

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,)
APPROVAL OF DEPRECIATION STUDY,)
AMORTIZATION OF CERTAIN REGULATORY)
ASSETS, AND OTHER GENERAL RELIEF)**

**CASE NO.
2021-00103**

**RESPONSES TO COMMISSION STAFF’S POST-HEARING (“PH”) REQUEST
FOR INFORMATION TO EAST KENTUCKY POWER COOPERATIVE, INC.
DATED AUGUST 5, 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

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 the Commission Staff's Post- Hearing Request for Information in the above-referenced case dated August 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.

Michelle K. Carpenter

Subscribed and sworn before me on this 18 day of August, 2021.

Gwyn M. Willoughby

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



COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

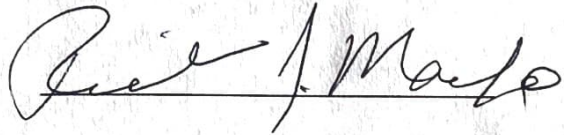
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ELECTRONIC APPLICATION OF EAST)	
KENTUCKY POWER COOPERATIVE, INC.)	
FOR A GENERAL ADJUSTMENT OF RATES,)	CASE NO.
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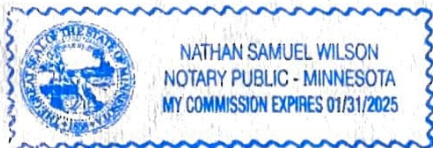
CERTIFICATE

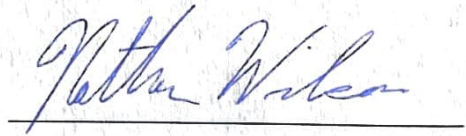
STATE OF MINNESOTA)
)
COUNTY OF WASHINGTON)

Richard J. Macke, being duly sworn, states that he has supervised the preparation of the responses of East Kentucky Power Cooperative, Inc. to the Commission Staff's Post- Hearing Request for Information in the above-referenced case dated August 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 13 day of August, 2021.





Notary Public - # 1169288600077
Commission expires - 01-31-2025

EAST KENTUCKY POWER COOPERATIVE, INC.

PSC CASE NO. 2021-00103

REQUEST FOR INFORMATION RESPONSE

**COMMISSION STAFF'S PH REQUEST FOR INFORMATION DATED 8/5/21
REQUEST 1**

RESPONSIBLE PERSON: Richard J. Macke

COMPANY: East Kentucky Power Cooperative, Inc.

Request 1. Refer to EKPC's Hearing Exhibit 1, the Stipulation and Settlement Agreement (Settlement Agreement), Exhibit C. Provide Settlement Agreement Exhibit C in an Excel version containing supporting calculations with all formulas, columns, and rows unprotected and accessible.

Response 1. Please see the Excel spreadsheet *PH DR Response 1 Settle Exh C CONFIDENTIAL.xlsx*, which is being filed subject to a request for confidential treatment. Specifically, refer to Tabs "Summary Comparison" and "Revenue Calcs by Rate."

EAST KENTUCKY POWER COOPERATIVE, INC.

PSC CASE NO. 2021-00103

REQUEST FOR INFORMATION RESPONSE

**COMMISSION STAFF'S PH REQUEST FOR INFORMATION DATED 8/5/21
REQUEST 2**

RESPONSIBLE PERSON: Michelle K. Carpenter

COMPANY: East Kentucky Power Cooperative, Inc.

Request 2. Provide a schedule with EKPC's salary and wage data broken out by month from September 2020 until present, with the number of full-time equivalent and part-time equivalent employees by employee group, hours worked by regular and overtime, and total salaries by employee group. Provide the schedule in Excel spreadsheet format with supporting calculations with all formulas, columns, and rows unprotected and accessible.

Response 2. Please see page 2 of this response and corresponding Excel spreadsheet *PH DR Response 2.xlsx* for a schedule of EKPC's full-time equivalent and part-time equivalent employees by employee group, along with regular and overtime hours paid, and associated salaries and wages earned by month from September 30, 2020 to present.

East Kentucky Power Cooperative, Inc.
Case No. 2021-00103
Schedule of Number of Employees, Hours Worked, and Total Wages
From September 2020 to Current

<u>Date</u>	<u>Employee Group</u>	<u>FT/PT</u>	<u>Hours</u>			<u>Total Wages</u>
			<u>Regular</u>	<u>Overtime</u>	<u>Total</u>	
Sep-20	General & Administrative	140	22,160	40	22,200	\$ 1,406,940
	G&T Operations	595	92,498	6,774	99,272	\$ 5,177,466
	Total	735	114,658	6,814	121,472	\$ 6,584,406
Oct-20	General & Administrative	140	33,269	210	33,479	\$ 1,339,153
	G&T Operations	593	139,447	18,298	157,745	\$ 6,028,452
	Total	733	172,716	18,508	191,224	\$ 7,367,605
Nov-20	General & Administrative	141	22,367	152	22,519	\$ 1,255,561
	G&T Operations	599	94,581	11,690	106,271	\$ 5,119,131
	Total	740	116,948	11,842	128,790	\$ 6,374,692
Dec-20	General & Administrative	140	22,489	70	22,559	\$ 2,025,530
	G&T Operations	595	93,369	10,041	103,410	\$ 6,951,631
	Total	735	115,858	10,111	125,969	\$ 8,977,162 (1)
Jan-21	General & Administrative	138	22,767	51	22,818	\$ 1,321,221
	G&T Operations	589	93,588	7,979	101,567	\$ 4,363,965
	Total	727	116,355	8,030	124,385	\$ 5,685,185
Feb-21	General & Administrative	108 (2)	22,152	32	22,184	\$ 1,031,853
	G&T Operations	615	92,179	6,272	98,451	\$ 4,479,764
	Total	723	114,331	6,304	120,635	\$ 5,511,616
Mar-21	General & Administrative	108	22,074	56	22,130	\$ 1,319,536
	G&T Operations	614	92,404	8,659	101,063	\$ 5,143,860
	Total	722	114,478	8,715	123,193	\$ 6,463,396
Apr-21	General & Administrative	108	33,163	210	33,373	\$ 1,323,632
	G&T Operations	612	137,500	13,112	150,612	\$ 5,684,757
	Total	720	170,663	13,322	183,985	\$ 7,008,389
May-21	General & Administrative	107	21,871	138	22,009	\$ 1,221,981
	G&T Operations	620	91,976	9,160	101,136	\$ 4,802,427
	Total	727	113,847	9,298	123,145	\$ 6,024,408
Jun-21	General & Administrative	107	22,233	81	22,314	\$ 1,282,171
	G&T Operations	626	93,614	7,759	101,373	\$ 4,996,021
	Total	733	115,847	7,840	123,687	\$ 6,278,193

(1) | Includes year-end vacation accrual true-up of \$1,668,708

(2) | Supply Chain moved to G&T Operations in February

EAST KENTUCKY POWER COOPERATIVE, INC.

