

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

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

**RESPONSES OF NUCOR STEEL GALLATIN TO  
EAST KENTUCKY POWER COOPERATIVE, INC's INITIAL DATA REQUESTS**

1. Provide a copy of the following tables and exhibits included in the Direct Testimony of Stephen J. Baron ("Baron Testimony") in Excel spreadsheet format with all formulas, columns, and rows unprotected and fully accessible:
  - a. Table 4, page 28; Table 5, page 33; Table 6, page 34; and Table 7, page 35.
  - b. Baron Exhibits SJB-3; SJB-5; and SJB-7 through SJB-10.

In addition, clearly list all assumptions and include copies of all supporting documents utilized in the development of the Excel spreadsheets.

**RESPONSE:**

- a-b. **See attached workpapers of Mr. Baron, which include both public and Confidential documents. There are no workpapers for Exhibit SJB-7 because it is simply an excerpt from Macke's exhibit RJM-2.**

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2. Please refer to the Baron Testimony, page 35, Table 7. Please explain why Mr. Baron did not propose a set of rates reflecting his recommended rate class revenue increases. If Mr. Baron has developed a set of proposed rates reflecting his recommended rate class revenue increases, please provide them.

**RESPONSE:**

**Mr. Baron did not address specific rate design proposals of EKPC, except for the Nucor Gallatin 10-minute notice interruptible credit. He therefore did not design rates reflecting his proposed revenue allocation. Once the Commission determines the overall revenue increase (or decrease) for EKPC, and the revenue allocation, EKPC would then be able to design rates reflecting the Commission's decision.**

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3. On page 35, at lines 7 through 11 Mr. Baron discusses how a Commission authorized revenue increase that is lower than that proposed by EKPC should be handled.
  - a. Was Mr. Baron aware that his associate and colleague, Mr. Lane Kollen, has proposed a revenue reduction for EKPC?
  - b. Please explain why there is no mention of Mr. Kollen's recommendations in Mr. Baron's direct testimony.

**RESPONSE:**

- a. Yes.
- b. **Mr. Baron did not address EKPC's overall revenue requirement and therefore did not discuss Mr. Kollen's recommendation.**

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4. Please refer to the Baron Testimony, pages 40 through 43.
  - a. Concerning the current 10-minute interruptible service credit of \$6.22 per kW, confirm that Mr. Baron sponsored testimony in EKPC's 2010 rate case supporting a \$6.22 per kW interruptible credit rate.
  - b. Confirm that the calculation of that \$6.22 per kW interruptible credit rate was based on the avoided cost of a simple cycle combustion turbine adjusted to reflect reserves.
  - c. Concerning the PJM Net Cone rate, please provide Mr. Baron's understanding of what the PJM Net Cone rate represents and indicate if this value is a market price.
  - d. During the test year, the 10-minute interruptible load was 120,000 kW per month or 1,440,000 kW for the year. The difference between the current 10-minute interruptible credit and Mr. Baron's suggested rate is \$1.35 per kW. Confirm that Mr. Baron's proposed increase in the 10-minute interruptible credit represents an additional annual reduction in EKPC revenues of \$1,944,000.

**RESPONSE:**

- a. **Confirmed.**
- b. **Confirmed.**
- c. **Mr. Baron understands PJM's Net CONE rate to be the revenue requirement per MW-day of a new combustion turbine, less revenues that can be expected from market-based energy margins (LMP compared to the production cost per MWh of the combustion turbine) and ancillary service revenues. These revenues (Net E&AS offset) are calculated for each PJM member in PJM's Delivery Year Planning Parameters. The Net CONE values are used to determine the Variable Resource Requirement curve in the Base Residual Auction. Net CONE is therefore similar conceptually to the calculation of avoided capacity cost presented by EKPC witness Isaac Scott in his Exhibit ISS-3 in this case. While it is not a market price, it is a cost-based calculation used by PJM to set the market price of capacity in PJM for Reliability Pricing Model participants, such as EKPC.**
- d. **Confirmed.**

