
PJM Balancing	668,237.64	(1)
PJM York Haven Refund	(6,218.43)	(2)
Cooperative Solar (Energy only)	12,858.40	(3)
Cox Interior	45,568.71	(2)
Mac Farms	307.69	(2)
Louisville Gas & Electric	300.66	(2)
National Guard Armory	1,238.32	(2)
Southeast Power Administration (Demand only)	2,860,881.90	(3)
Cooperative Solar (Demand only)	2,540.98	(3)
	<u>\$ 176,632,790.15</u>	

(1) A portion of the charges is recovered through FAC. PJM power costs for financial reporting purposes are based upon FERC 668 which settles the Day Ahead and Real Time markets separately. For FAC purposes, the calculation is based upon the net activity for the hour (DART) of both markets.

(2) Recovered in the FAC

(3) Not Recovered in the FAC



**EAST KENTUCKY POWER COOPERATIVE, INC.**

**PSC CASE NO. 2021-00103**

**FIRST SET OF DATA REQUESTS RESPONSE**

**NUCOR STEEL GALLATIN'S FIRST SET OF DATA REQUESTS DATED 5/14/21  
REQUEST 10**

**RESPONSIBLE PERSON: Richard J. Macke**

**COMPANY: East Kentucky Power Cooperative, Inc.**

**Request 10.** Please provide a copy of EKPC 2019 COS and RD V5.xlsx, with formulas intact.

**Response 10.** Please see the Excel spreadsheet *Nucor DRI Response 10 – EKPC 2019 COS and RD V5 CONFIDENTIAL.xlsx*. The spreadsheet is subject to a request for confidential treatment.

**EAST KENTUCKY POWER COOPERATIVE, INC.**

**PSC CASE NO. 2021-00103**

**FIRST SET OF DATA REQUESTS RESPONSE**

**NUCOR STEEL GALLATIN'S FIRST SET OF DATA REQUESTS DATED 5/14/21  
REQUEST 11**

**RESPONSIBLE PERSON: Richard J. Macke**

**COMPANY: East Kentucky Power Cooperative, Inc.**

**Request 11.** Please explain why the Steam class does not receive an allocation of the Fuel and Purchased Power remaining in the COSS when it is subject to the FAC.

**Response 11.** Steam does get an allocation of the remaining Steam Production Fuel Expense, see Exhibit RJM-2, page 11 of 17, line 5. It does not get an allocation of remaining Purchased Power because steam service is provided exclusively from the Steam plant.

**EAST KENTUCKY POWER COOPERATIVE, INC.**

**PSC CASE NO. 2021-00103**

**FIRST SET OF DATA REQUESTS RESPONSE**

**NUCOR STEEL GALLATIN'S FIRST SET OF DATA REQUESTS DATED 5/14/21  
REQUEST 12**

**RESPONSIBLE PERSON: Isaac S. Scott**

**COMPANY: East Kentucky Power Cooperative, Inc.**

**Request 12.** Please provide an explanation of how the Fuel and Purchased Power expense attributable to the Steam class is determined.

**Response 12.** The fuel expense recorded in Account 501 specifically for Spurlock 1 and 2 is identified. A ratio is then applied to allocate a portion of the Spurlock 1 and 2 fuel expense to the Steam class. This ratio is the proportion of the equivalent MWh from the steam operations to the total gross generation in MWh for Spurlock 1 and 2. After determining the allocation of the fuel expense to the Steam class, the FAC related cost associated with the Steam class is deducted to arrive at the balance included in the COSS. As noted in the response to Request 11, no Purchased Power expense has been attributed to the Steam class.

**EAST KENTUCKY POWER COOPERATIVE, INC.**

**PSC CASE NO. 2021-00103**

**FIRST SET OF DATA REQUESTS RESPONSE**

**NUCOR STEEL GALLATIN'S FIRST SET OF DATA REQUESTS DATED 5/14/21  
REQUEST 13**

**RESPONSIBLE PERSON:** Richard J. Macke

**COMPANY:** East Kentucky Power Cooperative, Inc.

**Request 13.** With regard to Mr. Macke's testimony on page 12, please provide the support for the following statement at lines 6 -7: "*Account 556, System Control and Dispatch was evaluated by EKPC staff and was functionalized/classified as Production Energy.*"

**Response 13.** EKPC operates a full time Market Operations Center. The main function of this Center is to receive directions from PJM to produce energy from its generation resources, thus costs in this area are energy related. PJM is the Balancing Authority for EKPC, so PJM continually monitors and balances load and generation levels. PJM balances these levels by sending instructions to each participating system. It does not directly communicate with each generating facility, instead it communicates to the operating company, which in this case is EKPC. The EKPC Market Operations Center then relays PJM instructions to each of its generating plants. These instructions result in the dispatching of EKPC generation resources to provide energy to the system.

**EAST KENTUCKY POWER COOPERATIVE, INC.**

**PSC CASE NO. 2021-00103**

**FIRST SET OF DATA REQUESTS RESPONSE**

**NUCOR STEEL GALLATIN'S FIRST SET OF DATA REQUESTS DATED 5/14/21**

**REQUEST 14**

**RESPONSIBLE PERSON:** Richard J. Macke

**COMPANY:** East Kentucky Power Cooperative, Inc.

**Request 14.** Refer to Exhibit RJM-2, page 17 or 17, line 30. Please provide an explanation for assigning an average 5.2% revenue increase to Rate G, versus 8% for the Contract class, in light of the cost of service-based increase shown for Rate G on line 30.

**Response 14.** The percent increases between these two rate schedules is proportionate to the percent deficiency identified in the cost of service study. Specifically, Rate G shows a 17% deficiency and is proposed to be increased 5.2%, which represents about 30% of its deficiency. The Contract class is showing a 24.5% deficiency and is proposed to be increased 8.0%, which represents about 33% of its deficiency.

An alternative explanation is to consider the dollars of deficiency and the total rate schedule revenue. Under this approach, the increase proposed for Rate G would recoup \$1,323,966 of the \$1,839,735 deficiency, or 72%. The Contract class would recoup \$3,381,554 of the \$5,814,264 deficiency, or 58%.