PSC CASE NO. 2021-00103

REQUEST FOR INFORMATION RESPONSE

**COMMISSION STAFF’S PH REQUEST FOR INFORMATION DATED 8/5/21
REQUEST 3**

RESPONSIBLE PERSON: Michelle K. Carpenter

COMPANY: East Kentucky Power Cooperative, Inc.

Request 3. Provide a schedule with other post-retirement benefit (OPEB) expense for the last five calendar years, broken out by year. Provide the schedule in Excel spreadsheet format with supporting calculations with all formulas, columns, and rows unprotected and accessible.

Response 3. Please refer to the table below and corresponding Excel spreadsheet *PH DR Response 3.xlsx* for a summary of other post-retirement benefit (OPEB) expense for the last five calendar years. These amounts represent the net periodic benefit cost as determined by annual actuarial valuations performed by Mercer.

	2020	2019	2018	2017	2016
Service Cost	\$ 1,130,925	\$ 1,163,017	\$ 1,502,817	\$ 1,525,801	\$ 1,690,434
Interest Cost	1,948,005	2,868,946	2,788,392	3,808,633	4,200,970
Amortization of Prior Service Credit	(2,020,997)	(751,329)	(411,574)	-	-
Amortization of net gain/loss	-	-	-	286,118	917,562
	<u>\$ 1,057,933</u>	<u>\$ 3,280,634</u>	<u>\$ 3,879,635</u>	<u>\$ 5,620,552</u>	<u>\$ 6,808,966</u>

EAST KENTUCKY POWER COOPERATIVE, INC.

PSC CASE NO. 2021-00103

REQUEST FOR INFORMATION RESPONSE

**COMMISSION STAFF'S PH REQUEST FOR INFORMATION DATED 8/5/21
REQUEST 4**

RESPONSIBLE PERSON: Isaac S. Scott

COMPANY: East Kentucky Power Cooperative, Inc.

Request 4. Refer to the Application, Exhibit ISS-1, Schedule 1.20. Provide Schedule 1.20 calculated based upon 84 months of amortization beginning in January 2020 through December 2026

Response 4. Please see page 3 of 3 of this response for the amortization calculation based on 84 months. The monthly amortization expense under this assumption is \$871,675 per month.

It should be noted that while the Commission-approved Stipulation Agreement in Case No. 2015-00358 permitted EKPC to begin book amortization of the Smith 1 regulatory asset January 1, 2017, the amortization was for accounting purposes only and that amortization expense was not being recovered through EKPC rates. As the Commission noted in the final Order:

Once EKPC files its next rate case, rate recovery will be requested for the amortization of the Smith 1 regulatory asset balance as of January 1, 2017, less the actual mitigation and salvage efforts and less the PJM capacity market benefits earned through the rate case test year. Crediting all of the

PJM capacity market benefits earned through the test year, *in lieu of the accounting amortizations booked*, benefits EKPC's members and their customers both by reducing the Smith 1 regulatory asset by all of the benefits earned and by eliminating the need for what would have been a sizeable Smith 1 surcharge, while not penalizing EKPC financially for beginning the amortizations without an equal amount of additional revenue.¹ (emphasis added)

An amortization period ending in December 2026 is consistent with the Stipulation Agreement provision for a ten-year amortization of the Smith 1 regulatory asset. However, if the Smith 1 regulatory asset amortization for ratemaking purposes is set at \$871,675 per month, EKPC will not have recovered the \$73,220,693 balance by December 2026. EKPC's original adjustment assumed an effective date for rates in this proceeding to become effective on October 1, 2021, which is 21 months after the end of the test year. A monthly amortization expense of \$871,675 and a 21-month period having already passed results in an under-recovery of the Smith 1 regulatory asset by December 2026 of \$18,305,175 ($\$871,675 \times 21$ months).

¹ See *In the Matter of Application of East Kentucky Power Cooperative, Inc. for Deviation from Obligation Resulting from Case No. 2012-00169*, Case No. 2015-00358, Order, pages 11-12 (Ky. P.S.C. Jan. 10, 2017).

0 PSC PHDR 4 - Sch 1.20

Schedule 1.20

East Kentucky Power Cooperative, Inc.
Adjustment to Amortize Smith 1 Regulatory Asset
Post-Hearing Data Request 4 - Monthly Amortization January 2020 to December 2026

6 Adjustment to book amortization expense for the Smith 1 Regulatory Asset consistent with the
7 Stipulation Agreement in Case No. 2015-00358.

10	Beginning Balance of Regulatory Asset, January 1, 2017		\$148,833,975
11	Add: Account Adjustments		\$139,756
12	Adjusted Beginning Balance of Regulatory Asset		\$148,973,731
13	Less:		
14	Actual Salvage and Mitigation, 2017-2019		(\$22,454,611)
15	Actual Mitigation 2020 - Reclassify to Inventory		(\$11,982,486)
16	Other Credits and Reversed Accruals, 2017-2020		(\$1,617,341)
17	Regulatory Asset Balance before Net PJM Capacity Market Benefit		\$112,919,293
18	Less Net PJM Capacity Market Benefit:		
19	2016 PJM Capacity Market Benefits (June-December)	(\$22,774,334)	
20	2016 Mitigation - Capacity Performance Insurance Premiums	\$474,647	
21	2016 Mitigation Insurance Deductibles & Market Penalties	\$0	(\$22,299,687)
22			
23	2017 PJM Capacity Market Benefits	(\$20,744,725)	
24	2017 Mitigation - Capacity Performance Insurance Premiums	\$986,049	
25	2017 Mitigation Insurance Deductibles & Market Penalties	\$0	(\$19,758,676)
26			
27	2018 PJM Capacity Market Benefits	(\$1,603,871)	
28	2018 Mitigation - Capacity Performance Insurance Premiums	\$1,061,315	
29	2018 Mitigation Insurance Deductibles & Market Penalties	\$0	(\$542,556)
30			
31	2019 PJM Capacity Market Benefits	\$1,661,625	
32	2019 Mitigation - Capacity Performance Insurance Premiums	\$1,240,694	
33	2019 Mitigation Insurance Deductibles & Market Penalties	\$0	\$2,902,319
34			
35	Regulatory Asset Balance to be Amortized in Base Rates		\$73,220,693

37 Determination of Amortization Expense Adjustment

39	Total Amortization Period	120 months	
40	Less Months of Amortization through 2019	36 months	
41	Remaining Months to Amortize;		
42	January 1, 2020 through December 31, 2026	84 months	

45	Regulatory Asset Balance to be Amortized in Base Rates		\$73,220,693
46	Remaining Months to Amortize		84
47			
48	Monthly Amortization Expense through December 31, 2026		\$871,675
49	Monthly Amortization Expense in 2019 for Accounting Purposes		\$1,002,960
50			
51	Adjustment to Monthly Amortization Expense		(\$131,285)
52			
53	Annualized adjustment to Amortization Expense		(\$1,575,420)

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EAST KENTUCKY POWER COOPERATIVE, INC.