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5. Please refer to the Baron Testimony, page 43, lines 5 through 7. Mr. Baron states “Even if the 10-minute interruptible credit fully off-sets the firm demand charge this interruptible load will contribute to EKPC’s fixed costs in three ways. . . . Second, the 10-minute interruptible load pays the full environmental surcharge, including the fixed cost portion.” EKPC’s environmental surcharge mechanism utilizes a percentage of revenue approach in its application. The monthly surcharge factor is multiplied by the applicable revenues to determine the surcharge billed to the customer. If the 10-minute interruptible credit fully offsets the firm demand charge for that load, the revenues for that portion of the load would be \$0. Please explain in detail how Mr. Baron concludes that the 10-minute interruptible load pays the full environmental surcharge if the revenues from that load are \$0.

**RESPONSE:**

**Mr. Baron agrees that if the 10-minute notice interruptible credit equals the demand charge, there would be no environmental surcharge revenue associated with the stated 10-minute interruptible demand charge; however, because the energy charge that is imposed on all of the energy from the 10-minute interruptible load includes a significant portion of the demand costs associated with the 10-minute interruptible load, there will continue to be ESC revenues associated with the 10-minute notice interruptible load. In addition, as a result of the very substantial expansion of the Nucor Gallatin load, there will be additional ESC revenues produced that will serve to reduce the ESC charges to all customers.**

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6. Please refer to the Direct Testimony of Barry J. Kornstein (“Kornstein Testimony”), Exhibit BJK-1. Please provide copies of:
- a. “The Estimated Local, Regional, and Statewide Economic and Fiscal Impacts of the Nucor Steel Brandenburg Plate Mill, Meade County, Kentucky,” for Boehm, Kurtz & Lowry (Cincinnati, OH) supporting document and testimony for Public Utility Commission of Kentucky case, October 2019, 14 pages.
  - b. “The Estimated Local, Regional, and Statewide Economic and Fiscal Impacts of an Expansion of the North Star Bluescope Plant, Fulton County, Ohio,” for Boehm, Kurtz & Lowry (Cincinnati, OH) supporting document and testimony for Public Utility Commission of Ohio case, March 2019, 18 pages.
  - c. “The Differential Economic Importance of Industries in Kentucky and the LG&E Service Area and Its Relation to Electricity Usage,” for Boehm, Kurtz & Lowry (Cincinnati, OH) supporting document and testimony for Public Utility Commission of Kentucky case, January 2019, 11 pages.
  - d. “The Differential Economic Importance of Industries in Kentucky and the Kentucky Utilities Service Area and Its Relation to Electricity Usage,” for Boehm, Kurtz & Lowry (Cincinnati, OH) supporting document and testimony for Public Utility Commission of Kentucky case, January 2019, 12 pages.
  - e. “The Estimated Local and Statewide Economic and Fiscal Impacts of the AK Steel Middletown Works Plant, Butler County, Ohio,” for Boehm, Kurtz & Lowry (Cincinnati, OH) supporting document and testimony for Public Utility Commission of Ohio case, October 2017, 15 pages.
  - f. “The Differential Economic Importance of Industries in Kentucky and the Southeastern Part of the State and Its Relation to Electricity Usage,” for Boehm, Kurtz & Lowry (Cincinnati, OH) supporting document and testimony for Public Utility Commission of Kentucky case, October 2017, 12 pages.

**RESPONSE:**

**See attached.**

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7. Please refer to the Kornstein Testimony, Exhibit BJK-2, "The Estimated Local, Regional, and Statewide Economic and Fiscal Impacts of the Nucor Steel Gallatin Plant, Gallatin County, Kentucky." Throughout this report Mr. Kornstein notes the information used in the analysis was provided by the Nucor Corporation or Nucor Steel Gallatin. Did Mr. Kornstein perform an independent verification of any of this provided data? If the response is "yes", please describe what data was independently verified by Mr. Kornstein.

