

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF THE)	
APPLICATION OF THE FUEL ADJUSTMNET)	
CLAUSE OF EAST KENTUCKY POWER)	CASE NO.
COOPERATIVE, INC. FROM NOVEMBER 1, 2020)	2023-00009
THROUGH OCTOBER 31, 2022)	

**RESPONSES TO COMMISSION STAFF’S POST HEARING REQUEST FOR
INFORMATION TO EAST KENTUCKY POWER COOPERATIVE, INC.**

DATED 01/11/2024

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

AN ELECTRONIC EXAMINATION OF THE)
APPLICATION OF THE FUEL ADJUSTMENT)
CLAUSE OF EAST KENTUCKY POWER)
COOPERATIVE, INC. FROM NOVEMBER 1,)
2020 THROUGH OCTOBER 31, 2022)

CASE NO.
2023-00009

CERTIFICATE

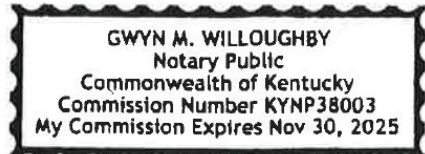
STATE OF KENTUCKY)
)
COUNTY OF CLARK)

Craig Johnson, 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 January 11, 2024, 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.

Craig Johnson

Subscribed and sworn before me on this 25th day of January 2024.

Gwyn M. Willoughby
Notary Public



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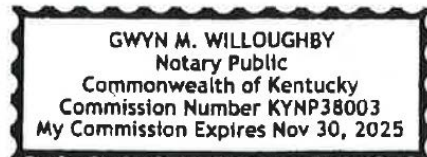
STATE OF KENTUCKY)
)
COUNTY OF CLARK)

Julia J. Tucker, being duly sworn, states that she has supervised the preparation of the responses of East Kentucky Power Cooperative, Inc. to the Commission Staff's Post-Hearing Request for Information in the above-referenced case dated January 11, 2024, and that the matters and things set forth therein are true and accurate to the best of her knowledge, information and belief, formed after reasonable inquiry.

Julia Tucker

Subscribed and sworn before me on this 25th day of January 2024.

Gwyn M. Willoughby
Notary Public



COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

AN ELECTRONIC EXAMINATION OF THE)
APPLICATION OF THE FUEL ADJUSTMENT)
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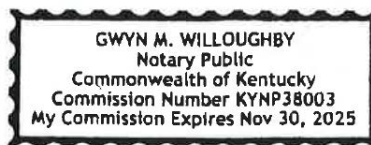
STATE OF KENTUCKY)
)
COUNTY OF CLARK)

Jacob Watson, 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 January 11, 2024, 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.

Jacob Watson

Subscribed and sworn before me on this 25th day of January 2024.

Gwyn Willoughby
 Notary Public



EAST KENTUCKY POWER COOPERATIVE, INC.
CASE NO. 2023-00009
POST HEARING REQUEST FOR INFORMATION RESPONSE

STAFF'S REQUEST DATED 01/11/2024

REQUEST 1

RESPONSIBLE PARTY: Craig Johnson

Request 1. For any correction made at the hearing to pre-filed testimony or responses to requests for information, file the corrected testimony or responses.

Response 1. In response to the Commission's First Request for Information, Response 14, Appendix B, page 5 of 163, there was a correction on Spurlock 2 for November 01, 2021. Actual hours were changed from "0" to "721". Please see attachments *FAC_DR1_Response14 – Clean.pdf* and *FAC_DR1_Response14-Strike Thru.pdf*.

EAST KENTUCKY POWER COOPERATIVE, INC.
CASE NO. 2023-00009
POST HEARING REQUEST FOR INFORMATION RESPONSE

STAFF'S REQUEST DATED 01/11/2024

REQUEST 2

RESPONSIBLE PARTY: Julia J. Tucker

Request 2. Provide a copy of PJM Manual 13: Emergency Operations and any instructions related to emergency operations or maximum emergency directions provided by PJM Interconnection, LLC (PJM) during the two-year period under review.

Response 2. Please see attachments *PJM Emergency Procedures 2020Nov01 – 2021Oct31.pdf* and *PJM Emergency Procedures 2021-2022Oct31.pdf*, *PJM Manual 13.pdf*.

EAST KENTUCKY POWER COOPERATIVE, INC.
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POST HEARING REQUEST FOR INFORMATION RESPONSE

STAFF'S REQUEST DATED 01/11/2024

REQUEST 3

RESPONSIBLE PARTY: Jacob Watson

Request 3. Refer to EKPC's response to Commission Staff's First Request for Information (Staff's First Request), Item 25(a).