PSC CASE NO. 2021-00103

REQUEST FOR INFORMATION RESPONSE

**COMMISSION STAFF'S PH REQUEST FOR INFORMATION DATED 8/5/21
REQUEST 5**

RESPONSIBLE PERSON: Michelle K. Carpenter

COMPANY: East Kentucky Power Cooperative, Inc.

Request 5. Provide a schedule with the balance of the Smith 1 Regulatory Asset for each month for the remainder of 2021.

Response 5. Listed below is a schedule depicting the beginning balance, the expected monthly book amortization, and the ending balance of the Smith 1 regulatory asset for the remaining six months of 2021.

	Beg. Balance	Amortization	End Balance
July 2021	\$ 59,092,373	\$ (895,339)	\$ 58,197,034
August 2021	\$ 58,197,034	\$ (895,339)	\$ 57,301,695
September 2021	\$ 57,301,695	\$ (895,339)	\$ 56,406,356
October 2021	\$ 56,406,356	\$ (895,339)	\$ 55,511,017
November 2021	\$ 55,511,017	\$ (895,339)	\$ 54,615,678
December 2021	\$ 54,615,678	\$ (895,339)	\$ 53,720,339

EAST KENTUCKY POWER COOPERATIVE, INC.

PSC CASE NO. 2021-00103

REQUEST FOR INFORMATION RESPONSE

COMMISSION STAFF'S PH REQUEST FOR INFORMATION DATED 8/5/21

REQUEST 6

RESPONSIBLE PERSON: Isaac S. Scott

COMPANY: East Kentucky Power Cooperative, Inc.

Request 6. Refer to the August 3, 2021 Hearing Testimony of Isaac S. Scott regarding the Smith 1 Regulatory Asset, generally. Provide a schedule of PJM Interconnection, LLC revenues recognized by EKPC between January 1, 2017, and December 31, 2019, stating the amount of each revenue item and what each amount represents, and the amortization expense between January 1, 2017, and December 31, 2019.

Response 6. Please see the Excel spreadsheet *PH DR Response 6.xlsx* and pages 4 and 5 of 5 of this response.

The PJM revenues recognized in the determination of the Smith 1 Regulatory Asset amortization adjustment are identified as the PJM Capacity Market Benefits, as shown in Exhibit ISS-1, Schedule 1.20 at lines 19, 23, 27, and 31. The PJM Capacity Market Benefits reflects not only the revenues received from selling capacity but also the charges associated with purchasing the required load obligation capacity

from the PJM Base Residual and Incremental Auctions. A further adjustment is made to exclude the Bluegrass Station units from the capacity market benefit, as the generation costs associated with the Bluegrass Station units were not recovered in base rates during the 2017-2019 period. Please see EKPC's response to the AG and Nucor supplemental data request, Request 33e.

As used in the determination of the Smith 1 regulatory asset amortization adjustment, the PJM Capacity Market Benefits are offset by the PJM Capacity Market Costs. During the period reflected in the proposed adjustment, the only capacity market costs were for capacity performance mitigation insurance premiums. The resulting Net PJM Capacity Market Benefits were then deducted from the regulatory asset balance to determine the amount to be amortized in base rates. As noted previously in the response to Request 4, this use of the Net PJM Capacity Market Benefits was in lieu of the accounting amortizations booked.

EKPC would note that the total Net PJM Capacity Market Benefits for the period beginning with the 2016-2017 PJM Delivery Year through the end of the test year in this case equal \$39,698,600 (see Exhibit ISS-1, Schedule 1.20, at lines 21, 25, 29, and 33). In contrast, the booked amortization expense for the years 2017 through 2019 equals \$36,087,061. Thus, as of the end of 2019, the Net PJM Capacity Market Benefits exceeded the booked amortization expense for the Smith 1 regulatory asset by \$3,611,539.

However, the situation reversed in 2020. Under the provisions of the Stipulation Agreement approved in Case No. 2015-00358, no Net PJM Capacity Market Benefits are recognized from 2020. The calculation of the regulatory asset balance to be amortized in base rates is based on the 2019 test year plus the recognition of mitigation and salvage efforts recorded in 2020. In contrast, there was a further \$12,035,524 in amortization expense booked for the Smith 1 regulatory asset in 2020. So when the regulatory asset balance to be amortized in base rates of \$73,220,693, as shown in Exhibit ISS-1, Schedule 1.20, is compared to the book balance for the Smith 1 regulatory asset as of December 31, 2020 of \$64,796,706, the difference reflects the fact that the total booked amortization expense for 2017 through 2020 exceeds the Net PJM Capacity Market Benefits by \$8,423,987 (book amortization expense for 2017-2019 of \$36,087,061 plus 2020 book amortization expense of \$12,035,524 minus Net PJM Capacity Market Benefits of \$39,698,600 plus \$2 rounding).