**RESPONSE**

**Nucor Steel Gallatin provided an Excel spreadsheet containing thousands of individual entries which I was told are direct translations from their accounting software. These include 47,636 vendor transactions divided into numerous categories and subcategories for type of product or service purchased, along with vendor name and short description of the product or service, 20,156 transactions related to the purchase of scrap metal, 1,025 transactions related to the purchase of alloys, 3,842 transactions related to the purchase of fluxes, 62 transactions related to the purchase of electrodes, 122,676 transactions related to freight services or outside processing of scrap materials, and 5,400 transactions related to the construction and capital equipment needs of the latest expansion. There is no reason to believe these accounting entries are inaccurate.**

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8. Please refer to Exhibit BJK-2, page 1.
  - a. Please confirm that the value of Nucor Gallatin's output of steel plate is expected to be approximately \$1.92 billion when the current expansion is fully operational in 2022.
  - b. Are electric purchases from EKPC/Owen Electric included within Mr. Kornstein's calculation of supply chain expenditures?

**RESPONSE**

- a. **According to correspondence with and data provided by Nucor Steel Gallatin gross sales for the year ending March 2021 were approximately \$960 million. The current expansion is expected to double the number of tons the plant can produce. Assuming stable prices, that would mean the value of output when fully operational is expected to be about \$1.92 billion.**
- b. **Yes.**



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9. In undertaking Mr. Kornstein's economic impact analysis, please state what specific costs to achieve the stated economic values were taken into account.

**RESPONSE**

**All input costs were taken into account. The IMPLAN modeling software takes into account all the inputs of each industry. Each industry in IMPLAN has an associated production function which describes the spending of that industry on all commodity inputs across 546 types of commodities. The detailed information from Nucor Steel Gallatin was used to customize the production function so that it better fit the unique characteristics of Nucor Steel Gallatin. Every type of commodity purchase one might expect in this industry was therefore take into account.**

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10. In undertaking Mr. Kornstein's economic impact analysis, please state whether any incentives paid, awarded or made available to Nucor or its affiliates were taken into account.

**RESPONSE**

**No, they were not. This is strictly an analysis of the impacts derived from the operation of the plant (and the construction and equipping of the current expansion). This is the type of analysis one can use to gauge the appropriateness of incentives.**

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11. Please refer to Exhibit BJK-2, page 6, where Mr. Kornstein lists the 16 Kentucky counties that comprise the I-64 – Ohio River – I-75 triangle. Confirm that electric service in each of the 16 counties is provided by both an investor-owned electric utility as well as an owner-member cooperative of EKPC.

**RESPONSE**

**I am not aware whether electric service in the 16 referenced counties is provided by an investor-owned electric utility, rural cooperative or municipal utility, and that distinction does not affect my analysis.**

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12. Please refer to Exhibit BJK-2, page 7, the table showing the commuting patterns for the employees of the existing plant and galvanizing facility. Based on the information in this table:
- a. Confirm that approximately 70% of the total existing plant workforce reside in Kentucky counties while approximately 30% of the total existing plant workforce reside in Indiana or another state.
  - b. Confirm that approximately 53% of the galvanizing facility workforce reside in Kentucky counties while approximately 47% of the galvanizing facility workforce reside in Indiana.
  - c. Confirm that approximately 68% of the combined existing plant and galvanizing facility workforce reside in Kentucky counties while approximately 32% of the combined existing plant and galvanizing facility workforce reside in Indiana or another state.
  - d. Based on this commuting pattern data, would Mr. Kornstein agree that almost a third of the benefits from the residency of Nucor Steel Gallatin employees is outside of Kentucky?

**RESPONSE**

- a. **According to the data provided by Nucor Steel Gallatin, yes.**
- b. **According to the data provided by Nucor Steel Gallatin, yes.**
- c. **According to the data provided by Nucor Steel Gallatin, yes.**
- d. **No. My analysis includes only the impacts within Kentucky. The results are derived solely from the wages and benefits paid to Kentucky residing employees and plant spending at suppliers located in Kentucky. The wages and benefits and spending of employees residing in other states has been excluded from the analysis. In fact, because these employees undoubtedly spend money in Kentucky, the analysis slightly underestimates the impact of the plant operations in Kentucky. The analysis already takes into account the "leakage" of spending outside of Kentucky.**

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13. Please refer to Exhibit BJK-2, page 8, the table showing vendor locations. The data in the table indicates that purchases from vendors located in Kentucky reflect 34.9% of total vendor purchases for the existing plant and 14.8% for the galvanizing facility. Confirm that, on a combined existing plant and galvanizing facility basis, purchases from vendors located in Kentucky reflect 33.9% of total vendor purchases.