Request 3a. Provide the full name for TGP.

Response 3a. Tennessee Gas Pipeline Company ("TGP").

Request 3b. Explain why TGP is noted as being excluded from the Fuel Adjustment Clause (FAC).

Response 3b. Per the contract with TGP, weekday peak energy from 0700 to 2300 Eastern Prevailing Time ("EPT"), excluding North American Electric Reliability Corporation's ("NERC") approved holidays, is priced on the basis of the AEP-Dayton Hub Daily Index as published by Platts Megawatt Daily, plus losses. Off peak energy from 2300 to 0700 EPT on weekdays, and all hours during weekends and NERC approved holidays, is priced at EKPC's Incremental Energy Cost plus losses. Through the pricing structure in TGP's contract, energy purchases and fuel costs

associated with energy purchased by TGP, is recovered directly from TGP and therefore not recovered through the FAC.

EAST KENTUCKY POWER COOPERATIVE, INC.
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STAFF'S REQUEST DATED 01/11/2024

REQUEST 4

RESPONSIBLE PARTY: Julia J. Tucker

Request 4. Refer to EKPC's response to Staff's First Request, Items 14 and 17 (Tab Aug. 22). Explain the conflict between the Item 14 response stating that Cooper 1 Generating Station was in a forced outage on August 26, 2022, and the Item 17 (Tab Aug. 22) response indicating economic dispatch at Cooper 1 Generating Station on August 26, 2022.

Response 4. There is no conflict in data reporting. The unit was dispatched, came on line as requested and then tripped due to a forced outage.

August 26, 2022:

02:47 Cooper 1 online.

06:02 Cooper 1 tripped offline. Begin forced outage.

August 27, 2023:

02:48 Cooper 1 forced outage ended. Generator is in reserve standby.

EAST KENTUCKY POWER COOPERATIVE, INC.
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STAFF'S REQUEST DATED 01/11/2024

REQUEST 5

RESPONSIBLE PARTY: Julia J. Tucker

Request 5. Refer to EKPC's Response to Commission Staff's Second Request for Information (Staff's Second Request), Item 1, page 2 of 4, first bullet point. Regarding FERC's approval of changes to PJM's ARR/FTR market, which affected the rules for costbased energy offers. EKPC's response states, "Generators must submit cost based offers that are consistent with their fuel cost policy. Generators are dispatched on their cost based offer if they are needed to relieve a transmission constraint and market power mitigation rules are triggered. The changes (1) require the costs included in the unit owner's Fuel Cost Policy to be 'verifiable and systematic' [...]."

Request 5a. Explain if generators were supposed to submit cost based offers prior to the FERC ruling. If not, then explain on what grounds the offers were based.

Response 5a. Generators were required to submit cost based energy market offers prior to the FERC ruling. PJM Operating Agreement, Schedule 2 details the requirements for cost-based energy market offers.

Request 5b. Explain if the ruling had any effect of standardizing fuel procurement policies across PJM generally.

Response 5b. EKPC does not have the detailed data to adequately answer this question. Fuel procurement practices are confidential to each market participant.

Request 5c. Explain if EKPC had to change any of its practices as a result of the change in PJM's ARR/FTR market.

Response 5c. EKPC did not have to change any of its practices as a result of the change in PJM's ARR/FTR market.

Request 5d. Explain what "verifiable and systematic" means as the standard is applied to coal and to natural gas. Also, explain if the same standard is applied to renewable PPAs.

Response 5d. EKPC understands the term "verifiable" to mean that EKPC must provide a fuel price that can be calculated by the independent market monitor, after the fact, using the same data that is available to the market seller at the time the decision to procure the fuel was made. EKPC further understands the term "systematic" to mean a standardized method or methods for calculating fuel costs, including objective triggers for each method. The market seller must document this method in its Fuel Cost Policy. PJM Operating Agreement, Schedule 2, section 2 provides details about Fuel Cost Policies.

Request 5e. Explain in detail how PJM ensures the offer is complying with the utility's Fuel Cost Policy.

Response 5e. In accordance with its responsibilities in Attachment M and Attachment M – Appendix of the PJM Tariff, and in accordance with PJM Operating Agreement, Schedule 2, section 2, the independent market monitor shall review Fuel Cost Policies, including any updates, to determine whether the cost components, cost levels, and cost calculation methods raise market power or manipulation concerns, are consistent with competitive market behavior, consistent with Schedule 2 of the PJM Operating Agreement and Manual 15 : Cost Development Guidelines.