1 PH DR Response 6.xlsx

2
3
4
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7

East Kentucky Power Cooperative, Inc.
Case No. 2021-00103
Monthly PJM Revenues Recognized in the Smith 1 Regulatory Asset Amortization Adjustment
Seven Months of 2016 and Calendar Years 2017 through 2019

	Jan-16	Feb-16	Mar-16	Apr-16	May-16	Jun-16	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16	2016 Total	Total Reported On Schedule 1.20
PJM Billing Code														
1600 - RPM Auction						\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
1610 - Locational Reliability	Pursuant to Section 1.2.5. of the Stipulation Agreement in Case No. 2015-00358,					\$4,407,947.70	\$4,554,879.29	\$4,554,879.29	\$4,407,947.70	\$4,554,879.29	\$4,407,947.70	\$4,554,879.29	\$31,443,360.26	
1611 - CP Transitional Locational Reliability	the Net PJM Capacity Market Benefit earned by EKPC beginning with the					\$2,844,834.60	\$2,939,662.42	\$2,939,662.42	\$2,844,834.60	\$2,939,662.42	\$2,844,834.60	\$2,939,662.42	\$20,293,153.48	
2600 - RPM Auction	2016/2017 Delivery Year are to be recognized in the determination of					(\$10,420,809.00)	(\$10,768,169.30)	(\$10,768,169.30)	(\$10,420,809.00)	(\$10,768,169.30)	(\$10,420,809.00)	(\$10,768,169.30)	(\$74,335,104.20)	
2640 - Incremental Capacity Transfer Rights	the amortization adjustment for the Smith 1 Regulatory Asset included					(\$32,173.50)	(\$33,245.95)	(\$33,245.95)	(\$32,173.50)	(\$33,245.95)	(\$32,173.50)	(\$33,245.95)	(\$229,504.30)	
2661 - Capacity Resource Deficiency	in the next general rate case proceeding.					(\$26,698.22)	(\$18,063.52)	(\$4,396.93)	(\$4,453.97)	(\$1,908.02)	(\$1,536.25)	(\$2,016.55)	(\$59,073.46)	
2665 - Peak-Hour Period Availability	Thus, the revenues recognized in the adjustment start with June 2016 rather than January 2017.					\$0.00	\$0.00	(\$28,013.64)	\$0.00	\$168.36	\$0.00	\$0.00	(\$27,845.28)	
2666 - Load Management Test Failure						\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	(\$26,048.30)	(\$26,048.30)	
Total PJM Billing Codes - Account 447251						(\$3,226,898.42)	(\$3,324,937.06)	(\$3,339,284.11)	(\$3,204,654.17)	(\$3,308,613.20)	(\$3,201,736.45)	(\$3,334,938.39)	(\$22,941,061.80)	
Less: PJM Bluegrass Station Revenues						(\$23,373.00)	(\$24,152.10)	(\$24,152.10)	(\$23,373.00)	(\$24,152.10)	(\$23,373.00)	(\$24,152.10)	(\$166,727.40)	
PJM Capacity Market Benefits						(\$3,203,525.42)	(\$3,300,784.96)	(\$3,315,132.01)	(\$3,181,281.17)	(\$3,284,461.10)	(\$3,178,363.45)	(\$3,310,786.29)	(\$22,774,334.40)	(\$22,774,334.00)

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	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	2017 Total	
PJM Billing Code														
1600 - RPM Auction	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$21,894.00	\$22,623.80	\$22,623.80	\$21,894.00	\$22,623.80	\$21,894.00	\$22,623.80	\$156,177.20	
1610 - Locational Reliability	\$4,554,879.29	\$4,114,084.52	\$4,554,879.29	\$4,407,947.70	\$4,554,879.29	\$8,883,306.30	\$9,179,416.51	\$9,179,416.51	\$8,883,306.30	\$9,179,416.51	\$8,883,306.30	\$9,179,416.51	\$85,554,255.03	
1611 - CP Transitional Locational Reliability	\$2,939,662.42	\$2,655,178.96	\$2,939,662.42	\$2,844,834.60	\$2,939,662.42	\$2,153,533.20	\$2,225,317.64	\$2,225,317.64	\$2,153,533.20	\$2,225,317.64	\$2,153,533.20	\$2,225,317.64	\$29,680,870.98	
2600 - RPM Auction	\$0.00	\$10,854.60	\$10,031.29	\$9,707.70	\$10,031.29	\$16,580.16	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$57,205.04	
2640 - Incremental Capacity Transfer Rights	(\$10,768,169.30)	(\$9,726,088.40)	(\$10,768,169.30)	(\$10,420,809.00)	(\$10,768,169.30)	(\$11,975,712.90)	(\$12,374,903.33)	(\$12,374,903.33)	(\$11,975,712.90)	(\$12,374,903.33)	(\$11,975,712.90)	(\$12,374,903.33)	(\$137,878,157.32)	
2661 - Capacity Resource Deficiency	(\$28,316.33)	(\$25,576.04)	(\$28,316.33)	(\$27,402.90)	(\$28,316.33)	(\$3,594.30)	(\$3,714.11)	(\$3,714.11)	(\$3,594.30)	(\$3,714.11)	(\$3,594.30)	(\$3,714.11)	(\$163,568.82)	
2665 - Peak-Hour Period Availability	(\$2,092.10)	(\$3,836.12)	(\$2,940.04)	(\$2,845.20)	(\$3,084.44)	(\$2,959.85)	(\$1,640.52)	(\$1,613.23)	(\$2,238.99)	(\$9,415.80)	(\$1,563.60)	(\$1,615.72)	(\$55,845.61)	
2666 - Load Management Test Failure	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	(\$234.78)	\$0.00	\$0.00	\$0.00	\$0.00	(\$4,180.78)	
Total PJM Billing Codes - Account 447251	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	(\$16,622.10)	\$0.00	\$0.00	\$0.00	\$0.00	(\$16,622.10)	
Less: PJM Bluegrass Station Revenues	(\$3,773.35)	\$0.00	(\$7,181.54)	(\$3,651.63)	(\$3,773.35)	\$0.00	\$0.00	(\$11,020.44)	\$0.00	\$0.00	\$0.00	(\$5,610.37)	(\$35,010.68)	
PJM Capacity Market Benefits	(\$3,307,809.37)	(\$2,975,382.48)	(\$3,302,034.21)	(\$3,192,218.73)	(\$3,298,771.97)	(\$930,899.39)	(\$952,900.01)	(\$980,515.26)	(\$923,047.47)	(\$960,675.29)	(\$922,137.30)	(\$958,485.58)	(\$22,704,877.06)	
	(\$24,152.10)	(\$21,814.80)	(\$24,152.10)	(\$23,373.00)	(\$24,152.10)	(\$258,295.50)	(\$266,905.35)	(\$266,905.35)	(\$258,295.50)	(\$266,905.35)	(\$258,295.50)	(\$266,905.35)	(\$1,960,152.00)	
	(\$3,283,657.27)	(\$2,953,567.68)	(\$3,277,882.11)	(\$3,168,845.73)	(\$3,274,619.87)	(\$672,603.89)	(\$685,994.66)	(\$713,609.91)	(\$664,751.97)	(\$693,769.94)	(\$663,841.80)	(\$691,580.23)	(\$20,744,725.06)	(\$20,744,725.00)