**RESPONSE**

**According to the data provided by Nucor Steel Gallatin, yes.**

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14. Please refer to Exhibit BJK-2, pages 10 through 16. In the tables included in this part of Mr. Kornstein's report it is stated that between 85% and 97% of the identified indirect and induced impacts occur within the 16 county triangle. The owner-member cooperatives of EKPC distribute electricity to customers in 87 Kentucky counties, including all 16 counties in the I-64 – Ohio River – I-75 triangle.
- a. Do the 71 counties served by EKPC's owner-members outside of the triangle share equally the remaining 15% to 3% identified indirect and induced impacts from the Nucor Steel Gallatin operations? Please explain the response.
  - b. Would Kentucky counties like Hart, Whitley, Johnson, and Greenup experience a share of the identified indirect and induced impacts from the Nucor Steel Gallatin operations? Please explain the response.

**RESPONSE**

- a. **I have no way of knowing from my analysis. It all depends on the supplier linkages, including the supply chains of the Nucor Steel Gallatin vendors. This is likely related to the commodities and services available for purchase at businesses in each county, and possibly to the distance from the Nucor Steel Gallatin plant.**
- b. **I have no way of knowing from my analysis. It all depends on the supplier linkages, including the supply chains of the Nucor Steel Gallatin vendors. This is likely related to the commodities and services available for purchase at businesses in each county, and possibly to the distance from the Nucor Steel Gallatin plant.**

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15. Please refer to Exhibit BJK-2. Please provide a copy of Mr. Kornstein's supporting workpapers or other documents used to justify Mr. Kornstein's analysis and conclusions.

**RESPONSE**

**My workpapers are attached.**

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16. Please refer to the corrected Direct Testimony of Cathy Waddell ("Waddell Testimony"). Given that it has been over a decade since EKPC's last increase in base rates, would Nucor prefer that EKPC file more frequent base rate cases seeking smaller rate increases in the future?

**RESPONSE**

**To Ms. Waddell's knowledge, Nucor does not have a preference on this matter.**



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17. Please refer to the Waddell Testimony, page 3. According to the Nucor Corporation website, there are five flat rolled sheet steel plants in the United States. These are Nucor Steel Indiana at Crawfordsville, Indiana; Nucor Steel Berkeley at Huger, South Carolina; Nucor Steel Arkansas at Blytheville, Arkansas; Nucor Steel Decatur at Trinity, Alabama; and Nucor Steel Gallatin at Ghent, Kentucky.
- a. Based on plant facility square footage, confirm that Nucor Steel Gallatin is the smallest of the five plants.
  - b. After the completion of the \$650 million expansion, provide the total plant facility square footage.
  - c. For each expansion plant component listed on lines 12 through 14, provide the estimated additional load in MWs.

**RESPONSE**

- a. Nucor does not measure the size of a steel-making facility based on square footage but based on furnace capacity. Based on furnace capacity, Nucor Steel Gallatin is currently the smallest of the five plants.**
- b. After the completion of the \$650 million expansion, the total plant facility capacity will be approximately 3,000,000 tons per year.**
- c. The plant expansion project is expected to add an additional 195 MWs.**

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18. For the flat rolled sheet steel plants in Crawfordsville, Indiana; Huger, South Carolina; Blytheville, Arkansas; and Trinity, Alabama, please provide the following information as of the billing month that applied to service rendered for the month of December 2019 and June 2020:
- a. The demand and energy rates for each of the plants. Include separately all demand and energy credits as well as economic development incentives received by each plant.
  - b. The total net cost of electricity paid by each of the plants on a dollar per megawatthour (MWh) basis.
  - c. Copies of any applicable tariffs or special contracts for each plant.