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	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	2018 Total	
PJM Billing Code														
1600 - RPM Auction	\$22,623.80	\$20,434.40	\$22,623.80	\$21,894.00	\$22,623.80	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$110,199.80	
1610 - Locational Reliability	\$9,179,416.51	\$8,291,085.88	\$9,179,416.51	\$8,883,306.30	\$9,179,416.51	\$12,736,423.50	\$13,160,970.95	\$13,160,970.95	\$12,736,423.50	\$13,160,970.95	\$12,736,423.50	\$13,160,970.95	\$135,565,796.01	
1611 - CP Transitional Locational Reliability	\$2,225,317.64	\$2,009,964.32	\$2,225,317.64	\$2,153,533.20	\$2,225,317.64	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$10,839,450.44	
2600 - RPM Auction	(\$12,374,903.33)	(\$11,177,332.04)	(\$12,374,903.33)	(\$11,975,712.90)	(\$12,374,903.33)	(\$12,460,973.40)	(\$12,876,339.18)	(\$12,876,339.18)	(\$12,460,973.40)	(\$12,876,339.18)	(\$12,460,973.40)	(\$12,876,339.18)	(\$149,166,031.85)	
2640 - Incremental Capacity Transfer Rights	(\$3,821.06)	(\$3,451.28)	(\$3,821.06)	(\$3,697.80)	(\$3,821.06)	(\$31,002.00)	(\$32,035.40)	(\$32,035.40)	(\$31,002.00)	(\$31,518.70)	(\$15,501.00)	(\$16,017.70)	(\$144,687.06)	
2661 - Capacity Resource Deficiency	(\$1,641.45)	(\$1,808.12)	(\$40,663.73)	(\$21,718.26)	(\$1,803.89)	(\$2,594.30)	(\$4,159.42)	(\$96.41)	(\$234.89)	(\$1,448.12)	(\$93.30)	(\$96.41)	(\$76,358.30)	
2665 - Peak-Hour Period Availability	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	(\$317,217.85)	\$0.00	\$0.00	\$0.00	\$0.00	(\$317,217.85)	
2666 - Load Management Test Failure	(\$812.72)	(\$734.07)	(\$812.72)	\$0.00	(\$1,599.22)	\$0.00	\$0.00	(\$13,574.80)	(\$8,300.56)	\$0.00	\$0.00	(\$10,217.88)	(\$36,051.97)	
Total PJM Billing Codes - Account 447251	(\$953,820.61)	(\$861,840.91)	(\$992,842.89)	(\$942,395.46)	(\$954,769.55)	\$241,853.80	\$248,436.95	(\$78,292.69)	\$235,912.65	\$314,702.35	\$259,855.80	\$258,299.78	(\$3,224,900.78)	
Less: PJM Bluegrass Station Revenues	(\$266,905.35)	(\$241,075.80)	(\$266,905.35)	(\$258,295.50)	(\$266,905.35)	(\$45,416.40)	(\$43,902.52)	(\$46,930.28)	(\$45,416.40)	(\$46,930.28)	(\$45,416.40)	(\$46,930.28)	(\$1,621,029.91)	
PJM Capacity Market Benefits	(\$686,915.26)	(\$620,765.11)	(\$725,937.54)	(\$684,099.96)	(\$687,864.20)	\$287,270.20	\$292,339.47	(\$31,362.41)	\$281,329.05	\$361,632.63	\$305,272.20	\$305,230.06	(\$1,603,870.87)	(\$1,603,871.00)

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	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	2019 Total	
PJM Billing Code														
1600 - RPM Auction	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$66,964.80	\$69,196.96	\$69,196.96	\$66,964.80	\$69,196.96	\$66,964.80	\$69,196.96	\$477,682.24	
1610 - Locational Reliability	\$13,160,970.95	\$11,887,328.60	\$13,160,970.95	\$12,736,423.50	\$13,160,970.95	\$7,706,485.20	\$7,963,368.04	\$7,963,368.04	\$7,706,485.20	\$7,963,368.04	\$7,706,485.20	\$7,963,368.04	\$119,079,592.71	
1611 - CP Transitional Locational Reliability	(\$12,876,339.18)	(\$11,630,241.84)	(\$12,876,339.18)	(\$12,460,973.40)	(\$12,876,339.18)	(\$8,824,595.70)	(\$9,118,748.89)	(\$9,118,748.89)	(\$8,824,595.70)	(\$9,118,748.89)	(\$8,824,595.44)	(\$9,118,748.89)	(\$125,669,014.87)	
2600 - RPM Auction	(\$18,214.36)	(\$16,451.68)	(\$18,214.36)	(\$17,626.80)	(\$18,195.45)	(\$5,710.50)	(\$5,900.85)	(\$5,900.85)	(\$5,710.50)	(\$5,900.85)	(\$5,710.50)	(\$5,900.85)	(\$129,437.55)	
2640 - Incremental Capacity Transfer Rights	(\$96.41)	(\$223.21)	(\$226.92)	(\$219.60)	(\$226.92)	(\$502.02)	(\$456.35)	(\$345.03)	(\$378.46)	(\$293.60)	(\$546.74)	(\$248.00)	(\$3,763.26)	
2661 - Capacity Resource Deficiency	\$0.00	(\$1,336.92)	(\$2,960.32)	(\$1,432.41)	(\$1,480.16)	\$0.00	\$0.00	(\$2,801.56)	\$0.00	\$0.00	\$0.00	(\$15,911.85)	(\$25,923.22)	
2666 - Load Management Test Failure	\$266,321.00	\$239,074.95	\$263,230.17	\$256,171.29	\$264,729.24	(\$1,057,358.22)	(\$1,092,541.09)	(\$1,092,541.09)	(\$1,057,234.66)	(\$1,092,378.34)	(\$1,057,402.68)	(\$1,108,244.28)	(\$6,270,863.95)	
Total PJM Billing Codes - Account 447251	(\$46,930.28)	(\$42,388.64)	(\$46,930.28)	(\$45,416.40)	(\$46,930.28)	(\$1,079,985.00)	(\$1,115,984.50)	(\$1,115,984.50)	(\$1,079,985.00)	(\$1,115,984.50)	(\$1,079,985.00)	(\$1,115,984.50)	(\$7,932,488.88)	
Less: PJM Bluegrass Station Revenues														
PJM Capacity Market Benefits	\$313,251.28	\$281,463.59	\$310,160.45	\$301,587.69	\$311,659.52	\$22,626.78	\$23,443.41	\$20,753.17	\$22,750.34	\$23,606.16	\$22,582.32	\$7,740.22	\$1,661,624.93	\$1,661,625.00

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Notes: Account 447251 is a revenue account, with revenues shown in this response as credits or negative amounts.
For the PJM Billing Codes, the 1000 series codes reflect expenses and are shown as debits or positive amounts in this response.
For the PJM Billing Codes, the 2000 series codes reflect revenues and are shown as credits or negative amounts in this response.

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65
66

1 PH DR Response 6.xlsx

2 **East Kentucky Power Cooperative, Inc.**
3 **Case No. 2021-00103**
4 **Smith 1 Regulatory Asset - Monthly Book Amortization Expense**
5 **January 2017 through December 2019**
6
7

8	9	10	11	12
Month	Book Amortization Expense	Calendar Year Total	EKPC Response to AG-Nucor DR2, Item 33, page 7 of 7	
11	January 2017	\$1,001,633.15		
12	February	\$1,001,633.15		
13	March	\$1,001,633.15		
14	April	\$1,001,648.70		
15	May	\$1,001,648.70		
16	June	\$1,001,648.70		
17	July	\$1,001,840.73		
18	August	\$1,001,840.73		
19	September	\$1,001,840.73		
20	October	\$1,002,025.21		
21	November	\$1,002,025.21		
22	December 2017	\$1,002,025.21	\$12,021,443.37	Total 2017 \$12,021,443.37
23				
24	January 2018	\$1,002,428.50		
25	February	\$1,002,428.50		
26	March	\$1,002,428.50		
27	April	\$1,002,473.59		
28	May	\$1,002,473.59		
29	June	\$1,002,473.59		
30	July	\$1,002,514.88		
31	August	\$1,002,514.88		
32	September	\$1,002,514.88		
33	October	\$1,002,614.04		
34	November	\$1,002,614.04		
35	December 2018	\$1,002,614.04	\$12,030,093.03	Total 2018 \$12,030,093.03
36				
37	January 2019	\$1,002,960.39		
38	February	\$1,002,960.39		
39	March	\$1,002,960.39		
40	April	\$1,002,960.39		
41	May	\$1,002,960.39		
42	June	\$1,002,960.39		
43	July	\$1,002,960.39		
44	August	\$1,002,960.39		
45	September	\$1,002,960.39		
46	October	\$1,002,960.39		
47	November	\$1,002,960.39		
48	December 2019	\$1,002,960.39	\$12,035,524.68	Total 2019 \$12,035,524.68
49				

EAST KENTUCKY POWER COOPERATIVE, INC.

PSC CASE NO. 2021-00103

REQUEST FOR INFORMATION RESPONSE

**COMMISSION STAFF'S PH REQUEST FOR INFORMATION DATED 8/5/21
REQUEST 7**

RESPONSIBLE PERSON: Michelle K. Carpenter

COMPANY: East Kentucky Power Cooperative, Inc.

Request 7. Refer to the Application, Exhibit ISS-1, Schedule 1.26. Provide a schedule that breaks out the \$7,244,148 balance of 2019 Spurlock Maintenance expenses set forth in Schedule 1.26. Provide the schedule in Excel spreadsheet format with all formulas, columns, and rows unprotected and fully accessible.

Response 7. Please refer to the summary below and corresponding Excel spreadsheet *PH DR Response 7.xlsx* for Spurlock maintenance projects completed in 2019 that were granted regulatory asset treatment by RUS.

Minor Items of Property:

Spurlock Unit 2 Condenser Tube Sheet/Coating Replacement	\$ 561,450
Spurlock Unit 2 2C Mill & Gearbox Overhaul	1,587,412
Spurlock Unit 4 Air Heater Modules	1,929,792
Spurlock Unit 4 Vortex Finders	1,077,805

Major Maintenance:

Spurlock Unit 4 Major	<u>2,087,725</u>
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Total \$ 7,244,184

EAST KENTUCKY POWER COOPERATIVE, INC.

PSC CASE NO. 2021-00103

REQUEST FOR INFORMATION RESPONSE

**COMMISSION STAFF'S PH REQUEST FOR INFORMATION DATED 8/5/21
REQUEST 8**

RESPONSIBLE PERSON: Ann F. Bridges

COMPANY: East Kentucky Power Cooperative, Inc.

Request 8. Refer to Staff Hearing Exhibit 6. Provide a copy of the letter from Michael A. McNalley to the United States Department of Agriculture Rural Utility Service (RUS), dated January 22, 2020, that was referenced by RUS in its January 30, 2020 response letter.

Response 8. Copies of the requested information are provided on pages 2 through 12 of 12 of this response.



January 22, 2020

Victor Vu, Deputy Assistant Administrator
Rural Utilities Service
United States Department of Agriculture
Office of Portfolio Management and Risk Assessment
1400 Independence Avenue, S.W.
STOP: 1568, Room 0270
Washington, DC 20250-1568

Dear Mr. Vu,

Please find enclosed EKPC's request for RUS approval to establish a regulatory asset for major maintenance-related costs incurred at Spurlock Station in 2019.

In late 2019, East Kentucky Power Cooperative discussed with RUS an application EKPC had filed with the Kentucky Public Service Commission ("Commission") requesting broad authority to establish regulatory assets for the replacement of certain non-routine minor items of property and major maintenance meeting specified criteria without advance approval from the Commission (Case No. 2019-00146). On December 20, 2019, the Commission denied EKPC's request as submitted and stated that RUS is the more appropriate party to address departures from the Uniform System of Accounts given RUS has prescribed procedures in 7 CFR 1767.13 for such departures and EKPC must satisfy the debt covenants established by RUS.

Based on our discussions with RUS to date, we understand that a broad authorization to establish regulatory assets, as we had requested from the Commission, would not meet RUS guidelines. Accordingly, our request for RUS approval does not request broad authority as outlined in PSC Case No. 2019-00146. Instead, this request is consistent with our discussions with RUS and conforms to our understanding of RUS's guidelines.

Thank you for your consideration in this matter. If you have any questions or require additional information, please contact me at (859) 745-9209 or michael.mcnalley@ekpc.coop.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Michael A. McNalley', is written over a light blue horizontal line.