**RESPONSE**

**Nucor objects to this Data Request on the grounds that it: 1) seeks information that is irrelevant and not reasonably calculated to lead to the discovery of admissible evidence. The electric rates and economic development incentives received by Nucor's plants in Indiana, South Carolina, Arkansas, and Alabama have no bearing on whether the rates proposed by EKPC in this proceeding are fair, just, and reasonable consistent with Kentucky law; 2) is harassing, unduly burdensome, and overbroad since the information sought is irrelevant and outside of the scope of Ms. Waddell's job responsibilities; 3) calls for information not within Ms. Waddell's current possession, custody, or control; and 4) seeks information that is proprietary, competitively sensitive or valuable, and constitutes trade secrets since the information sought could reveal the specific electric rates paid by each Nucor plant.**

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19. For Gallatin Steel Company, please identify:

- a. The amount, date and description of any incentive awarded to it by the Commonwealth of Kentucky or any political subdivision thereof; and
- b. The amount, date and description of any incentive awarded to it by any local government.

**RESPONSE**

**Nucor objects to this Data Request on the grounds that it: 1) seeks information that is irrelevant and not reasonably calculated to lead to the discovery of admissible evidence since financial incentives received by Gallatin Steel Company have no bearing on whether the rates proposed by EKPC in this proceeding are fair, just, and reasonable consistent with Kentucky law; 2) is harassing, unduly burdensome, and overbroad since the information sought is irrelevant and outside of the scope of Ms. Waddell's job responsibilities; 3) calls for information not within Ms. Waddell's current possession, custody, or control; and 4) seeks information that is proprietary, competitively sensitive or valuable, and constitutes trade secrets. Without waiving such objections, economic development incentives available within the Commonwealth of Kentucky are described on the Kentucky Cabinet for Economic Development website: <https://ced.ky.gov/>**

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20. For Republic Conduit Manufacturing, LLC, please identify:

- a. The amount, date and description of any incentive awarded to it by the Commonwealth of Kentucky or any political subdivision thereof; and
- b. The amount, date and description of any incentive awarded to it by any local government.

**RESPONSE**

**Nucor objects to this Data Request on the grounds that it: 1) seeks information that is irrelevant and not reasonably calculated to lead to the discovery of admissible evidence since financial incentives received by Republic Conduit Manufacturing, LLC have no bearing on whether the rates proposed by EKPC in this proceeding are fair, just, and reasonable consistent with Kentucky law; 2) is harassing, unduly burdensome, and overbroad since the information sought is irrelevant and outside of the scope of Ms. Waddell's job responsibilities; 3) calls for information not within Ms. Waddell's current possession, custody, or control; and 4) seeks information that is proprietary, competitively sensitive or valuable, and constitutes trade secrets. Without waiving such objections, economic development incentives available within the Commonwealth of Kentucky are described on the Kentucky Cabinet for Economic Development website: <https://ced.ky.gov/>**

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

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

**RESPONSES OF NUCOR STEEL GALLATIN TO  
EAST KENTUCKY POWER COOPERATIVE, INC's INITIAL DATA REQUESTS**

21. For Gallatin Steel Fabricators, LLC, please identify:

- a. The amount, date and description of any incentive awarded to it by the Commonwealth of Kentucky or any political subdivision thereof; and
- b. The amount, date and description of any incentive awarded to it by any local government.

**RESPONSE**

**Nucor objects to this Data Request on the grounds that it: 1) seeks information that is irrelevant and not reasonably calculated to lead to the discovery of admissible evidence since financial incentives received by Gallatin Steel Fabricators, LLC have no bearing on whether the rates proposed by EKPC in this proceeding are fair, just, and reasonable consistent with Kentucky law; 2) is harassing, unduly burdensome, and overbroad since the information sought is irrelevant and outside of the scope of Ms. Waddell's job responsibilities; 3) calls for information not within Ms. Waddell's current possession, custody, or control; and 4) seeks information that is proprietary, competitively sensitive or valuable, and constitutes trade secrets. waiving such objections, economic development incentives available within the Commonwealth of Kentucky are described on the Kentucky Cabinet for Economic Development website: <https://ced.ky.gov/>**

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

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

**RESPONSES OF NUCOR STEEL GALLATIN TO  
EAST KENTUCKY POWER COOPERATIVE, INC's INITIAL DATA REQUESTS**

22. For Nucor Steel Gallatin, LLC, please identify:
- a. The amount, date and description of any incentive awarded to it by the Commonwealth of Kentucky or any political subdivision thereof; and
  - b. The amount, date and description of any incentive awarded to it by any local government.