Michael A. McNalley
Executive Vice President and CFO

cc: David Smart



January 22, 2020

Rural Utilities Service
United States Department of Agriculture
Office of Portfolio Management and Risk Assessment
1400 Independence Avenue, S.W.
STOP: 1568, Room 0270
Washington, DC 20250-1568

Attention: Victor Vu, Deputy Assistant Administrator

RE: East Kentucky Power Cooperative, Inc. ("EKPC") – Section 6.6 Request for Approval to Establish Regulatory Assets Pursuant to ASC 980

On January 22, 2020 the Board of Directors of EKPC authorized management to seek regulatory asset treatment, pursuant to Accounting Standards Codification 980, *Regulated Operations* ("ASC 980"), for certain maintenance costs incurred at Spurlock Station that would otherwise be charged to expense in the amount of \$7,244,184, amortize the regulatory asset over eight years, and recover the amortization expense in future rates. A copy of the EKPC board resolution is attached as Exhibit I.

In accordance with (i) Section 6.6 of that certain Third Amended and Restated Loan Contract, dated as of December 21, 2018 (the "RUS Loan Contract"), between EKPC and the United States of America, acting by and through the Administrator of the Rural Utilities Service ("RUS"), and (ii) the requirements of 7 CFR 1767.13(d), Accounting Requirements for RUS Electric Borrowers – Departures from the Prescribed RUS System of Accounts, EKPC respectfully requests RUS approval to establish a regulatory asset in the amount of \$7,244,184 for certain maintenance expenses incurred in 2019 related to the replacement of high-cost, non-routine minor items of property and major maintenance projects. A listing of the projects is attached as Exhibit II.

Background Information on the Proposed Accounting Treatment:

Regulatory assets serve a vital role in managing the accounts of a utility as they help match revenues and expenses and offset the impact of margin volatility associated with the regulatory lag that occurs between when allowable costs are incurred and when the next rate-making action takes place.

As outlined in the RUS Uniform System of Accounts (the "USoA"), all utility property consist of retirement units and minor items of property. Retirement units are considered major components that are separately identified on EKPC's books. Minor items of property are the associated parts

4775 Lexington Rd. 40391
P.O. Box 707, Winchester,
Kentucky 40392-0707

Tel. (859) 744-4812
Fax: (859) 744-6008
www.ekpc.coop

or items of which the retirement units are composed. When minor items of depreciable property are replaced independently of the retirement unit of which it is a part, the cost of replacement must be charged to the maintenance expense account appropriate for the item unless it constitutes a betterment. EKPC anticipates the need to replace high-cost, non-routine minor items of property that in the absence of a regulatory deferral will be required to be expensed under the USoA. EKPC also periodically incurs major maintenance expenses associated with the inspection and repair or replacement of minor components of the combustion turbines, steam turbines, and their associated generators. These inspections are performed as specified by original equipment manufacturers or as required based upon observed equipment condition. These projects, which are costly in nature, must also be expensed when incurred. As EKPC's power plants age, the costs to keep them operational are becoming higher and occurring more frequently than in the past. Therefore, EKPC anticipates these types of projects could result in regular requests for regulatory asset treatment in the future.

EKPC used the following criteria in identifying maintenance projects to seek regulatory asset treatment: (1) the replacement of minor items of property is in the amount of \$500,000 or greater due to unanticipated equipment failures or obsolescence; and (2) major maintenance costs of at least \$1,500,000, which are not expected to recur for at least five years. The resulting projects are listed in Exhibit II.

Journal Entries

Exhibit III attached hereto provides an example of the journal entries expected to be made to establish a regulatory asset and record the subsequent period amortization. To simplify accounting records, EKPC proposes to establish a single regulatory asset for the group of projects listed in Exhibit II and expense the regulatory asset over eight years, which approximates the minimum cycle of major maintenance activities and expected period of benefit for the group of projects. However, the amortization of the regulatory asset will be charged to the maintenance accounts of each respective unit.

Request for Approval

EKPC respectfully requests the approval of the RUS to establish a regulatory asset totaling \$7,244,184 for the projects identified in Exhibit II, which represent the replacement of minor items of property and major maintenance incurred in 2019 meeting the criteria described herein, and amortize said regulatory asset over eight years. If RUS has not delivered to EKPC notice of its determination otherwise or notifies EKPC that specific additional information is required for RUS to make a determination (all notices from the RUS to be given in writing before the expiration of the 30-day period), at the end of the 30-day period required by Section 6.6 of the RUS Loan Contract EKPC's request to proceed with the Proposed Accounting Treatment shall be deemed approved by RUS for purposes of the RUS Loan Contract, the "Indenture," the "RUS Regulations" (as such terms may be defined in the RUS Loan Contract) and otherwise without any further review or action by, or approval from, RUS.

If you have any questions or require additional information, please contact me at (859) 745-9209
or michael.mcnalley@ekpc.coop.

Sincerely,



Michael A. McNalley
Executive Vice President and CFO

cc: David Smart

EKPC
Exhibit I
Resolution

**FROM THE MINUTE BOOK OF PROCEEDINGS
OF THE BOARD OF DIRECTORS OF
EAST KENTUCKY POWER COOPERATIVE, INC.**

At a special meeting of the Board of Directors of East Kentucky Power Cooperative, Inc. held at the Marriott Louisville Downtown, 280 West Jefferson Street, located in Louisville, Kentucky, on Wednesday, January 22, 2020, at 7:30 a.m., EST, the following business transacted:

Request Approval of Regulatory Asset Treatment of Certain Maintenance Expenses Incurred in 2019, and to File an Application with the Rural Utilities Service for Accounting Authorization

After review of the applicable information, Alan Ahrman made a motion to approve the Regulatory Asset Treatment of Certain Maintenance Expenses Incurred in 2019, and to File an Application with the Rural Utilities Service for Accounting Authorization, seconded by Tim Eldridge, and passed by the Board to approve the following:

Whereas, In 2019, EKPC completed major maintenance projects and the replacement of high cost minor items of Property (“Major Maintenance”) at Spurlock Station totaling \$7,244,184 that are required to be expensed under the Rural Utilities Service (“RUS”) Uniform System of Accounts (“USoA”) and generally accepted accounting principles unless a regulatory asset is established;

Whereas, Because Major Maintenance expenses are not incurred routinely, it is desirable to establish a regulatory asset and recognize these additional costs over eight years, which approximates the minimum expected cycle of major maintenance activities and expected period of benefit;

Whereas, Accounting Standards Codification (ASC) 980, Regulated Operations, enables a regulated entity to capitalize costs that would otherwise be expensed by establishing a regulatory asset if it is probably that such costs will be recovered in future rates;

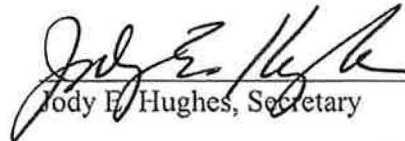
Whereas, RUS approval must be obtained for regulatory asset treatment of these types of maintenance projects to ensure that EKPC can recover the expense through rates;

Resolved, The EKPC Board hereby authorizes the Chief Financial Officer, or his designee, to take all necessary actions to account for Spurlock Station’s 2019 Major Maintenance projects totaling \$7,244,184 as a regulatory asset and recognize the amount as expense over eight years; and

Resolved. The EKPC Board hereby authorizes the Chief Financial Officer, or his designee, to seek regulatory authorization from the RUS to establish a regulatory asset in the amount of \$7,244,184 for Major Maintenance incurred at Spurlock Station in 2019, amortize the regulatory asset over eight years, and recover the amortization expense in future rates.