**RESPONSE**

- a. **Since the acquisition of the Gallatin facility by Nucor Corporation in 2014, Nucor Steel Gallatin LLC has made many annual capital investments and undertaken two major expansions resulting in the creation of new full-time jobs for Kentucky residents and a substantial additional investment in the Commonwealth for which incentives were offered. To incent these expansion projects to locate at the Nucor Steel Gallatin LLC facility, in 2018, the Commonwealth of Kentucky offered the following discretionary incentives under various programs pending successful completion and ongoing operation of the 2018 expansion in accordance with the terms of each program: (i) Kentucky Business Investment program; (ii) Kentucky Enterprise Initiative Act; (iii) Economic Development Bond Grant; (iv) Kentucky Transportation Cabinet Department of Highways funding; and (v) 30-year Industrial Revenue Bond state level property tax reduction. As of the date of this response, Nucor Steel Gallatin LLC has received approximately \$1,000,000 from the Kentucky Enterprise Initiative Act and has applied for additional approvals. The value of the Economic Development Bond Grant and Kentucky Transportation Cabinet Department of Highways funding was \$2,000,000. This funding was used to partially fund the construction of a tunnel under Highway 42, allowing shipping and plant transportation vehicles to travel underneath the Highway as opposed to crossing Highway 42, providing much needed safety benefits to the local community in addition to Nucor Steel Gallatin LLC. Because the terms related to the remaining incentives are dependent upon the completion of the expansions and the ongoing operations, the amount of the offered incentives awarded to Nucor Steel Gallatin LLC are not currently known.**
- b. **To incent the expansion projects to locate at the Nucor Steel Gallatin facility, in 2018, Gallatin County offered a 30-year Industrial Revenue Bond local level property tax reduction pending successful completion of the expansions in accordance with the terms of the program. Given that the expansions and terms related to such 30-year Industrial Revenue Bond local level property tax reduction are dependent upon the completion of the expansions and ongoing operations, the amount of the offered incentive awarded to Nucor Steel Gallatin LLC is not currently known.**

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

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

**RESPONSES OF NUCOR STEEL GALLATIN TO  
EAST KENTUCKY POWER COOPERATIVE, INC's INITIAL DATA REQUESTS**

23. For Nucor Corporation, please identify:

- a. The amount, date and description of any incentive awarded to it by the Commonwealth of Kentucky or any political subdivision thereof; and
- b. The amount, date and description of any incentive awarded to it by local government.

**RESPONSE**

**Nucor objects to this Data Request on the grounds that it: 1) seeks information that is irrelevant and not reasonably calculated to lead to the discovery of admissible evidence since financial incentives received by Nucor Corporation have no bearing on whether the rates proposed by EKPC in this proceeding are fair, just, and reasonable consistent with Kentucky law; 2) is harassing, unduly burdensome, and overbroad since the information sought is irrelevant and outside of the scope of Ms. Waddell's job responsibilities; 3) calls for information not within Ms. Waddell's current possession, custody, or control; and 4) seeks information that is proprietary, competitively sensitive or valuable, and constitutes trade secrets. Without waiving such objections, economic development incentives available within the Commonwealth of Kentucky are described on the Kentucky Cabinet for Economic Development website: <https://ced.ky.gov/>**

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

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

**RESPONSES OF NUCOR STEEL GALLATIN TO  
EAST KENTUCKY POWER COOPERATIVE, INC's INITIAL DATA REQUESTS**

24. For any other subsidiary or affiliate of Nucor Corporation that consumes electricity within the Commonwealth of Kentucky, please identify:
- a. The amount, date and description of any incentive awarded to it by the Commonwealth of Kentucky or any political subdivision thereof; and
  - b. The amount, date and description of any incentive awarded to it by any local government.