The foregoing is a true and exact copy of a resolution passed at a meeting called pursuant to proper notice at which a quorum was present and which now appears in the Minute Book of Proceedings of the Board of Directors of the Cooperative, and said resolution has not been rescinded or modified.

Witness my hand and seal this 22nd day of January 2020.


Jody E. Hughes, Secretary

Corporate Seal

EKPC

Exhibit II

Maintenance Projects Completed in 2019 Recommended for Regulatory Asset Treatment

Completed Maintenance Projects Recommended for Regulatory Asset Treatment

For the Year Ended December 31, 2019

Minor Items of Property:

Spurlock Unit 2 Condenser Tube Sheet/Coating Replacement	\$	561,450
Spurlock Unit 2 2C Mill & Gearbox Overhaul		1,587,412
Spurlock Unit 4 Air Heater Modules		1,929,792
Spurlock Unit 4 Vortex Finders		1,077,805

Major Maintenance:

Spurlock Unit 4 Major		<u>2,087,725</u>
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Total	\$	<u><u>7,244,184</u></u>
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EKPC

Exhibit III

Sample Journal Entries to Record and Amortize Regulatory Asset

Sample Journal Entries to Record and Amortize the Proposed Regulatory Asset

To record a regulatory asset for Spurlock Station 2019 major maintenance

Account Number	Account Description	Debit	Credit
182300	Other Regulatory Asset-Spurlock 2019 Major	7,244,184	
512000	Maintenance of Boiler Plant-SP02		1,587,412
512000	Maintenance of Boiler Plant-SP04		3,007,597
513000	Maintenance of Electric Plant-SP02		561,450
513000	Maintenance of Electric Plant-SP04		2,087,725
		7,244,184	7,244,184

To record annual amortization of 2019 Spurlock Station regulatory asset over eight years (beginning in 2020)

512000	Maintenance of Boiler Plant-SP02	198,426	
512000	Maintenance of Boiler Plant-SP04	375,950	
513000	Maintenance of Electric Plant-SP02	70,181	
513000	Maintenance of Electric Plant-SP04	260,966	
182300	Other Regulatory Asset-Spurlock 2019 Major		905,523
		905,523	905,523

EAST KENTUCKY POWER COOPERATIVE, INC.

PSC CASE NO. 2021-00103

REQUEST FOR INFORMATION RESPONSE

**COMMISSION STAFF'S PH REQUEST FOR INFORMATION DATED 8/5/21
REQUEST 9**

RESPONSIBLE PERSON: Richard J. Macke

COMPANY: East Kentucky Power Cooperative, Inc.

Request 9. Refer to Richard J. Macke's Rebuttal Testimony, Exhibits RJM-4 and RJM- 5.

Request 9a. Provide Exhibit RJM-4 in a schedule containing supporting calculations in Excel spreadsheet format with all formulas, columns, and rows unprotected and fully accessible.

Response 9a. Please see the Excel spreadsheet *PH DR Response 9a Rebuttal Exh RJM-4 CONFIDENTIAL.xlsx*, which is being filed subject to a request for confidential treatment. Specifically, refer to Tabs "AED Plant Ex ESC," "AED Labor," "AED Depr Ex ESC," "AED RateBase Ex ESC," "AED RevReq Ex ESC," "AED Alloc Factor," and "AED Cost Alloc Ex ESC."

Request 9b. Provide Exhibit RJM-5 in a schedule containing supporting calculations in Excel spreadsheet format with all formulas, columns, and rows unprotected and fully accessible.

Response 9b. Please see the Excel spreadsheet *PH DR Response 9b Rebuttal Exh RJM-5 CONFIDENTIAL.xlsx*, which is being filed subject to a request for confidential treatment. Specifically, refer to Tabs “Summary Comparison” and “Revenue Calcs by Rate.”

EAST KENTUCKY POWER COOPERATIVE, INC.

PSC CASE NO. 2021-00103

REQUEST FOR INFORMATION RESPONSE

**COMMISSION STAFF'S PH REQUEST FOR INFORMATION DATED 8/5/21
REQUEST 10**

RESPONSIBLE PERSON: Richard J. Macke

COMPANY: East Kentucky Power Cooperative, Inc.

Request 10. Provide a billing analysis of the allocation of the proposed Stipulation and Settlement Agreement revenue increase, including the allocation of revenue to each rate class and to each of EKPC's Owner-Members, by rate component (i.e., kWh, customer, demand).

Response 10. Please see the Excel spreadsheet *PH DR Response 10 Settle Rate Design CONFIDENTIAL.xlsx*, which is being filed subject to a request for confidential treatment. Specifically, refer to Tab "Summary by Rate by Member" and the applicable detailed rate schedule tabs in the "SA" series.

EAST KENTUCKY POWER COOPERATIVE, INC.

PSC CASE NO. 2021-00103

REQUEST FOR INFORMATION RESPONSE

**COMMISSION STAFF'S PH REQUEST FOR INFORMATION DATED 8/5/21
REQUEST 11**

RESPONSIBLE PERSON: Ann F. Bridges

COMPANY: East Kentucky Power Cooperative, Inc.

Request 11. Provide the projected budgeted generation maintenance expense for the next five calendar years.

Response 11. The projected budgeted generation maintenance expense for the next five calendar years is not available. As noted in EKPC's response to the initial data request of the AG and Nucor, Request 6, the 2022 and 2023 budgets are currently being developed; these budgets will be finalized and approved in either November or December 2021. As noted in EKPC's response to the initial data request of the AG and Nucor, Request 72d, EKPC's most recently approved financial forecast was in 2019; this data is now stale. EKPC will be compiling a new financial forecast beginning with the preparation of the 2022 budget and preparing for the April 2022 Integrated Resource Plan filing.