**RESPONSE**

**Nucor objects to this Data Request on the grounds that it: 1) seeks information that is irrelevant and not reasonably calculated to lead to the discovery of admissible evidence since financial incentives received by subsidiaries or affiliates of Nucor Corporation not addressed in the previous questions have no bearing on whether the rates proposed by EKPC in this proceeding are fair, just, and reasonable consistent with Kentucky law; 2) is harassing, unduly burdensome, and overbroad since the information sought is irrelevant and outside of the scope of Ms. Waddell's job responsibilities; 3) calls for information not within Ms. Waddell's current possession, custody, or control; and 4) seeks information that is proprietary, competitively sensitive or valuable, and constitutes trade secrets. Without waiving such objections, economic development incentives available within the Commonwealth of Kentucky are described on the Kentucky Cabinet for Economic Development website: <https://ced.ky.gov/>**



COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

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

**RESPONSES OF NUCOR STEEL GALLATIN TO  
EAST KENTUCKY POWER COOPERATIVE, INC's INITIAL DATA REQUESTS**

25. Please provide a copy of all 10-K and 10-Q filings tendered to the U. S. Securities and Exchange Commission by Nucor Corporation during 2018, 2019, and 2020.

**RESPONSE**

**Nucor objects to this Data Request because it seeks information that it publicly available. Without waiving such objection, please see attached.**

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

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

**RESPONSES OF NUCOR STEEL GALLATIN TO  
EAST KENTUCKY POWER COOPERATIVE, INC's INITIAL DATA REQUESTS**

26. Please refer to the Waddell Testimony, page 4. In summarizing the proposed EKPC revenue increases, Ms. Waddell states that “some customers are proposed to get no increase.”
- a. Provide the names of the customers Ms. Waddell is referencing in this statement.
  - b. If one of the customers listed in the response to part (a) is the Tennessee Gas Pipeline Company (“TGP”), confirm that EKPC disclosed in its response to the Attorney General and Nucor’s Initial Request for Information, Request 10, that there is no provision in the special contracts with TGP providing that the pricing of service can be adjusted during a base rate case proceeding.

**RESPONSE**

- a. **Ms. Waddell is referring to Tennessee Gas Pipeline Company.**
- b. **Nucor objects to this Data Request because it calls for a legal conclusion. Without waiving such objection, Ms. Waddell has not reviewed the Tennessee Gas Pipeline Company special contract referenced in the Data Request.**

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

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

**RESPONSES OF NUCOR STEEL GALLATIN TO  
EAST KENTUCKY POWER COOPERATIVE, INC's INITIAL DATA REQUESTS**

27. The Commission's decision in EKPC's previous base rate case proceeding was issued on January 14, 2011. Was Ms. Waddell aware that in the ten years since EKPC's last base rate case, the investor-owned electric companies in Kentucky have collectively filed 15 base rate cases, all seeking increases in revenues?

**RESPONSE**

**No.**

**AFFIDAVIT**

STATE OF GEORGIA        )

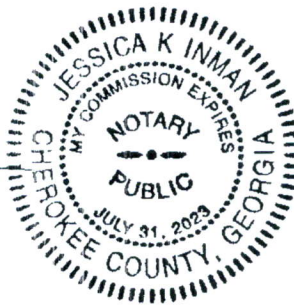
COUNTY OF FULTON       )

STEPHEN J. BARON, being duly sworn, deposes and states: that the attached is his sworn testimony and that the statements contained are true and correct to the best of his knowledge, information and belief.

*Stephen J. Baron*  
Stephen J. Baron

Sworn to and subscribed before me on this  
19~~th~~ day of July 2021.

*Jessica K. Inman*  
Notary Public



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

In the Matter:

THE 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

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**Case No. 2021-00103**

**AFFIDAVIT**

STATE OF Kentucky )  
COUNTY OF Gallatin )

Cathy Waddell, being duly sworn, deposes and states: that the attached is her sworn testimony and that the statements contained are true and correct to the best of her knowledge, information and belief.

Cathy Waddell  
Cathy Waddell

Subscribed and sworn to or affirmed before me  
this 9 day of July, 2021.

Cheryl Lester  
Notary Public KYNP 119

